



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

DRAFT RED HERRING PROSPECTUS

Dated: August 13, 2026

Please read Section 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Offer



SVATANTRA MICROFIN LIMITED

CORPORATE IDENTITY NUMBER: U74120MH2012PLC227069

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India	8 th Floor, Block B, Brigade Software Park, 27 th Cross, Banashankari, 2 nd Stage, Bangalore – 560 070, Karnataka, India	Surinder Kumar Bhatia <i>Company Secretary and Chief Compliance Officer</i>	E-mail: cs@svatantramicrofin.com Tel.: +91 22 6141 5900	www.svatantramicrofin.com

THE PROMOTERS OF OUR COMPANY ARE ANANYASHREE BIRLA AND ANTIMATTER MEDIA PRIVATE LIMITED

DETAILS OF THE OFFER				
TYPE	FRESH ISSUE SIZE [^]	OFFER FOR SALE SIZE	TOTAL OFFER SIZE [^]	ELIGIBILITY AND SHARE RESERVATIONS
Fresh Issue and Offer for Sale	[●] equity shares of face value of ₹10 each aggregating up to ₹15,000.00 million	[●] equity shares of face value of ₹10 each aggregating up to ₹15,000.00 million	[●] equity shares of face value of ₹10 each aggregating up to ₹30,000.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 489. For details in relation to share reservation among Qualified Institutional Buyers (“QIBs”), Retail Individual Bidders (“RIBs”), Non-Institutional Bidders (“NIBs”) and Eligible Employees (as defined hereinafter), see “Offer Structure” on page 519.

DETAILS OF THE OFFER FOR SALE			
NAME OF THE SELLING SHAREHOLDER	TYPE	AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) ^{^*#}
Multiples Private Equity Fund III	Investor Selling Shareholder	[●] equity shares of face value of ₹10 each, aggregating up to ₹2,300.00 million	66.93 [^]
Multiples Private Equity Fund IV	Investor Selling Shareholder	[●] equity shares of face value of ₹10 each, aggregating up to ₹992.00 million	66.93 [^]
Multiples Private Equity Gift Fund IV	Investor Selling Shareholder	[●] equity shares of face value of ₹10 each, aggregating up to ₹1,060.00 million	66.93 [^]
Violicina Limited	Investor Selling Shareholder	[●] equity shares of face value of ₹10 each, aggregating up to ₹10,648.00 million	66.93 [^]

[^]As certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated August 13, 2026. For further details, see “The Offer” on page 75.

[^]The amount paid to acquire original CCPS has been considered as total cost for equity shares allotted pursuant to conversion of CCPS.

[#]For further details, see “Capital Structure – Weighted average cost of acquisition of Equity Shares of our Promoters and Selling Shareholders” on page 111.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the equity shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the Book Running Lead Managers (“BRLMs”), and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in “Basis for Offer Price” on page 126, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India

("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "Risk Factors" on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

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

LISTING

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

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BRLMS	CONTACT PERSON	TELEPHONE AND E-MAIL
 AXIS CAPITAL	Axis Capital Limited	Gaurav Goyal Tel.: +91 22 4325 2183 E-mail: svatantra.ipo@axiscap.in
 Aventus Next is the only level	Aventus Capital Private Limited	Sarthak Sawa / Nikhil Bhola Tel.: +91 22 6648 0050 E-mail: svatantra.ipo@avendus.com
 IIFL CAPITAL	IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	Mansi Sampat/ Pawan Kumar Jain Tel.: +91 22 4646 4728 E-mail: svatantra.ipo@iiflcap.com
 kotak Investment Banking	Kotak Mahindra Capital Company Limited	Ganesh Rane Tel.: +91 22 4336 0000 E-mail: svatantra.ipo@kotak.com
 SBI CAPS Complete Investment Banking Solutions	SBI Capital Markets Limited	Krithika Shetty/ Sylvia Mendonca Tel.: +91 22 4006 9807 E-mail: svatantra.ipo@sbicaps.com

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
 MUFG MUFG Intime MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)	Shanti Gopalkrishnan	Tel.: +91 810 811 4949 E-mail: svatantra.ipo@in.mpms.mufg.com

BID/ OFFER PERIOD

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

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

⁽²⁾ Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

[^] Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, as may be permitted under the applicable law, at its discretion, aggregating up to ₹ 3,000.00 million, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

^{*} The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.



Svatantra Microfin Limited

Our Company was incorporated as 'Svatantra Microfin Private Limited' as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated February 17, 2012, issued by the Registrar of Companies, Maharashtra at Mumbai. On February 5, 2013, the RBI granted a certificate of registration bearing no. N-13.02038 to our Company to commence/ carry on the business of a non-banking financial institution without accepting public deposits (microfinance institution). Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on April 2, 2026 and consequently, the name of our Company was changed to 'Svatantra Microfin Limited', and a fresh certificate of incorporation dated April 13, 2026 was issued by the Registrar of Companies, Central Processing Centre at Manesar. On May 18, 2026, the RBI issued a fresh certificate of registration bearing no. N-13.02038 in the NBFC-MFI category (not valid for accepting public deposits) for change in the name of our Company to 'Svatantra Microfin Limited' to commence/ carry on the business of a non-banking financial institution. For details in relation to the changes in the name and the registered office of our Company, see "History and Certain Corporate Matters – Brief history of our Company" and "History and Certain Corporate Matters – Changes in the Registered Office" on page 285.

Corporate Identity Number: U74120MH2012PLC227069

Registered Office: Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India

Corporate Office: 8th Floor, Block B, Brigade Software Park, 27th Cross, Banashankari, 2nd Stage, Bangalore – 560 070, Karnataka, India

Contact Person: Surinder Kumar Bhatia, Company Secretary and Chief Compliance Officer; **Tel.:** +91 22 6141 5900; **E-mail:** cs@svatantramicrofin.com; **Website:** www.svatantramicrofin.com

THE PROMOTERS OF OUR COMPANY ARE ANANYASHREE BIRLA AND ANIMATTER MEDIA PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SVATANTRA MICROFIN LIMITED ("OUR COMPANY" OR "THE COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹30,000.00 MILLION, COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹15,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹15,000.00 MILLION, CONSISTING OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹2,300.00 MILLION BY MULTIPLES PRIVATE EQUITY FUND III, [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹992.00 MILLION BY MULTIPLES PRIVATE EQUITY FUND IV, [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹1,060.00 MILLION BY MULTIPLES PRIVATE EQUITY GIFT FUND IV AND [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹10,648.00 MILLION BY VIOLICINA LIMITED (COLLECTIVELY, THE "SELLING SHAREHOLDERS", SUCH EQUITY SHARES SO OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES", AND SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES, AGGREGATING UP TO ₹ 3,000.00 MILLION, AS MAY BE PERMITTED UNDER APPLICABLE LAW, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(b) OF THE SCRR. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER, OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS, AND DETAILS OF THE PRE-IPO PLACEMENT, IF ANY, SHALL BE REPORTED TO THE STOCK EXCHANGES WITHIN 24 HOURS OF SUCH TRANSACTIONS, IN ACCORDANCE WITH REGULATION 54 OF THE SEBI ICDR REGULATIONS.

THE OFFER INCLUDES A RESERVATION OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO [●]% OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITION OF [●], A MARATHI DAILY NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, 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 BSE AND NSE (TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", and such portion, the "QIB Portion") provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), out of which at least 40% shall be available for allocation as under (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from the domestic Mutual Funds, life insurance companies and pension funds and at or above the Anchor Investor Allocation Price. Any under-subscription in the reserved category specified in clause (i) above may be allocated to domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance equity shares of face value of ₹10 each shall be added to the remaining QIB Portion ("Net QIB Portion"). Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective Bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) (as defined hereinafter) in which the corresponding Bid Amount will be blocked by the SCSBs or the Sponsor Banks, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "Offer Procedure" on page 524.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the equity shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the BRLMs, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in "Basis for Offer Price" on page 126, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "Risk Factors" on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

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

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 566.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

 AXIS CAPITAL	 Aventus Next is the only level	 IIFL CAPITAL	 kotak Investment Banking	 SBICAPS Complete Investment Banking Solutions	 MUFG MUFG Intime
Axis Capital Limited Axis House, 1 st Floor, Pandurang Budhkar Marg Worli, Mumbai – 400 025 Maharashtra, India Tel.: +91 22 4325 2183 E-mail: svatantra ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance ID: complaints@axiscap.in Contact Person: Gaurav Goyal SEBI Registration No.: INM000012029	Aventus Capital Private Limited Platina Building, 9 th Floor 901, Plot No C-59 Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Telephone: +91 22 6648 0050 E-mail: svatantra ipo@avendus.com Investor Grievance ID: investor grievance@avendus.com Website: www.avendus.com Contact Person: Sathak Sawa / Nikhil Bholia SEBI Registration No.: INM000011021	IIFL Capital Services Limited (formerly known as IIFL Securities Limited) 24th Floor, One Lodha Place, Senapati Bapat Marg Lower Parcel (West) Mumbai 400 013 Maharashtra, India Tel.: +91 22 4646 4728 E-mail: svatantra ipo@iiflcap.com Website: www.iiflcap.com Investor Grievance ID: ig.ib@iiflcap.com Contact Person: Mansi Sampat/ Pawan Kumar Jain SEBI Registration No.: INM000010940	Kotak Mahindra Capital Company Limited 27 BKC, 1st Floor, Plot No. C – 27, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India Tel.: +91 22 4336 0000 E-mail: svatantra ipo@kotak.com Website: https://investmentbank.kotak.com Investor grievance ID: kmccredressal@kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	SBI Capital Markets Limited 1501, 15 th Floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051, Maharashtra, India Telephone: +91 22 4006 9807 E-mail: svatantra ipo@sbicaps.com Investor Grievance ID: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Krithika Shetty/ Sylvia Mendonca SEBI Registration No.: INM000003531	MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, Embassy 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India Telephone: +91 810 811 4949 Investor Grievance ID: svatantra ipo@in.mpmf.mufg.com Website: https://in.mpmf.mufg.com Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/ OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE	[●] ⁽¹⁾	BID/ OFFER OPENS ON	[●] ⁽¹⁾	BID/ OFFER CLOSURES ON	[●] ^{(1),(2),(3)}

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

⁽²⁾ Our Company in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined herein but used in “Objects of the Offer”, “Basis for Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “History and Certain Corporate Matters”, “Restated Consolidated Summary Statements”, “Financial Indebtedness”, “Outstanding Litigation and Material Developments”, “Other Regulatory and Statutory Disclosures”, “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association” on pages 120, 126, 140, 147, 267, 285, 339, 431, 474, 488, 524 and 546, respectively, shall have the meanings ascribed to such terms in the relevant sections.

Conventional and General Terms

Term	Description
“our Company” or “the Company”	Svatantra Microfin Limited, a public limited company incorporated under the Companies Act, 1956, having its Registered Office at Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India and Corporate Office at 8 th Floor, Block B, Brigade Software Park, 27 th Cross, Banashankari, 2 nd Stage, Bangalore – 560 070, Karnataka, India In this Draft Red Herring Prospectus, unless the context requires otherwise, references to “MFI entity” or “MFI” pertains to our Company, Svatantra Microfin Limited.
“we”, “us” or “our”	Unless the context otherwise indicates or implies, our Company together with its Subsidiary, on a consolidated basis as on the date of this Draft Red Herring Prospectus.

Company Related Terms

Term	Description
“Articles of Association” or “AoA” or “Articles”	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in “Our Management – Committees of our Board – Audit Committee” on page 305
“Board” or “Board of Directors”	The board of directors of our Company as described in “Our Management – Our Board” on page 295, or where applicable or implied by context, a duly constituted committee thereof
CCPS	5% non-cumulative compulsorily convertible preference shares of face value of ₹100 each issued by our Company. There are no CCPS outstanding as on the date of this Draft Red Herring Prospectus.
Chairperson and Non-Executive Director	Ananya Birla, the chairperson and non-executive director of our Company, as described in “Our Management – Our Board” on page 295
“Chief Financial Officer” or “CFO”	Vrushali Vishal Mahajan, the chief financial officer of our Company, as described in “Our Management – Key Managerial Personnel” on page 312
CIFCPL	Chaitanya India Fin Credit Private Limited
Committee(s)	Duly constituted committee(s) of our Board. For further details, see “Our Management – Committees of our Board” on page 305
Company Secretary and Chief Compliance Officer	Surinder Kumar Bhatia, the company secretary and chief compliance officer of our Company, as described in “Our Management – Key Managerial Personnel” on page 312
Corporate Office	The corporate office of our Company, situated at 8 th Floor, Block B, Brigade Software Park, 27 th Cross, Banashankari, 2 nd Stage, Bangalore – 560 070, Karnataka, India
Corporate Promoter	Antimatter Media Private Limited

Term	Description
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in “ <i>Our Management – Committees of our Board – Corporate Social Responsibility Committee</i> ” on page 308
Director(s)	The directors on our Board, as appointed from time to time. For further details see “ <i>Our Management</i> ” on page 295
Equity Shares	Unless otherwise stated, equity shares of face value of ₹10 each of our Company
ESOP 2017	Svatantra Microfin Employee Stock Options Plan 2017
ESOP 2022	Svatantra Microfin Employee Stock Options Plan 2022
ESOP 2025	Svatantra Employee Stock Option Plan 2025
ESOP Plans	Collectively, ESOP 2017, ESOP 2022 and ESOP 2025
Executive Director(s)	Executive director(s) of our Board, as disclosed in “ <i>Our Management – Our Board</i> ” on page 295
Group Companies	The group companies of our Company identified in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations, as described in “ <i>Our Group Companies</i> ” beginning on page 486
Independent Director(s)	The independent director(s) of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as described in “ <i>Our Management</i> ” on page 295
Individual Promoter	Ananyashree Birla (also known as Ananya Birla)
“Investor Selling Shareholders” or “Selling Shareholders”	Multiples Private Equity Fund III, Multiples Private Equity Fund IV, Multiples Private Equity Gift Fund IV and Violicina Limited
IPO Committee	The IPO committee of our Board
Joint Managing Director	Anand Rao, the joint managing director of our Company, as described in “ <i>Our Management – Our Board</i> ” on page 295
“Key Managerial Personnel” or “KMP”	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in “ <i>Our Management - Key Managerial Personnel</i> ” on page 312
“Managing Director”	Vineet Bijendra Chatterjee, the managing director of our Company, as described in “ <i>Our Management – Our Board</i> ” on page 295
“Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended from time to time
NCLT Order	Order of the National Company Law Tribunal, Mumbai Bench III dated March 12, 2026, approving the Scheme
Non-Executive Director(s)	Non-executive director(s) of our Board, as disclosed in “ <i>Our Management – Our Board</i> ” on page 295
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in “ <i>Our Management – Committees of our Board – Nomination and Remuneration Committee</i> ” on page 307
Preference Shares	Collectively, preference shares of face value of ₹10 each and preference shares of ₹100 each.
Previous Auditors	BGJC & Associates LLP, Chartered Accountants
Promoters	Collectively, the Corporate Promoter and the Individual Promoter
Promoter Group	The individuals and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group - Promoter Group</i> ” on page 318
Registered Office	The registered office of our Company, situated at Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013, Maharashtra, India
“Registrar of Companies” or “RoC”	Registrar of Companies, Mumbai-I at Mumbai
Restated Consolidated Summary Statements	The Restated consolidated summary statements of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, restated consolidated summary statement of profits and losses (including other comprehensive income), restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity for each of the years ended March 31, 2026, March 31, 2025 and March 31, 2024, and summary statement of significant material accounting policies and other explanatory information derived from, - audited financial statements as at and for the year ended March 31, 2026 of our Company and its subsidiary, prepared in accordance with Indian Accounting Standards; - our audited financial statements as at and for the years ended March 31, 2025 and March 31, 2024 of our Company and its subsidiary as at and for the relevant fiscal year prepared in accordance with Indian Accounting Standards as adjusted by the management to give effect to the common control business combination of SHPL and CIFCPL which has been accounted in accordance with “pooling of interest method” as laid down in Appendix C- ‘Business combinations of entities under common control’ of Ind AS 103 read with the Expert Advisory Committee opinion issued by the Institute of Chartered Accountants of India on ‘Accounting treatment and disclosure of Debit Balance of Capital Reserve arising on merger’ dated July 11, 2023; and restated in accordance with the requirements of:

Term	Description
	a. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended; b. The SEBI ICDR Regulations; and c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India, as amended from time to time.
Risk Management Committee	The risk management committee of our Board, as described in “ <i>Our Management – Committees of the Board – Risk Management Committee</i> ” on page 308
Senior Management Personnel	The members of the senior management of our Company in accordance with Regulation 2(1)(bbbbb) of the SEBI ICDR Regulations, as described in “ <i>Our Management – Senior Management Personnel</i> ” on page 312
Scheme	Scheme of amalgamation between Svatanttra Holdings Private Limited (“ SHPL ”), Chaitanya India Fin Credit Private Limited (“ CIFCPL ” and together with SHPL, the “ Transferor Companies ”) and our Company (“ Transferee Company ”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively
“SHA” or “Shareholders’ Agreement”	Shareholders’ agreement dated March 4, 2024 entered into amongst our Company, Individual Promoter, IGH Holdings Private Limited, Svatanttra Holdings Private Limited, Violicina Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV, as amended by way of the letter agreement dated October 29, 2024 entered into amongst our Company, Individual Promoter, IGH Holdings Private Limited, Svatanttra Holdings Private Limited, Violicina Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV read together with the deed of adherence dated March 20, 2026 between IGH Holdings Private Limited and Antimatter Media Private Limited, and as further amended by the Waiver cum Amendment Agreement (<i>as defined hereinafter</i>)
Shareholder(s)	The shareholder(s) of our Company from time to time
SHPL	Svatanttra Holdings Private Limited
“SMHFCL”	Svatanttra Micro Housing Finance Corporation Limited, which is our material subsidiary in terms of Paragraph 11(I)(A)(ii) of Part A of Schedule VI of the SEBI ICDR Regulations). In this Draft Red Herring Prospectus, unless the context otherwise requires, references to “Housing Finance entity” or “Housing Finance” pertain to our Subsidiary, Svatanttra Micro Housing Finance Corporation Limited.
“Statutory Auditors” or “Auditors”	The current statutory auditors of our Company, namely S.R. Batliboi & Co. LLP, Chartered Accountants
Subsidiary	The subsidiary of our Company, as at and for Fiscals 2026, 2025 and 2024, namely SMHFCL
Waiver cum Amendment Agreement	Waiver cum amendment agreement dated August 13, 2026 to the Shareholders’ Agreement, entered into by and amongst our Company, Individual Promoter, Antimatter Media Private Limited, Violicina Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV

Offer Related Terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to each of the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to 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, which will be determined by our Company, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and Prospectus

Term	Description
“Anchor Investor Bid/ Offer Period” or “Anchor Investor Bidding Date”	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	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs
Anchor Investor 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 one Working Day 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 BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. 40% of the Anchor Investor Portion shall be reserved as under (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Application Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked by the SCSB upon acceptance of the UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an UPI Bidders in which the Bid Amount is blocked upon acceptance of a UPI Mandate Request in relation to a Bid made by the UPI Bidders
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form(s)	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Avendus	Avendus Capital Private Limited
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank(s) and the Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Procedure” on page 524
Bid(s)	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of employee discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of employee discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of employee discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of employee discount, if any)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires

Term	Description
Bid Lot	[●] equity shares of face value of ₹10 each and in multiples of [●] equity shares of face value of ₹10 each thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation. Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by notifying on the websites of the BRLMs and at the terminals of the Syndicate Members and communicating to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/ Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by notifying on the websites of the BRLMs and at the terminals of the Syndicate Members and communicating to the Designated Intermediaries and the Sponsor Banks, as required under the SEBI ICDR Regulations
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the Book Running Lead Managers may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
“Bidder(s)” or “Applicant(s)”	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Offer, namely, Axis Capital Limited, Avendus Capital Private Limited, IIFL Capital Services Limited (<i>formerly known as IIFL Securities Limited</i>), Kotak Mahindra Capital Company Limited and SBI Capital Markets Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Bankers to the Offer, the Syndicate Member(s) and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refund of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	Client identification number maintained with one of the Depositories in relation to the dematerialised account

Term	Description
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and other applicable circulars issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
CRISIL	CRISIL Ratings Limited
CRISIL MI&A	CRISIL Intelligence (<i>formerly Market Intelligence and Analytics</i>), a division of CRISIL Limited
CRISIL Report	The report titled “<i>The microfinance industry in India</i>” dated August 2026 prepared by CRISIL MI&A, appointed by our Company pursuant to an engagement letter dated April 14, 2026, which has been exclusively commissioned and paid for by our Company for the Offer. The CRISIL Report is available on the website of our Company at https://svatantramicrofin.com/investor-relations/initial-public-offerings and has also been included in “<i>Material Contracts and Documents for Inspection – Material Documents</i>” on page 566
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹200,000) are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders’ address, name of the Bidders’ father/husband, investor status, occupation, bank account details, PAN and UPI ID, wherever applicable
“Designated Branches” or “Designated SCSB Branches”	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account and HNIs bidding with an application size of up to ₹500,000 (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders (except Anchor Investors) can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated Stock Exchange	[●]

Term	Description
Draft Abridged Prospectus	The memorandum containing such salient features of this Draft Red Herring Prospectus as may be specified by SEBI in this regard
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated August 13, 2026 issued by our Company in relation to the Offer, in accordance with the SEBI ICDR Regulations and filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employees	Permanent employees of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form; and a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of employee discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of employee discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of employee discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of employee discount, if any). An Eligible Employee Bidding in the Employee Reservation Portion can also Bid in Non-Institutional Portion or Retail Portion and such Bids will not be treated as multiple Bids, subject to applicable limits. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000) shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. Further, the Bids received under the Employee Reservation Portion and Employee Discount, if any, shall entirely be allocated/ adjusted towards Fresh Issue proceeds. The Employee Reservation Portion shall not exceed 5% of the post-Offer paid-up equity share capital of our Company. For details, see “Offer Structure” on page 519
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of the applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Our Company, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date
Employee Reservation Portion	The portion of the Offer being [●] equity shares of face value of ₹10 each (comprising up to [●]% of the post Offer paid-up equity share capital of our Company), aggregating up to ₹[●] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post- Offer equity share capital of our Company
Escrow Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
“First Bidder” or “Sole Bidder”	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of [●] equity shares of face value of ₹10 each aggregating up to ₹ 15,000.00 million by our Company.

Term	Description
	Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, aggregating up to ₹ 3,000.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
“General Information Document” or “GID”	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, the SEBI ICDR Master Circular, the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
IIFL	IIFL Capital Services Limited (<i>formerly known as IIFL Securities Limited</i>)
Independent Chartered Accountant	Manian & Rao, Chartered Accountants
Kotak	Kotak Mahindra Capital Company Limited
Materiality Policy	The policy adopted by our Board in its meeting dated August 13, 2026, in relation to the Offer for (i) identification of group companies; (ii) determination of material outstanding litigation; and (iii) identification of material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Monitoring Agency	[●], being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement to be entered into between and amongst our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] equity shares of face value of ₹10 each which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	The proceeds of the Fresh Issue less our Company’s share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” on page 120
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
“Non-Institutional Bidders” or “NIBs”	All Bidders that are not QIBs (including Anchor Investors) or RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising [●] equity shares of face value of ₹10 each which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) One-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) Two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1,000,000. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders
“Non-Resident Indians” or “NRI(s)”	A non-resident Indian as defined under the FEMA Non-debt Instruments Rules
Offer	The initial public offer of [●] equity shares of face value of ₹10 each for cash consideration at a price of ₹[●] each, aggregating up to ₹30,000.00 million, comprising the Fresh Issue and the Offer for Sale. Our Company, in consultation with the BRLMs, may consider a further issue of specified securities aggregating up to ₹ 3,000.00 million, as may be permitted under applicable law, at its discretion,

Term	Description
	prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations. For further information, see “<i>The Offer</i>” on page 75
Offer Agreement	The agreement dated August 13, 2026 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the requirement of SEBI ICDR Regulations, based on which certain arrangements have been agreed upon in relation to the Offer
Offer for Sale	The offer for sale of [●] equity shares of face value of ₹10 each aggregating up to ₹15,000.00 million by the Selling Shareholders. For further details, see “ <i>The Offer</i> ” on page 75
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Offered Shares	[●] equity shares of face value of ₹10 each, aggregating up to ₹15,000.00 million, offered by the Selling Shareholders in the Offer for Sale
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, aggregating up to ₹ 3,000.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.
Price Band	Price band of a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised, with the relevant financial ratios calculated at the Floor Price and at the Cap Price at least two Working Days prior to the Bid/ Offer Opening Date, all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the BRLMs will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The ‘no-lien’ and ‘non-interest bearing’ account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date

Term	Description
Public Offer Account Bank(s)	A bank which is a clearing member and which is registered with SEBI under the SEBI BTI Regulations, as a banker to an issue and with which the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of [●] equity shares of face value of ₹10 each which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	The bank(s) which are clearing members registered with SEBI under the SEBI BTI Regulations, and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI and the UPI Circulars
Registrar Agreement	The agreement dated August 13, 2026 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of the SEBI RTA Master Circular and available on the websites of NSE at www.nseindia.com and BSE at www.bseindia.com , and the UPI Circulars
“Registrar to the Offer” or “Registrar”	MUFG Intime India Private Limited (<i>Formerly Link Intime India Private Limited</i>)
Resident Indian	A person resident in India, as defined under FEMA
“Retail Individual Bidder(s)” or “RIB(s)”	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] equity shares of face value of ₹10 each, which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price).
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
SBICAPS	SBI Capital Markets Limited
“SCORES”	SEBI complaints redressal system, a centralised web-based complaints redressal system launched by the SEBI
“Self-Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, which offer the facility (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI

Term	Description
	(https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Banks	[●] and [●], being the Bankers to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Collectively, the BSE and the NSE
“Sub Syndicate” or “Sub-syndicate Member(s)”	The sub syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
“Syndicate” or “Members of the Syndicate”	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar, in relation to collection of Bids by the Syndicate
Syndicate Member(s)	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●]
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Underwriters on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) RIBs in the Retail Portion; and (ii) NIBs 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 Member(s), Registered Brokers, Collecting Depository Participants and RTAs. Pursuant to SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular number SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86 dated June 11, 2025 (to the extent these circulars are not rescinded by the SEBI ICDR Master Circular and the SEBI RTA Master Circular), the SEBI ICDR Master Circular and SEBI RTA Master Circular (to the extent it pertains to UPI) and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference number 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that shall be used by UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations read with the applicable circulars and guidelines issued by the Reserve Bank of India, as amended from time to time.
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In

Term	Description
	respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including UPI Circulars

Technical, industry related terms or abbreviations

Term	Description
AAEC	Applicable adverse effect on competition
AHFC	Affordable housing finance company
AI	Artificial intelligence
ALM	Asset-liability management
AMFIRS	Assam Microfinance Incentive and Relief Scheme
ANBC	Adjusted net bank credit
API	Application programming interface
AUM	Assets under management
BRE	Business rules engine
CareEdge	CARE Ratings Limited
CBS	Core banking system
CEOBE	Credit equivalent of off-balance sheet exposure
CERSAI	Central Registry of Securitization Asset Reconstruction and Security Interest of India
CGRM	Customer Grievance Redressal Mechanism
CGSMFI-2.0	Credit Guarantee Scheme for Microfinance Institutions-2.0
CGT	Compulsory group training
CLSS	Credit Linked Subsidy Scheme
CP	Commercial paper
CPI	Consumer price index
CRAR	Capital to risk assets ratio
DPD	Days past due
ECL	Expected credit loss
EMI	Equated monthly instalment
eNACH	Electronic National Automated Clearing House
ePIC	Electronic Electoral Photo Identity Card
EWS	Economically weaker sections
FOIR	Fixed obligations to income ratio
GDP	Gross domestic product
GenAI	Generative AI
GLP	Gross loan portfolio
GNPA	Gross non-performing assets
GRT	Group recognition test
HCES	Household Consumption Expenditure Survey
HFC	Housing Finance Company
ICAAP	Internal Control Adequacy Assessment Process
IMF	International Monetary Fund
IRDAI	Insurance Regulatory and Development Authority of India
JLG	Joint liability group
KYC	Know Your Customer
LCR	Liquidity coverage ratio
LIG	Low-income group
LMS	Loan management system
LOS	Loan origination system
LTV	Loan-to-value
MACC	Mutually agreed code of conduct
MFI	Microfinance institution
MFI Peers	Top five NBFC-MFIs in terms of AUM as of March 31, 2026 in India
MFIN	Micro Finance Institutions Network
MIG	Middle-income group
MPC	Monetary Policy Committee of the RBI
MPCE	Monthly per-capita expenditure
MSME	Micro, small and medium enterprises
NACH	National Automated Clearing House
NBFC	Non-banking financial company registered with the RBI
NBFC-MFI	Non-banking financial company – micro finance institution

Term	Description
NCD	Non-convertible debenture
NCGTC	National Credit Guarantee Trustee Company Limited
NHB	National Housing Bank
NIM or “Net Interest Margin”	Net interest margin
NOF	Net owned funds
NPA	Non-performing asset
NSFR	Net stable funding ratio
NTC	New to credit
PAR	Portfolio at risk
PCR	Provision coverage ratio
PMAY	Pradhan Mantri Awas Yojana
PMJDY	Pradhan Mantri Jan Dhan Yojana
PPOP	Pre-provisioning operating profit
PSL	Priority sector lending
PTC	Pass through certificates
RCU	Risk containment unit
RoA	Return on assets
RoAAUM	Return on Average AUM
RoE	Return on equity
Sa-Dhan	The Association of Community Development Finance Institutions is a self-regulatory organization
SFB	Small finance bank
SHG	Self-help group
SHG-BLP	Self-help group-bank linkage programme
SMA	Special mention account
SRO	Self-regulatory organization recognized by the RBI
STT	Securities transaction tax
SWAMIH	Special Window for Affordable and Mid-Income Housing

Key Performance Indicators under the section titled “*Basis for Offer Price*” beginning on page 126

Term	Description
AUM	AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year
AUM - MFI	AUM - MFI represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for our MFI entity
AUM Growth	AUM Growth represents percentage growth in AUM as of the last day of the relevant year over AUM as of the last day of the immediately preceding year
AUM - Housing Finance	AUM - Housing Finance represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for the Housing Finance entity
Average Cost of Incremental Borrowings	Average Cost of Incremental Borrowings represents the weighted average cost of borrowings, with weights being additional borrowings during the relevant year
Basic Earnings per Share	Basic earnings per share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding as per IND AS 33, Earnings per share
Cost of borrowings	Cost of borrowings represents the finance costs divided by the average borrowings for the relevant year. Average borrowings is calculated as the simple average of total borrowings as of the last day of the relevant year and the total borrowings as of the last day of the immediately preceding year
Cost to Income Ratio	Cost to Income Ratio represents Operating Expense as a percentage of Net Total Income for the relevant year
Debt to Equity Ratio	Debt to Equity Ratio represents total borrowings of the Company (comprising Debt securities, Borrowings (other than debt securities), and subordinated liabilities) divided by total equity, as of the last day of the relevant years
Diluted Earnings per Share	Diluted earnings per share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding which includes the effects of potential equity shares on Employee Stock Options outstanding as per IND AS 33, Earnings per share
Disbursement	Disbursement represents the aggregate of all loan amounts extended to our borrowers in the relevant year excluding corporate loans of ₹ 2,500.00 million in Fiscal 2024
Disbursement Growth	Disbursement Growth represents percentage growth in disbursement during the relevant year over disbursement of the previous year
Finance Costs	Represents our finance costs for the relevant year
Gross Stage 3 Ratio	Gross Stage 3 Ratio represents the Gross Stage 3 loans outstanding as a percentage of Gross Loans as of the last day of the relevant year

Term	Description
Gross Stage 3 Ratio - MFI	Gross Stage 3 Ratio - MFI represents the Gross Stage 3 loans of MFI entity outstanding as a percentage of Gross Loans of MFI entity as of the last day of the relevant year
Impairment on financial instruments	Represents impairment on financial instruments for the relevant year
Impairment on financial instruments as a percentage of Average AUM	Impairment on financial instruments as a percentage of Average AUM is the proportion of impairment on financial instruments for the relevant year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year
Impairment on financial instruments as a percentage of Average AUM - MFI	Impairment on financial instruments as a percentage of Average AUM – MFI is the proportion of impairment on financial instruments for MFI entity for the relevant year expressed as a percentage of Average AUM of MFI entity. Average AUM of the MFI entity is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM - MFI as at the last day of the immediately preceding year
Interest Income	Represents our interest income for the relevant year
Net Asset Value per Equity Share	Net Asset Value per Equity Share represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPS, and employee stock options vested as at the end of the relevant year
Net Interest Income	Net Interest Income represents Interest Income for the relevant year reduced by Finance Costs for the relevant year
Net Interest Income as percentage of Average AUM	Net Interest Income as percentage of Average AUM is the ratio of our Net Interest Income for the relevant year to our Average AUM for the relevant year. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year
Net Stage 3 Ratio	Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year
Net Stage 3 Ratio - MFI	Net Stage 3 Ratio - MFI is calculated as Gross Stage 3 Loans of MFI entity outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans of MFI entity reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year
Net Total Income	Net Total Income represents Total Income reduced by Finance Cost and Net loss on fair value changes for the relevant year
Net Total Income as percentage of Average AUM	Net Total Income as percentage of Average AUM is the proportion of net total income for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year
Number of active borrowers	Number of active borrowers represents the aggregate number of borrowers who have an active loan account as of the last day of the relevant year
Number of branches	Number of branches represents aggregate number of branches as of the last day of relevant year
Number of branches - MFI	Number of branches - MFI represents aggregate number of branches of our MFI entity as of the last day of the relevant year
Number of field officers	Number of field officers represents aggregate number of field officers as of the last day of relevant year
Number of field officers - MFI	Number of field officers - MFI represents aggregate number of field officers for our MFI entity of the last day of relevant year
Operating Expense	Operating Expense represents Employee benefit expenses, depreciation and amortization expenses and other expenses for the relevant year
Operating Expense as percentage of Average AUM	Operating Expense as percentage of Average AUM is the proportion of operating expenses for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year
Portfolio Yield	Portfolio yield represents interest income divided by Average Gross Loans. Average Gross Loans is calculated as the simple average of total gross loans as at the last day of the relevant year and the total gross loans as at the last day of the immediately preceding year
Portfolio Yield - MFI	Portfolio yield - MFI represents interest income for the MFI entity divided by Average Gross Loans – MFI. Average Gross Loans – MFI is calculated as the simple average of total gross loans of MFI entity as of the last day of the relevant year and the total gross loans of MFI entity as of the last day of the immediately preceding year
Profit for the year after tax	Represents profit after tax for the relevant year
Return on Average AUM	Return on Average AUM represents profit for the relevant year as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year
Return on Average AUM - MFI	Return on Average AUM – MFI represents profit of MFI entity for the relevant year as a percentage of Average AUM of MFI entity. Average AUM of the MFI entity is calculated as the simple average

Term	Description
	of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year
Return on Average Equity	Return on Average Equity is calculated as Profit for the year after tax divided by Average Total Equity. Average Total Equity is calculated as the simple average of total equity as of the last day of the relevant year and total equity as of the last day of the immediately preceding year
Return on Average Equity - MFI	Return on Average Equity - MFI is calculated as Profit for the year after tax of MFI entity divided by Average Total Equity of MFI entity. Average Total Equity – MFI is calculated as the simple average of total equity of MFI entity as of the last day of the relevant year and total equity of MFI entity as of the last day of the immediately preceding year
Tier I CRAR - Housing Finance	Tier I CRAR - Housing Finance is calculated as Tier I Capital divided by risk weighted assets of Housing Finance entity, as of the last day of the relevant years computed in accordance with relevant RBI guidelines
Tier I CRAR – MFI	Tier I CRAR – is calculated as Tier I Capital divided by risk weighted assets of MFI entity, as of the last day of the relevant years computed in accordance with relevant RBI guidelines
Total CRAR - Housing Finance	Total CRAR - Housing Finance is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets of Housing Finance entity
Total CRAR – MFI	Total CRAR – MFI is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets of MFI entity
Total equity	Total equity includes Equity share capital, Equity share pending for issuance, Instruments entirely equity in nature and other equity as of the last day of the relevant year

Conventional and General Terms or Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees
AIFs	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
ALM	Asset liability management
“AS” or “Accounting Standards”	Accounting standards issued by the ICAI
AUM	Assets under management
BFSI	Banking, Financial Services, and Insurance
BSE	BSE Limited
BNS	Bhartiya Nyay Sanhita, 2023
BNSS	Bharatiya Nagrik Suraksha Sanhita, 2023
BSA	Bharatiya Sakshya Adhinyam, 2023
CAGR	Compounded annual growth rate
Calendar Year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
Category I AIFs	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II AIFs	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
Category III AIFs	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CA Regulations	IRDAI (Registration of Corporate Agents) Regulations, 2015
CCO	Chief Compliance Officer
CDSL	Central Depository Services (India) Limited
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest
CIBIL	Credit Information Bureau (India) Limited
CI	Credit Institutions
CIC	Credit Information Companies
CPC	Code of Civil Procedure, 1908
CIN	Corporate identity number
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules made thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
CRO	Chief Risk Officer
CrPC	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
Cyber Security Guidelines	IRDAI Information and Cyber Security Guidelines, 2023

Term	Description
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DLA	Digital Lending App
Digital Lending Directions	RBI (Digital Lending) Directions, 2025
DIN	Director Identification Number
DPDP Act	Digital Personal Data Protection Act, 2023
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
DPDP Draft Rules	Digital Personal Data Protection Rules, 2025
DTD	Debenture Trust Deeds
EGM	Extraordinary general meeting
EMI	Equated monthly instalments
EPS	Earnings per share
ESOP	Employee stock option
Fair Practices Code	The fair practices code prescribed under the RBI HFC Directions
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
“Financial Year” or “Fiscal” or “FY” or “Fiscal Year”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and services tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act, 1961	The Income Tax Act, 1961, as amended
Income-tax Act, 2025	The Income-tax Act, 2025, as amended
“Ind AS” or “Indian Accounting Standards”	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
Indian Accounting Standards 24	Indian Accounting Standard 24 – Related Party Disclosures
Indian Accounting Standards 37	Indian Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets
India	Republic of India
Indian GAAP/ IGAAP	Accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Rules, 2021, each as amended
Indian Penal Code	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000

Term	Description
KYC	Know Your Customer
LLP	Limited Liability Partnership
LSP	Lending Service Provider
LTV	Loan to value
MeitY	Ministry of Electronics and Information Technology
Mutual Fund(s)	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“N/A” or “N.A.”	Not applicable
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
“NAV” or “Net Asset Value”	Net Asset Value (NAV) per Equity Share represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPS, and employee stock options vested as at the end of the relevant year
NBFC	Non-Banking Financial Company
NBFC-BL	The base layer NBFCs in accordance with the NBFC Scale Based Regulations Directions
NBFC Acquisition Directions	Reserve Bank of India (Non-Banking Financial Companies - Acquisition of Shareholding or Control) Directions, 2025
NBFC ALM Directions	Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025
NBFC ALM Guidelines	Prescribed guidelines for asset liability management and liquidity risk management in HFCs under the NBFC ALM Directions
NBFC Asset Classification Directions	Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification, and Provisioning) Directions, 2025
NBFC Auditor’s Report Directions	Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016
NBFC Business Conduct Directions	Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025
NBFC Branch Authorisation Directions	Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025
NBFC CIC Directions	Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025
NBFC Concentration Risk Management Directions	Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025
NBFC Credit Cards Directions	Reserve Bank of India (Non-Banking Financial Companies – Credit Cards: Issuance and Conduct) Directions, 2025
NBFC Credit information Reporting Directions	Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025
NBFC Credit Facilities Directions	Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025
NBFC Credit Risk Management Directions	Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025
NBFC Declaration of Dividends Directions	Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025
NBFC Financial Services Directions	Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025
NBFC Financial Statements, Presentation, and Disclosures Directions	Reserve Bank of India (Non-Banking Financial Companies – Financial Statements, Presentation, and Disclosures) Directions, 2025
NBFC Fraud Risk Management Directions	Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024
NBFC Governance Directions	Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025
NBFC Income Recognition, Asset	Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025

Term	Description
Classification and Provisioning Directions	
NBFC Internal Ombudsman Directions	Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026
NBFC Investment Portfolio Directions	Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
NBFC KYC Directions	Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025
NBFC-MFI	Non-Banking Financial Company – Microfinance Institution
NBFC MFI Directions	Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institutions) Directions, 2025
NBFC Miscellaneous Directions	Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025
NBFC-ML	The middle layer NBFCs in accordance with the NBFC Scale Based Regulations Directions
NBFC Outsourcing Directions	RBI (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025
NBFC Prudential Norms Directions	Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025
NBFC Responsible Conduct Directions	RBI (Non-Banking Financial Companies – Responsible Conduct) Directions, 2025
NBFC Scale Based Regulations Directions	Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025
NBFC Securitisation Directions	Reserve Bank of India (Non-Banking Financial Companies - Securitisation Transactions) Directions, 2025
NBFC Stressed Assets Directions	Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025
“NBFC-SI” or “Systemically Important NBFC”	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
NBFC-TL	The top layer NBFCs in accordance with the NBFC Scale Based Regulations Directions
NBFC Transfer and Distribution of Credit Risk Directions	RBI (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025
NBFC-UL	The upper layer NBFCs in accordance with the NBFC Scale Based Regulations Directions
NBFC Voluntary Amalgamation Directions	Reserve Bank of India (Non-Banking Financial Companies – Voluntary Amalgamation) Directions, 2025
NBFC Wilful Defaulter and Large Defaulter Directions	Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025
NCD	Non-convertible debentures
NEFT	National Electronic Funds Transfer
Net Worth	As per Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Accordingly, we have calculated Net Worth as aggregate of the equity share capital, equity share pending for issuance, instruments entirely equity in nature and other equity.
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NHB	National Housing Bank
NPCI	National Payments Corporation of India
NRE	Non Resident External
NRI	Individual resident outside India, who is a citizen of India
NRO	Non Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held

Term	Description
	by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
ODI	Off-shore Derivative Instruments
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit for the year after tax
PMLA	Prevention of Money Laundering Act, 2002
PSL	Priority Sector Lending
PSL Master Directions	Master Directions – Reserve Bank of India (Priority Sector Lending – Targets and Classifications) Directions, 2025
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBIA	Risk-based internal audit
RBI Cybersecurity Directions	Master Direction (Non-Banking Financial Companies – Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026
RBIA Guidelines	RBI Circular on Risk-based Internal Audit (“RBIA”) dated February 3, 2021
RBI HFC Directions	Reserve Bank of India (Housing Finance Companies) Directions, 2025
Regulation S	Regulation S under the U.S. Securities Act
ROE	Return on total equity
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
“SARFAESI Act” or “SARFAESI”	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEC	U.S. Securities and Exchange Commission
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Master Circular	SEBI master circular no. SEBI/HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 9, 2026
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 PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
SEBI RTA Master Circular	SEBI master circular bearing number HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	Collectively, BSE and NSE
TAN	Tax deduction account number
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US\$	United States Dollars
U.S. Investment Company Act	U.S. Investment Company Act of 1940 and the related rules and regulations
U.S. Securities Act	The United States Securities Act of 1933
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

FORWARD-LOOKING STATEMENTS

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

For details regarding certain factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Industry Overview*”, “*Our Business*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 28, 147, 235 and 434, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to 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 to be a guarantee of our future performance.

These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, Selling Shareholders, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of the SEBI ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments after the date of the Red Herring Prospectus, until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer. In accordance with the requirements of the SEBI ICDR Regulations, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically made or undertaken by such Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares in the Red Herring Prospectus, from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Only statements and undertakings which are specifically confirmed by such Selling Shareholders, as the case may be, in the Red Herring Prospectus shall, severally and not jointly, deemed to be statements and undertakings made by such Selling Shareholder for such purpose.

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

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references to the “U.S.”, “US”, “USA” or the “United States” are to the United States of America and its territories and possessions.

In this Draft Red Herring Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- unless otherwise stated, all references to a year are to a calendar year; and
- all references to page numbers are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

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

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from the Restated Consolidated Summary Statements, comprising the restated consolidated summary statements of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, restated consolidated summary statement of profits and losses (including other comprehensive income), restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity for each of the years ended March 31, 2026, March 31, 2025 and March 31, 2024, and summary statement of significant material accounting policies and other explanatory information derived from,

- i. audited financial statements as at and for the year ended March 31, 2026 of our Company and its subsidiary, prepared in accordance with Indian Accounting Standards;
- ii. our audited financial statements as at and for the years ended March 31, 2025 and March 31, 2024 of our Company and its subsidiary as at and for the relevant fiscal year prepared in accordance with Indian Accounting Standards as adjusted by the management to give effect to the common control business combination of SHPL and CIFICPL which has been accounted in accordance with “pooling of interest method” as laid down in Appendix C- ‘Business combinations of entities under common control’ of Ind AS 103 read with the Expert Advisory Committee opinion issued by the Institute of Chartered Accountants of India on ‘Accounting treatment and disclosure of Debit Balance of Capital Reserve arising on merger’ dated July 11, 2023;

and restated in accordance with the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended;
- b. The SEBI ICDR Regulations; and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India, as amended from time to time.

The audited financial statements as at and for the Financial Years ended March 31, 2026 and March 31, 2025 were audited by the Statutory Auditors of our Company, S.R. Batliboi & Co. LLP, Chartered Accountants; and the audited financial statements as at and for the Financial Year ended March 31, 2024 were audited by the Previous Auditors of our Company, BGJC & Associates LLP, Chartered Accountants.

For further information, see “*Restated Consolidated Summary Statements*” beginning on page 339.

There are significant differences between the Indian Accounting Standards, the IFRS, the Indian GAAP, and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, the Companies Act, the Indian Accounting Standards and the SEBI ICDR Regulations. Any reliance by persons not familiar with accounting standards in India, the Indian Accounting Standards, the Companies Act, 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. For further details, see *“Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.”* on page 64.

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

However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage, amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in *“Risk Factors”*, *“Our Business”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* on pages 28, 235 and 434, respectively, and in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Summary Statements.

Non-GAAP Measures

Certain non-GAAP measures relating to our financial and operational performance, such as Total Borrowings, Net Interest Income, Debt to Equity Ratio, Net Total Income, Cost to Income Ratio, Gross Stage 3 Loans Loss Allowance Coverage Ratio (%), Total Assets to Total Equity Ratio, Net Stage 3 Loans, Gross Stage 3 Ratio (%), Net Stage 3 Ratio (%), Total Income excluding Interest Income, Total Income adjusted for Net Loss on fair value changes, Net Worth, EBITDA, NAV per Equity Share, and Return on Average Equity (together, **“Non-GAAP Measures”**) and certain other industry metrics and financial parameters have been included in this Draft Red Herring Prospectus and are a supplemental measure of our, performance and liquidity that are not required by, or presented in accordance with, the Indian Accounting Standards, US GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under the Indian Accounting Standards, US GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with the Indian Accounting Standards, US GAAP, or IFRS. In addition, these Non-GAAP Measures and other industry metrics are not standardised terms, hence a direct comparison of similarly titled Non-GAAP Measures and other industry metrics between companies may not be possible. Other companies may calculate the Non-GAAP Measures and other industry metrics differently from us, limiting its utility as a comparative measure. These non-GAAP financial measures and other information relating to and financial performance may not be computed on the basis of any standard methodology that is applicable across industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by the Indian Accounting Standards. Such supplemental financial and operational information should not be considered in isolation or as a substitute for an analysis of our Restated Consolidated Summary Statements disclosed elsewhere in this Draft Red Herring Prospectus. Although the Non-GAAP Measures and other industry metrics are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance. For further details see *“Other Financial Information”* on page 429 and *“Selected Statistical Information – Reconciliation of Non-GAAP Measures”* on page 335. For further details see *“Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies”* on page 63.

Currency and Units of Presentation

All references to:

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

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

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

Exchange Rates

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

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

Currency	As at and for the Financial Years ended*		
	March 31, 2026	March 31, 2025	March 31, 2024
1 USD	94.65	85.58	83.37

Source: www.rbi.org.in

Note: Exchange rate is rounded off to two decimal points and in case March 31 of any of the respective years is a public holiday, exchange rates of the previous working day have been disclosed.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled “*The microfinance industry in India*” dated August 2026 prepared and issued by CRISIL MI&A (the “**CRISIL Report**”) which has been exclusively commissioned and paid for by our Company in terms of engagement letter dated April 14, 2026, for the purpose of understanding the industry in connection with this Offer, and publicly available information as well as other industry publications and sources. CRISIL MI&A is an independent agency which has no relationship with our Company, Selling Shareholders, our Promoters, our Directors, or Key Managerial Personnel, the Senior Management Personnel, or the Book Running Lead Managers. The CRISIL Report is available on the website of our Company at <https://svatantramicrofin.com/investor-relations/initial-public-offerings> and has also been included in “*Material Contracts and Documents for Inspection – Material Documents*” on page 566.

References to various segments in the CRISIL Report and information derived therefrom are references to industry segments in accordance with the presentation, analysis and categorisation in the CRISIL Report. Our segment reporting in our financial statements is based on the criteria set out in Indian Accounting Standards 108: Operating Segments, and we do not present such industry segments as operating segments.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based solely on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable.

Industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the

reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL MI&A, exclusively commissioned and paid for by us for such purpose and any reliance on such information for making an investment decision in the Offer is subject to inherent risks"* on page 59. Accordingly, investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, *"Basis for Offer Price – Quantitative Factors – G. Comparison of accounting ratios with listed industry peers"* on page 127 includes information relating to our peer companies. Such information has been derived from publicly available sources specified herein. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based solely on such information.

Notice to Prospective Investors

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"**) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of the Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a more detailed understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Financial Information” and “Selected Statistical Information” on pages 235, 147, 434, 339 and 321, respectively, as well as the other financial information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment in India, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 23. Unless otherwise indicated, or unless context requires otherwise, the financial information included herein is based on our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Information” on page 339. Our Company acquired 100.00% stake in Chaitanya India Fin Credit Private Limited, an NBFC-MFI, which became our wholly owned subsidiary with effect from November 23, 2023. Subsequently, Svatantra Holdings Private Limited and Chaitanya India Fin Credit Private Limited were amalgamated into our Company under applicable provisions of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026. For further information, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively” on page 290 of this Draft Red Herring Prospectus.

As of the date of this Draft Red Herring Prospectus, Svatantra Micro Housing Finance Corporation Limited, which offers housing finance loans, is our wholly owned Subsidiary. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, are to Svatantra Microfin Limited on a consolidated basis while references to “the Company” or “our Company” are to Svatantra Microfin Limited on a standalone basis. Further, in this section, unless context requires otherwise, references to “MFI entity” or “MFI” pertain to our Company, Svatantra Microfin Limited, while references to “Housing Finance entity” or “Housing Finance” pertain to our Subsidiary, Svatantra Micro Housing Finance Corporation Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “The microfinance industry in India” dated August 2026 (the “**CRISIL Report**”) prepared and issued by CRISIL MI&A, pursuant to an engagement letter dated April 14, 2026. The CRISIL Report has been exclusively commissioned and paid for by us in connection with the Offer. The CRISIL Report is available on the website of our Company at <https://svatantramicrofin.com/investor-relations/initial-public-offerings>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details, see “– Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL MI&A, exclusively commissioned and paid for by us for such purpose and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” and “Industry Overview” on pages 59 and 147, respectively.*

INTERNAL RISK FACTORS

- The microfinance industry in India faces certain risks due to the category of borrowers that it services, which are not generally associated with other forms of lending. As a result, we may continue to experience increased write-offs and lower collection efficiency, which may adversely affect our business, financial condition, results of operations and cash flows.***

The primary focus borrower segment for our Company's microfinance business is women with an annual household income of up to ₹ 300,000. There is typically limited or no financial information available about our Company's focus borrower segment, who also have informal sources of income, and whose income is highly sensitive to geographical, social and political events. In our experience, our Company's microfinance borrowers typically have limited credit history supported by tax returns, proof of income, bank or credit card statements, statements of previous loan exposures, or other documents related to their credit history and creditworthiness. Further, many of our Company's microfinance borrowers are first-time borrowers from the formal lending ecosystem. In Fiscal 2026, our Company had disbursed 293,235 loans to first-time borrowers in the formal lending ecosystem, comprising 8.96% of our Company's total microfinance disbursements. Hence, it is difficult to consistently carry out credit risk analyses. As a result, such borrowers may pose a higher risk of default compared to borrowers with greater financial resources and established credit histories. Our Company's microfinance borrowers may delay and/or default on their repayment obligations due to various reasons including volatility in income, insolvency or lack of liquidity. Further, our Company's microfinance borrowers may take on additional borrowing obligations, which may also be from the informal moneylending ecosystem, which may put pressure on their ability to repay loans availed from our Company.

Further, our Company primarily offers unsecured loans to borrowers, without realisable collateral. Our Company's unsecured loans generally involve a joint liability mechanism whereby borrowers form an informal joint liability group ("JLG") (generally up to seven members) and provide joint and several guarantees for loans obtained by each member of the group. As of March 31, 2026, 99.16% of our unsecured AUM was guaranteed by members of JLGs. We cannot assure you that such joint liability arrangements will result in repayment by the other members of the JLG in the event of default by any one of them. As a result, our borrowers potentially present a higher risk of loss in case of a credit default compared to that of borrowers of asset-backed financing products. For details relating to our due diligence and credit analysis procedures, see "Our Business – Business Operations – Business Model – Microfinance Loans" on page 253.

Given the nature of our borrowers, we may experience higher write-offs and lower collection efficiency, which may adversely affect our business, financial condition, results of operations and cash flows. The table below sets forth our unsecured AUM, loans written off and our collection efficiency for our unsecured portfolio in the corresponding years:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
AUM (₹ million) ⁽¹⁾	238,177.77	171,744.56	164,716.12
Unsecured AUM - MFI (₹ million) ⁽²⁾	210,932.22	149,020.66	144,378.72
Unsecured AUM - MFI, as a percentage of AUM (%) ⁽³⁾	88.56%	86.77%	87.65%
Write-offs - MFI (₹ million) ⁽⁴⁾	6,348.61	4,723.80	3,189.36
Collection efficiency – MFI (%) ⁽⁵⁾	96.21%	96.93%	97.77%

⁽¹⁾ AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year.

⁽²⁾ Unsecured AUM represents our AUM – MFI, which represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for our MFI entity.

⁽³⁾ Unsecured AUM, as a percentage of AUM represents the ratio of the AUM - MFI as a percentage of our AUM.

⁽⁴⁾ Write-off represent loans written off during the relevant year, for the MFI entity.

⁽⁵⁾ Collection Efficiency represents the ratio of our collections (including overdue collections) for the year to billings for the year, for the MFI entity.

Also see "– An increase in the level of our non-performing assets ("NPAs") or provisions may adversely affect our business, results of operations, financial condition and cash flows. Our Gross Stage 3 Ratio was 1.37%, 2.34% and 2.00% as of March 31, 2026, 2025 and 2024, respectively" on page 30.

While there have been no material loan write offs in the last three Fiscals, we cannot guarantee that we will not experience any material loan write offs in the future, which may adversely affect our business, financial condition, result of operations and cash flows.

2. An increase in the level of our non-performing assets (“NPAs”) or provisions may adversely affect our business, results of operations, financial condition and cash flows. Our Gross Stage 3 Ratio was 1.37%, 2.34% and 2.00% as of March 31, 2026, 2025 and 2024, respectively.

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 as ‘Impairment on financial instruments’ in our restated statement of profit and loss. In addition to requiring us to make provisions on loan assets, the RBI requires us to classify and make additional provisions for NPAs. As our loan portfolio matures, there may be an increase in the portion of our loans that are classified as NPAs, which will also increase our provisioning requirements. Set forth below are details of our gross loans, asset quality ratios, as well as Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) and Impairment on financial instruments as of and for the corresponding years:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Gross Loans (₹ million) ⁽¹⁾	211,412.73	150,210.48	141,870.18
Gross Stage 3 Loans (₹ million) ⁽²⁾	2,895.35	3,513.59	2,839.48
Gross Stage 3 Ratio (%) ⁽³⁾	1.37%	2.34%	2.00%
Net Stage 3 Loans (₹ million) ⁽⁴⁾	1,010.42	992.49	588.88
Net Stage 3 Ratio (%) ⁽⁵⁾	0.48%	0.67%	0.42%
Gross Stage 3 Loans Loss Allowance Coverage Ratio - MFI (%) ⁽⁶⁾	76.90%	82.02%	88.98%
Gross Stage 3 Loans Loss Allowance Coverage Ratio – Housing Finance (%) ⁽⁷⁾	28.01%	27.03%	24.13%
Impairment on financial instruments (₹ million)	6,227.54	5,279.13	4,159.65
Impairment on financial instruments as a percentage of Average AUM (%) ⁽⁸⁾	3.04%	3.14%	3.26%

Notes:

- (1) Gross Loans represents Gross Amount of loans as of the last day of the relevant year under IND AS.
- (2) Gross Stage 3 Loans (90 days and above) includes gross loans that have objective evidence of impairment at the reporting date.
- (3) Gross Stage 3 Ratio represents the Gross Stage 3 Loans outstanding as a percentage of Gross Loans as of the last day of the relevant year.
- (4) Net Stage 3 Loans represents the Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance.
- (5) Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.
- (6) Gross Stage 3 Loans Loss Allowance Coverage Ratio – MFI (%) represents Total Loss Allowances (Provisions) as required under IND AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year, for the MFI entity.
- (7) Gross Stage 3 Loans Loss Allowance Coverage Ratio – Housing Finance (%) represents Total Loss Allowances (Provisions) as required under IND AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year, for the Housing Finance entity.
- (8) Impairment on financial instruments as a percentage of Average AUM is the proportion of impairment on financial instruments for the relevant year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.

Although our Gross Stage 3 Ratio decreased from 2.00% as of March 31, 2024 to 1.37% as of March 31, 2026, our Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) for our MFI business decreased from 88.98% to 76.90% during the same period, indicating a lower level of loss allowance maintained against our Gross Stage 3 Loans. There have been no instances in the last three Fiscals where we have incurred material losses due to borrower defaults. While we have our own due diligence and credit analysis procedures, we cannot assure you that our monitoring and risk management controls will be sufficient to maintain low delinquency rates. There can be no assurance that we will be able to maintain our NPA ratios at levels consistent with the credit performance of our borrowers, or at which our credit, servicing and collection systems and controls will be adequate. The determination of an appropriate level of loan losses and provisions is subjective and requires that we estimate current credit risks. Any incorrect estimation of risks or regulatory changes in mandatory provisioning methodologies may result in our provisions not being adequate to cover any further increase in the amount of NPAs. We may also be required to write-off NPAs when we have no reasonable expectations of recovering the underlying amounts, and such derecognitions can affect our balance sheet. We adhere to the extant prudential norms on income recognition, asset classification and provisioning issued by the RBI, including borrower-wise asset classification, provisioning for standard and restructured assets, ageing analysis of NPAs, and other applicable criteria. If there is any change in such regulatory framework, including from the RBI, regarding NPAs and provisioning for such assets, the level of our NPAs could increase.

We may experience greater defaults in principal and/or interest repayments in future. Factors outside our control may also lead to increased NPAs, such as developments in the Indian and global economy, macroeconomic and political factors, changes in borrower behaviour or their loan repayment capabilities and demographic patterns, natural calamities, natural disasters, diseases, changes in interest rates and changes in regulations, including requirements on us to lend to stipulated

sectors. In the event of any further increases in NPAs in our portfolio, or if our provisioning coverage is insufficient to cover our existing or future levels of NPAs, or if there is any change in regulatory provisioning requirements, our business, financial condition, results of operations and cash flows may be adversely affected. Also see, “– We may not be able to identify, monitor and manage risks or effectively implement our risk management policies, which could adversely affect our business, financial condition and results of operations.” on page 38.

Our Company has also availed credit insurance in the form of a guarantee for its incremental loan disbursements under the Credit Guarantee Fund for Micro Units ("CGFMU") scheme, which provides government-backed credit guarantees against potential defaults on eligible loan portfolios extended to NBFC-MFIs and MFI loans from other regulated entities. This coverage forms part of our Company's broader approach to managing through the cycle credit costs and is intended to reduce the volatility of credit losses and support greater consistency in returns across cycles.

While our Company maintained credit insurance coverage equivalent to 48.51% of the Total Gross Loans as of March 31, 2026, no such coverage was in place for Fiscals 2025 and 2024. The claim settlement and reimbursement process under the CGFMU scheme is at a relatively nascent stage and remains untested for our portfolio. Further, we have not made any claims under the CGFMU scheme as of March 31, 2026.

We cannot assure you that adequate credit insurance coverage will continue to be available or maintained on commercially reasonable terms. Any delays, rejections or operational challenges in claim processing, any changes to the CGFMU scheme, including reduction in guarantee coverage, withdrawal of the scheme or changes in eligibility criteria, or our inability to continue availing such coverage for new disbursements, could increase our credit risk exposure and affect our business, results of operations, financial condition and cash flows in future.

3. Our business is vulnerable to changes in interest rates. In Fiscals 2026, 2025 and 2024, our interest income accounted for 90.82%, 91.86% and 90.97% of our Total Revenue from operations, respectively. Volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our financial condition, results of operations and cash flows.

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

Particulars	Fiscal		
	2026	2025	2024
Interest income (₹ million) (A)	37,425.17	31,609.51	22,098.02
Total Revenue from operations (₹ million) (B)	41,209.11	34,410.23	24,292.26
Interest income, as a percentage of Total Revenue from operations (%) (A/B)*100	90.82%	91.86%	90.97%
Finance costs (₹ million) (C)	12,460.36	12,406.27	9,670.73
Net Interest Income (₹ million) (D = A-C) ⁽¹⁾	24,964.81	19,203.24	12,427.29
Net Interest Income as percentage of Average AUM (%) ⁽²⁾	12.18%	11.41%	9.75%

Notes:

⁽¹⁾ Net Interest Income represents Interest Income for the relevant year reduced by Finance Costs for the relevant year.

⁽²⁾ Net Interest Income as percentage of Average AUM is the ratio of our Net Interest Income for the relevant year to our Average AUM for the relevant year. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.

An increase in interest rates by us, to adjust against the increase in lending rates from our lenders, may add to the financial stress of our borrowers, leading to potentially higher delinquencies and may reduce the demand for our loans. Further, an increase in our interest costs could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our portfolio loans, or if the volume of our interest-bearing liabilities is larger than the volume of our interest-earning assets. As of March 31, 2026, we have borrowings outstanding amounting to ₹ 152,138.41 million on a floating rate and loans amounting to ₹ 33,994.22 million on a fixed rate. Interest rates are sensitive and are dependent upon factors which are beyond our control, including monetary policies of the RBI, rate hikes by the U.S. Federal Reserve, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation, changes in the sovereign credit rating of India and other factors. If such events materialize, we may not be able to reprice our existing loans comprehensively, or retain or attract borrowers if interest rates are increased substantially,

which could have an adverse effect on our net interest income and net interest margin, thereby affecting our business, financial condition, results of operations and cash flows. While we have been able to pass on interest rate increases during the last three Fiscals to our borrowers, there is no assurance that we will be able to do so effectively in the future.

4. Any disruption in our sources of capital could have an adverse effect on our business, results of operations, cash flows and financial condition.

Our ability to raise debt funding and equity capital on acceptable terms and in a timely manner depends on various factors, including our current and future results of operations, the shareholding of our Promoters in our Company, our credit ratings, developments in the domestic markets and international markets affecting the Indian economy as well as regulatory environment and policy initiatives in India. For further information on our lenders and covenants under our financing agreements, see “ – We are subject to certain covenants and conditions under our financing arrangements. Inability to meet our obligations could adversely affect our business, liquidity, financial condition, results of operations and cash flows” on page 34. Further, the liquidity and profitability of our business depends, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from sources including term loans, non-convertible debentures, external commercial borrowings, cash credit, and securitisation. For further information on our indebtedness, including the break-up of our outstanding borrowings between secured and unsecured borrowings, and on the basis of the nature of the borrowings (such as debt securities, term loans, working capital demand loans and overdraft limits), see “Financial Indebtedness” on page 431. Set forth below are details of our Total Borrowings, finance costs, cost of borrowings and average cost of incremental borrowings as at and for the relevant years:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Total Borrowings (₹ million) ⁽¹⁾	186,132.63	119,883.71	129,172.82
Finance costs (₹ million)	12,460.36	12,406.27	9,670.73
Borrowings raised during the year (₹ million)	156,253.30	74,237.80	70,262.25
Cost of borrowings (%) ⁽²⁾	8.14%	9.96%	N.A.
Average Cost of Incremental Borrowings (%) ⁽³⁾	8.27%	9.25%	9.60%

Notes:

⁽¹⁾ Total Borrowings represent the aggregate of our Debt securities, Borrowings (other than debt securities) and Subordinated liabilities as of the last day of the relevant year.

⁽²⁾ Cost of Borrowings represents finance costs divided by average borrowings for the relevant year.

⁽³⁾ Average Cost of Incremental Borrowings represents the weighted average cost of borrowings, with weights being additional borrowings during the relevant year.

Further, restrictions imposed on NBFCs by the RBI through the Master Directions –Reserve Bank of India (Priority Sector Lending –Targets and Classifications) Directions, 2025, as well as priority sector lending targets, may restrict our ability to obtain bank financing for specific activities. Our ability to raise foreign funds through debt is governed by RBI regulations and is subject to certain restrictions, including raising loans only from certain recognized lenders and with minimum average maturity period of not less than three years, except in cases where the minimum average maturity period is more or less than three years. The Reserve Bank of India (Non-Banking Financial Companies – Acquisition of Shareholding or Control) Directions, 2025 also imposes certain restrictions in relation to changes in the shareholding of our Company beyond certain thresholds. The table below provides details of our outstanding external commercial borrowings as of March 31, 2026:

Lender	Amount Sanctioned (₹ million)	Interest Rate (%)	Tenure (Months)
Société De Promotion Et De Participation Pour La Coopération Économique S.A. (Proparco)	1,232.25	12.10%	55

Also see “- As an NBFC-MFI, our Company and our Subsidiary, Svatantra Micro Housing Finance Corporation Limited being a housing finance company, are subject to the regulatory framework governing the financial services industry, including various regulatory requirements of the RBI and the NHB. Non-compliance with applicable regulations or changes in existing regulations could adversely affect our business, financial condition, results of operations and cash flows.” on page 36.

Set forth below are details of our total equity as at and capital raised in the corresponding years:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Total equity (₹ million) ⁽¹⁾	47,380.07	35,697.19	23,698.06
Capital raised (including securities premium) (₹	5,000.18	8,300.00	11,000.00

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
(million)			

Note:

⁽¹⁾ Total equity includes Equity share capital, Equity share pending for issuance, Instruments entirely equity in nature and Other equity as of the last day of the relevant year.

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

5. ***In Fiscal 2024, we acquired 100.00% stake in Chaitanya India Fin Credit Private Limited. Subsequently, we entered into a scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company, effective from March 21, 2026. We may fail to realise objectives of the scheme of amalgamation cohesively, which may adversely affect our financial condition, results of operations and cash flows.***

Our Company acquired 100.00% stake in Chaitanya India Fin Credit Private Limited (“CIFCPL”), an NBFC-MFI, which became our wholly owned subsidiary with effect from November 23, 2023. Subsequently, Svatantra Holdings Private Limited (“SHPL”), and CIFCPL were amalgamated into our Company under applicable provisions of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026. For further details, please see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively” on page 290.

Consequently, we are required to integrate the operations, systems, processes, internal controls, risk management frameworks and personnel of the acquired businesses with our existing operations. We may face challenges in harmonizing credit underwriting standards, aligning risk management practices, integrating technology platforms, rationalizing overlapping branch networks, and retaining key personnel and borrowers of the acquired entities. Additionally, while we have not experienced any material challenges or disruptions since the acquisition of CIFCPL, differences in corporate culture, business practices, geographic focus and regulatory compliance frameworks may pose further integration challenges. The profitability and financial performance of the combined loan portfolio will also depend on the accuracy of the judgments, estimates and assumptions applied by our management in determining expected credit losses and impairment allowances under IND AS 109. These estimates require judgments regarding, among other matters, the probability of default, loss given default, exposure at default, movement of loan assets between stages, historical repayment and collection trends, borrower creditworthiness, forward-looking macroeconomic conditions and the performance of the acquired portfolio. If our assumptions used in calculating expected credit losses are inaccurate, if the credit performance of the acquired portfolio deteriorates or if actual defaults and recoveries differ from our estimates, we may be required to recognise additional impairment allowances or credit costs, which may reduce our profitability and capital adequacy.

The amalgamation aims to consolidate the group structure into a single entity to achieve operational efficiencies and create a larger, more diversified microfinance platform with improved portfolio quality on account of a secured loan portfolio. However, we cannot assure you that we will be able to grow our secured loan portfolio through our housing finance business or derive the expected synergies from the amalgamation. Further, the integration of the entities pursuing to the scheme of amalgamation may expose us to unforeseen or contingent liabilities of SHPL and CIFCPL in future.

6. ***We may not be able to sustain or manage our growth or execute our growth strategies. If we fail to increase our operational efficiency, we may have higher operating costs, which may adversely affect our financial condition, results of operations and cash flows.***

We have historically grown our business through a combination of branch expansion, new borrower acquisition and increase in branch and field officer productivity. Set forth below are certain metrics in relation to our growth as at and for the relevant years:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Number of branches	2,253	2,065	1,840
Number of new branches made operational in	211	235	199

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
the relevant year			
New borrowers added – MFI	1,174,162	913,980	718,666
Total Revenue from operations (₹ million)	41,209.11	34,410.23	24,292.26
Interest income (₹ million)	37,425.17	31,609.51	22,098.02
Total income (₹ million)	41,888.41	34,940.08	24,652.00
Net total income (₹ million) ⁽¹⁾	29,382.51	22,533.81	14,981.27
AUM (₹ million) ⁽²⁾	238,177.77	171,744.56	164,716.12
Finance costs (₹ million)	12,460.36	12,406.27	9,670.73
Cost to Income Ratio (%) ⁽³⁾	49.73%	50.60%	41.99%
Employee benefit expenses (₹ million)	9,421.83	7,419.79	4,093.93
Depreciation and amortization expenses (₹ million)	322.63	268.66	161.92
Other expenses (₹ million)	4,867.25	3,714.67	2,035.37
Total expenses (₹ million)	33,345.15	29,088.52	20,121.60
Operating Expense (₹ million) ⁽⁴⁾	14,611.71	11,403.12	6,291.22
Operating Expense as percentage of Average AUM (%) ⁽⁵⁾	7.13%	6.78%	4.93%
Profit for the year after tax (₹ million)	6,493.99	4,453.82	3,451.38

Notes:

- ⁽¹⁾ Net total income represents Total Income reduced by Finance Costs and Net loss on fair value changes for the relevant year.
- ⁽²⁾ AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year.
- ⁽³⁾ Cost to Income ratio represents Operating Expenses as a percentage of Net Total Income for the relevant year.
- ⁽⁴⁾ Operating Expense represents Employee benefit expenses, depreciation and amortization expenses and other expenses for the relevant year.
- ⁽⁵⁾ Operating Expense as percentage of Average AUM is the proportion of operating expenses for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.

For further information, see “Our Business – Strategies” on page 249. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to grow further, at the same rate, or at all. Further, we may introduce products that may have lower Net Interest Margins or profitability. As we grow our business in newer geographies, including rural and more remote areas, it may constrain our capital and human resources and we may face difficulties such as lack of infrastructure in terms of connectivity, increased competition, different culture, regulatory and taxation regimes, education of first time borrowers, business practices, customs, behaviour and preferences, asset management quality and our current experience may not be applicable to new markets. In addition, we may need to enhance and upgrade our financial, accounting, information technology, administrative, supervisory mechanisms, risk management and operational infrastructure and internal capabilities to manage such growth of our business, which involves significant capital investment. We may not be able to maintain our growth rates, the level of our NPAs or the quality of our portfolio. Further, external factors beyond our control could also affect our ability to grow our business and loan portfolio, such as demand for our loans, domestic economic growth, the RBI’s monetary and regulatory policies, inflation, competition and availability of cost-effective debt capital. Our inability to expand our current operations or the sub-optimal performance of our existing or new branches may adversely affect our business, financial condition, results of operations and cash flows.

7. We are subject to certain covenants and conditions under our financing arrangements. Inability to meet our obligations could adversely affect our business, liquidity, financial condition, results of operations and cash flows.

As of March 31, 2026, our Total Borrowings were ₹ 186,132.63 million, comprising secured borrowings of ₹ 178,427.99 million and unsecured borrowings of ₹ 7,704.64 million. As of March 31, 2026, our outstanding borrowings on a floating rate were at ₹ 152,138.41 million and on a fixed rate were at ₹ 33,994.22 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our borrowers.

Under our financing agreements there are certain financial covenants which require us to maintain financial ratios such as capital adequacy ratio, capital-to-risk (weighted) asset ratio, adjusted tangible net worth and total outside liabilities to tangible net worth ratio. Some of our financing agreements also contain cross-default clauses, which are triggered in the event of default by our Company under the respective financing agreements. While there have been no instances of breach of covenants in the last three Fiscals, any failure to meet our obligations under our financing agreements in future could have an adverse effect on our business, financial condition, results of operations and cash flows.

We are required to obtain prior approval from some of our lenders, trustees of the pass-through certificates issued by us (“*PTC Trustees*”) and debenture trustees, as well as send prior intimation to other lenders for *inter alia*:

- making any amendments to the constitutional/ charter documents such as the memorandum of association and articles of association of our Company;
- effecting any adverse changes to or effecting a major change in our capital structure, including by way of fresh issuance of equity shares by our Company and sub-division of the equity shares;
- issuing any debentures, raising loans, issuing equity share capital;
- entering into any merger, amalgamation, restructuring and acquisition;
- undertaking any change in the nature of the business;
- entering into any contractual obligations of a long term nature which adversely affect our Company or our Subsidiary’s financial position to a significant extent;
- effecting any change in the constitution of our Company, including its shareholding pattern, ownership, controlling interest, management control and control, which may include reduction/ dilution in the shareholding of existing shareholders, including our Promoters and certain members of the Promoter Group; and
- effecting any changes in the management of our Company, including changes in the composition of the Board of Directors and key managerial personnel and change in the practice with regard to remuneration of directors.

For further information, see “*Financial Indebtedness*” on page 431.

We have received consents from, and/ or provided prior and post-intimation to, the relevant lenders, including from PTC Trustees and debenture trustees, to the extent required under our financing agreements, in relation to the Offer. Failure to meet our obligations under our financing agreements could have an adverse effect on our business, financial condition, results of operations and cash flows. If the obligations under any of our financing agreements are recalled or accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, further upon occurrence of an event of default, we may, under the terms of our financing arrangements, be restricted from raising any financing or capital during the period of such default, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Our future borrowings may also contain similar restrictive provisions.

8. *We may face asset-liability mismatches on account of change in tenor of our loan products, which could affect our liquidity and consequently, may adversely affect our operations and profitability.*

As of March 31, 2026, microfinance loans with a tenure of 12 months or less, 12 months to 36 months and over 36 months constitute 0.33%, 99.67% and 0.00%, respectively of our microfinance loan portfolio. For information on the maturity pattern of certain interest bearing assets and interest-bearing liabilities, see “*Selected Statistical Information - Asset Liability Management*” on page 333.

Any mismatch in the maturity profile of our assets and liabilities may lead to a liquidity risk, particularly if our liabilities mature before our assets or if there is a significant change in interest rates. Such mismatches may require us to refinance our borrowings at higher costs or liquidate assets prematurely. Further, in the event of adverse interest rate movements or significant maturity mismatches, we may also face increased funding costs, reduced net interest margins, and potential difficulty in meeting our repayment obligations as they fall due. This could result in liquidity stress, impact our ability to grow our loan book, and may require us to access emergency funding or sell assets at unfavourable terms, which could adversely affect our business, results of operations, cash flows and financial condition. Prolonged or significant mismatches could also affect investor and lender confidence, potentially leading to higher borrowing costs or restricted access to capital markets.

For further information, see “– *We are subject to certain covenants and conditions under our financing arrangements. Inability to meet our obligations could adversely affect our business, liquidity, financial condition, results of operations and cash flows.*” on page 34.

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

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

Instrument	Credit Rating Agency	Rating			
		As of this Draft Red Herring Prospectus	As of March 31,		
			2026	2025	2024
Non-convertible debentures	CRISIL	CRISIL AA/Stable	CRISIL AA/Stable	CRISIL AA-/Stable	CRISIL AA-/Stable
Long-term fund based facilities	CRISIL	CRISIL AA/Stable	CRISIL AA/Stable	CRISIL AA-/Stable	CRISIL AA-/Stable
Commercial papers	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Subordinate Debt	CRISIL	CRISIL AA/Stable	CRISIL AA/Stable	CRISIL AA-/Stable	CRISIL AA-/Stable
Short Term Debt	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Non-convertible debentures	CareEdge	-	Withdrawn ⁽¹⁾	CARE AA-/Stable	CARE AA-/Stable
Long-term bank loans	CareEdge	CARE AA/ Stable	CARE AA/ Stable	CARE AA-/Stable	CARE AA-/Stable
Subordinate Debt	CareEdge	-	-	-	Withdrawn
Non-convertible debentures	India Ratings	IND AA-/Stable ⁽²⁾	-	-	-

Note:

(1) Rating for non-convertible debentures was withdrawn on account of redemption of the tranche.

(2) CIFCPL was assigned ratings from India Ratings for its non-convertible debentures. Following the acquisition of CIFCPL and as of the date of this Draft Red Herring Prospectus, our Company has consequently been assigned this rating by India Ratings.

While there has been no downgrade in our credit ratings in the three preceding Fiscals, any downgrade in our credit ratings could increase borrowing costs, result in an event of default under certain of our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, cash flows and our business. In addition, any downgrade in our credit ratings could result in a recall of existing facilities, increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and impair our ability to raise new capital on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows. For information on our borrowings, see “*Financial Indebtedness*” on page 431.

10. As an NBFC-MFI, our Company and our Subsidiary, Svatantra Micro Housing Finance Corporation Limited being a housing finance company, are subject to the regulatory framework governing the financial services industry, including various regulatory requirements of the RBI and the NHB. Non-compliance with applicable regulations or changes in existing regulations could adversely affect our business, financial condition, results of operations and cash flows.

As an NBFC-MFI, our Company is registered with the RBI under Section 45 IA of the Reserve Bank of India Act, 1934. Our Company is subject to regulations relating to capital adequacy, which determine the minimum amount of capital our Company 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 NBFC Scale Based Regulations and the NBFC Prudential Norms Directions, we are required to maintain CRAR consisting of Tier I and Tier II capital of at least 15.00% of our aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items on an ongoing basis, with a minimum Tier I capital of 10.00% at any point. Further, we are required to ensure that the Tier II capital of the Company at any point cannot exceed 100.00% of our Tier I capital. For further information, see “*Key Regulations and Policies in India*,” “*Selected Statistical Information – Capital to Risk Asset Ratio*”, “*Objects of the Offer – Details of the Objects of the Fresh Issue – Augmenting our Company’s Tier – I capital base to meet our future capital requirements including onward lending, arising out of the growth of our business and assets*”, and “*Our Business – Business Operations – Capital Adequacy Ratios*” on pages 267, 332, 121 and 262, respectively. Set forth below are details of our Company’s capital adequacy ratio as of the relevant dates:

Particulars	As of March 31,		
	2026	2025	2024
Tier I capital (₹ million)	39,121.20	31,112.58	18,735.64
Tier II capital (₹ million)	507.78	4,224.70	5,457.32
Tier I + Tier II capital (₹ million)	39,628.98	35,337.28	24,192.96
Total CRAR (%)	23.12%	26.33%	19.25%
- Tier I CRAR (%)	22.83%	23.18%	14.91%
- Tier II CRAR (%)	0.29%	3.15%	4.34%

As a housing finance company, our Subsidiary, Svatanttra Micro Housing Finance Corporation Limited, is required to maintain CRAR, consisting of Tier I and Tier II Capital of not less than 15.00% of the aggregate of the housing finance company's risk-weighted assets and risk adjusted value of off-balance sheet items, pursuant to the Reserve Bank of India (Housing Finance Companies) Directions, 2025. Tier I Capital must be at least 10.00%, at any point of time, of the total risk weighted assets and the total of Tier II Capital must not exceed 100.00% of the Tier I Capital. Set forth below are details of Svatanttra Micro Housing Finance Corporation's capital adequacy ratio as of the relevant dates:

Particulars	As of March 31,		
	2026	2025	2024
Tier I capital (₹ million)	4,237.93	3,657.99	3,473.50
Tier II capital (₹ million)	137.24	179.81	234.47
Tier I + Tier II capital (₹ million)	4,375.17	3,837.80	3,707.97
Total CRAR (%)	29.11%	31.93%	34.76%
- Tier I CRAR (%)	28.20%	30.43%	32.56%
- Tier II CRAR (%)	0.91%	1.50%	2.20%

As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital adequacy ratios. Further, the RBI may increase its minimum CRAR threshold, which may require us to raise additional capital. In addition, adverse regulatory developments relating to the assessment and recognition of NPAs and provisioning may have an adverse effect on our financial performance. Our repayment schedules may not be adequate to cater to any losses arising out of unanticipated adverse regulatory developments.

The RBI has also enacted the Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025 (“**RBI (MFI) Directions**”) with effect from November 28, 2025, under which we are required to comply with certain additional compliances and conditions, including but not limited to: (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 (which includes ceiling on the interest rate and all other charges applicable to 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 (MFI) Directions and displaying the fair practices code on the website and all its offices; (vi) putting in place a mechanism for recovery of loans which is borrower friendly; and (vii) ensuring that a minimum of 60% of our total assets are ‘microfinance loans’.

All NBFC-MFIs are also required to become members of at least one self-regulatory organization recognized by the RBI (“**SROs**”) and to comply with the code of conduct prescribed by such SRO. Our Company is a member of the Micro Finance Industry Network (“**MFIN**”) and Sa-Dhan, both of which are RBI-recognized SROs. MFIN and Sa-Dhan regularly issue directives, advisories and guidance notes to their members to ensure that industry standards are maintained.

Our ability to raise foreign funds through debt is governed by RBI regulations and is subject to restrictions, including raising loans only from recognized lenders and with minimum average maturity period of not less than three years, except in specified cases. In addition, any changes to the regulations on priority sector lending may also disrupt our sources of funding. As of the date of this Draft Red Herring Prospectus, the RBI mandates domestic commercial banks (excluding regional rural banks and SFBs) and foreign banks with at least 20 branches, to maintain an aggregate 40.00% of adjusted net bank credit or credit equivalent of off-balance sheet exposure, whichever is higher, as ‘priority sector lending’. In the event that the laws relating to priority sector lending to banks undergo a change, or if any part of our loan portfolio is no longer classified as priority sector lending by the RBI, or if we are no longer able to satisfy the prescribed conditions to be eligible for such classification, our ability to raise resources based on priority sector advances would be hindered, which may adversely affect our financial condition, results of operations and cash flows. For further information on these regulations, see “*Key Regulations and Policies in India*” on page 267.

In addition, any change in RBI, NHB or other government regulations could have an adverse impact on our operations. We are also subject to the corporate laws, taxation laws and other laws in effect in India which require continued monitoring and compliance on our part. The laws, regulations and policies applicable to us may be changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with applicable laws and regulations. If we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings, which may adversely affect our business, financial condition, results of operations and cash flows.

11. As part of our business, we have had negative cash flows from operating activities in the past and may, in the future, experience similar negative cash flows.

We have experienced negative cash flows from operating activities and may, in the future, experience negative cash flows. The following table sets forth certain information relating to our cash generated from/ (used in) operations for the years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Cash generated from/ (used in) operations (₹ million)	(53,926.07)	(4,277.97)	(11,492.46)

Our negative cash flows from operating activities have primarily resulted from the growth in our Total Gross Loans, while the borrowings raised to fund such growth are reflected as cash flows from financing activities. Accordingly, increases in loan disbursements and our outstanding loan portfolio generally result in higher cash outflows from operating activities. The increase in net cash used in operating activities from Fiscal 2025 to Fiscal 2026 was primarily attributable to the significant growth in our lending operations and the corresponding increase in loans disbursed during Fiscal 2026. While our business has generated profits during the years presented, our operating cash flows have remained negative due to the working capital requirements associated with our lending operations. As our lending business continues to grow, we may continue to experience negative cash flows from operating activities. As a result, our business, results of operations, financial condition and cash flows could be adversely affected in future.

12. Our inability to expand our business in our target segment or the sub-optimal performance of any of our new branches could adversely affect our business, financial condition, results of operations and cash flows.

We plan to increase penetration in the Indian market by opening new branches and diversifying geographically. For further information, see “Our Business – Strategies - Strengthen our leading position in our core microfinance business” on page 249. We have also increased our branch network in the last three Fiscals. Set forth below are details in relation to our branches for the years indicated:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Number of branches	2,253	2,065	1,840
Number of new branches made operational in the relevant year	211	235	199
New borrowers added - MFI	1,174,162	913,980	718,666

As we undertake this growth strategy, we may be exposed to additional challenges, including identifying areas for new branches, engaging with stakeholders in new regions with whom we may have no previous business relationships, obtaining necessary governmental approvals, complying with the local laws of new geographies, successfully marketing our brand and products in markets in which we have no familiarity, being subject to additional local taxes, attracting and retaining new employees, expanding our technological infrastructure, maintaining standardized systems and procedures and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. While there have been no material failures at our branches in the immediately preceding three Fiscals, we cannot assure you that our inability to expand our current operations or the sub-optimal performance of our new branches may adversely affect our business, financial condition, results of operations and cash flows in future.

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

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted significant resources to develop and implement our risk management policies and procedures based on checks and balances required to manage various risks and intend to continue doing so in the future. However, there may be human error in assessing the right data at the right time in order to develop or modify appropriate risk management policies and procedures. We have policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our asset management policy, credit policy, whistle blower and vigilance mechanism, fair practices code, grievance redressal policy, internal guidelines on corporate governance, investment policy, risk management policy, IT policies and procedures, and Know Your Customer (“KYC”) and anti-money laundering policy. Our Board of Directors and various committees of our Board, including the Risk Management Committee, review our internal policies and procedures, including our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions and carry out periodic IT audits to identify risk areas. In addition, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management processes may

not be automated and subject to human error, such as the process required to assess an applicant's income, expenses and other payment obligations. Some of our methods of managing risks are based on the use of observed historical market behaviour and may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

In addition, as we seek to expand the scope of our operations, we also face the risk of inability to develop commensurate risk management policies and procedures. Other risk management methods depend upon an evaluation of information regarding the markets we operate in, the borrowers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. Our earnings are dependent upon the effectiveness of our management of changes in asset quality and risk concentrations, the accuracy of our underwriting, evaluation models and our critical accounting estimates and the adequacy of our allowances for loan losses. Our credit decisions are led by our internal credit policy and an inability to make accurate credit decisions could adversely impact our business and financial results. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. For further information, see “ – *Our Company is exposed to operational risks and losses that may occur due to acts of misappropriation or fraud by our employees, particularly as a significant portion of our collections from borrowers is in cash. Any failure or significant weakness of our internal controls, processes or systems could cause operational errors or enable fraud, which would adversely affect our reputation, financial condition, results of operations and cash flows.*” on page 45.

If we fail to effectively implement our risk management policies, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

14. *Particularly for our secured housing finance portfolio, our operations depend on the accuracy and completeness of information provided by our borrowers and certain third-party service providers. Our reliance on any erroneous or misleading information may affect our judgement of their creditworthiness, as well as the value of and title to the collateral.*

While evaluating potential borrowers, particularly in our housing finance business, we follow KYC guidelines prescribed and updated by the NHB and the RBI from time to time, verify employment and residence details, conduct checks against the RBI's and NHB's caution lists, undertake collateral valuation, obtain credit bureau reports from organizations such as CRIF and CIBIL, and carry out site visits and personal interactions. However, our credit assessment process also relies significantly on information provided by customers in respect of their income, assets, financial transactions and credit history, as well as inputs from independent valuers, credit bureaus and empanelled third-party agencies. We cannot assure you that such information, reports or verifications will always be accurate, complete or up to date. Any inaccuracies, misrepresentations or deficiencies in such information may impair our ability to assess the creditworthiness of customers or the value and title of collateral, which could result in higher delinquencies, an increase in non-performing assets and adversely affect our business, results of operations, cash flows and financial condition. Our risk management and credit appraisal measures may not be sufficient to prevent such occurrences.

However, the provision and collection of erroneous or misleading information may affect our judgement of credit worthiness of potential borrowers, and the value of and title to collateral. To an extent, our NPAs may be deemed to have resulted from our erroneous judgment of borrowers' ability or willingness to repay their debt, including owing to circumstances that arise after loans have been sanctioned. We may not receive updated information regarding any change in the financial condition of our borrowers, particularly since income categories are assessed only at the time of sanction, or may receive inaccurate or incomplete information as a result of any misrepresentation by our borrowers or employees. Moreover, the availability of accurate and comprehensive credit information on retail borrowers in India is more limited as compared to information typically available for larger corporate borrowers, which reduces our ability to accurately assess the credit risk associated with such lending. As of March 31, 2026, we had 28,903 housing finance borrowers belonging to the economically weaker section, 30,090 housing finance borrowers belonging to low income groups, and 7,803 housing finance borrowers belonging to middle income groups. Although as part of our credit policy, we conduct credit checks of all our borrowers, including with credit bureaus, site-visits and personal discussions, we cannot assure you that such credit information will be available, accurate or comprehensive. If the components or analytics are either unstable, biased, or missing key pieces of information, we may be unable to make accurate credit decisions. If we are unable to properly assess the creditworthiness of our borrowers, including a failure to predict a borrower's true credit risk profile or ability to repay their loan, we may need to record additional provision expense and experience higher than forecasted losses which may adversely affect our business, financial condition, results of operations and cash flows.

15. *Concerns about terms of loans provided by us, or negative publicity regarding our Company, may adversely affect our reputation and thereby the growth and the market acceptance of our offerings.*

We provide loans primarily to women belonging to low-income groups and particularly in rural areas. As a result of our business model of providing financial services at the doorstep of borrowers in village locations, our operating expenses may be high. While our interest rates are computed in accordance with prime lending rate guidelines issued by the RBI, we may need to charge higher interest rates to our borrowers to offset our expenses, in comparison to the interest rates generally charged by banks or secured asset providers. This observation, including the terms of our loans, continue to be the subject of careful evaluation and analysis. Adverse perception of our business model by social and political commentators or disgruntled former stakeholders, could harm our reputation. Further, farmers and rural borrowers may undergo stress in meeting repayment schedules due to failure of crop harvests or other factors, resulting in publicity and media coverage.

Negative incidents or adverse publicity could erode borrower trust and confidence in us, particularly if such incidents attract regulatory investigations. Negative publicity can result from our 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 borrower information, and actions taken by government regulators, investigative agencies, judiciary and community organisations in response to that conduct. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information's accuracy. Such unverifiable or false information regarding us may be published online or on social media by third parties, or any other such damage to our brand or our reputation may result in withdrawal of business by our existing borrowers and loss of new business from potential borrowers. While we have not faced any instances of material adverse publicity in the three preceding Fiscals, we cannot assure you we will not face any material adverse publicity in the future, which may affect our growth and the market acceptance of our offerings.

16. *Our inability to compete effectively in an increasingly competitive industry may adversely affect our market share, business and financial condition.*

We face competition from the microfinance lending of banks, small finance banks, NBFCs and other NBFC-MFIs. We anticipate that we may encounter greater competition as we continue expanding our operations in India, and therefore, we cannot assure you that we will be able to retain or expand our existing borrower base. Any increase in the interest rates on the loans we extend may also result in a decrease in business.

If we fail to adapt to technological advances such as AI business analytics, digital lending solutions, mobile banking and access to lender aggregators quickly and effectively, it could affect our performance, the features of our product offerings, reduce our attractiveness to existing and potential borrowers and our competitive position. Our competitors may also make more significant and effective investments in innovation, growth of their businesses and enhancing their borrower reach and engagement and may outcompete us in any of these areas. Increased investments made or innovative services offered by our competitors may require us to divert significant managerial, financial and human resources in order to remain competitive.

We are subject to the potential increase in competition brought about by changes in the laws and regulations governing our business and those adjacent to ours. Any changes in the relevant laws or regulations by the RBI to correct, clarify or amend regulatory subject matters may result in the diminishment of the available opportunities for regulatory arbitrage. We cannot assure you that changes in relevant laws and regulations in the future may not result in an increase in competition from other players. Liberalization of the Indian financial services sector could also lead to a greater presence or new entries of Indian and foreign banks, NBFCs, and other entities operating in the financial services sector offering a wider range of products and services. Increasing competition from digital lending platforms, fintech companies, banks and other technology-enabled lenders may adversely affect our ability to acquire and retain borrowers, maintain pricing and grow our business. This could adversely affect our competitive environment. Increasing competition may also result in slower growth and a reduction in our net interest margin and market share, and consequently may have an adverse effect on our financial condition, results of operations and cash flows in future.

17. *We have availed loans which may be recalled by the lenders, subject to the terms and conditions of their grant, at any time. Any such demand for repayment may adversely affect our business, liquidity, financial condition, results of operations and cash flows.*

We have availed certain loans which may be recalled by our lenders on demand. In such cases, the lenders are empowered to require repayment of the facility at any point in time during the tenure. In case any of such loans are recalled on demand

by our lenders and we are unable to repay the outstanding amounts under the facilities at that point, it would constitute an event of default under the respective loan agreements. While there have been no instances of any of the loans being recalled by the relevant lenders, or of any default in the repayment of such loans or interest thereon, in the last three Fiscals, we cannot assure you that such events will not occur in the future and we will be able to repay our loans in full, or at all, at the receipt of a recall notice, or otherwise.

18. *We do not own the trademark registration or other form of intellectual property protection in relation to our name and our corporate logo and any inability to obtain and enforce our intellectual property rights in relation to our name and logo, could adversely affect our business, results of operations and financial condition.*

As on the date of this Draft Red Herring Prospectus, we have applied for the registration of the trademark of 'Svatantra' and , our corporate logo under Classes 35 and 36, which are currently under examination by the Registrar of Trade Marks. Further, as of the date of this Draft Red Herring Prospectus, our Company has five registered trademarks under classes 35 and 36 of the Trademarks Act and has one registered domain, svatantramicrofin.com. We cannot assure you that the pending applications for registration of trademark or word mark will be accepted and that these trademarks will be registered.

As on the date of this Draft Red Herring Prospectus, there is an ongoing legal dispute pertaining to our corporate logo, initiated pursuant to a civil suit filed by Ratnaafin Capital Private Limited and Ratnaafin Enterprise Private Limited (together, the "Plaintiffs") against our Company and SMHFCL before the High Court of Delhi ("Delhi HC") under Sections 134 and 135 of the Trade Marks Act, 1999, seeking, inter alia, a permanent injunction preventing our Company and our Subsidiary from using the logo  and damages of ₹20.00 million from our Company and SMHFCL. The Plaintiffs allege that our current corporate logo constitutes infringement of, and passing off against, their registered device. The Plaintiffs have also sought an ex-parte ad-interim injunction against our Company. The matter is currently pending before the Delhi HC.

An adverse decision in the dispute or an inability for us to register our corporate logo could result in our inability to continue to use  as our corporate logo, which may adversely affect our brand, business, results of operations and financial condition. Further, if any of our unregistered intellectual property are registered in favour of a third party, we may not be able to claim registered ownership of such intellectual property, and consequently, we may be unable to seek remedies for infringement of intellectual property by third parties.

Our inability to obtain or maintain these registrations may adversely affect our business, results of operations and financial condition. Further, any further intellectual property claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages, potentially including enhanced damages if we are found to have wilfully infringed intellectual property rights, which could adversely affect our financial condition, results of operations and cash flows.

There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation, and goodwill. While we have not experienced any infringement or unauthorized use of our registered trademarks by any third party in the three preceding Fiscals that had a material impact on our operations, we cannot assure you that such instances will not arise in the future.

19. *As an NBFC-MFI and a housing finance company, our Company and Subsidiary, respectively, are subject to periodic inspections by regulatory authorities in India. Non-compliance with observations made by the RBI or the National Housing Bank ("NHB") during these inspections could expose us to penalties and restrictions, which may have an adverse effect on our business, financial condition, results of operations and cash flows.*

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

In furtherance to the same, the RBI conducted a select scope risk assessment of our Company's operations with respect to the financial position as of March 31, 2025, basis information and explanations furnished by the Company and a limited onsite inspection undertaken from December 19 to December 26, 2025, and provided a report dated March 27, 2026 highlighting certain observations in relation to, *inter alia*, (a) credit appraisal, and (b) credit policy adherence. Prior to this, the RBI issued an inspection and risk assessment report dated December 11, 2024, read with the letter dated December 31, 2024, in connection with its off-site assessment and inspection carried out between July and August 2024, with regard to our financial position as of March 31, 2024. The RBI inspection report highlighted certain observations in relation to *inter alia* (a) inaccurate reporting of loan accounts reflecting the NPA status of loan accounts, (b) the strength of the Company's compliance team not being commensurate with operational scale, (c) documentation of an approved methodology for selecting samples for conduction of audit and the sample sizes, (d) review of pricing policy, credit policy, outsourcing policy and customer complaints and redressal grievance mechanism policy, (e) loss in receipt of insurance settlement amount incurred by nominees as certain deceased accounts were erroneously unmarked as 'deceased' in certain instances, and (f) duplication in the KYC details for some of the customers. As on the date of this Draft Red Herring Prospectus, the RBI has not concluded its inspection for the Fiscal 2026.

Additionally, the RBI issued an inspection and risk assessment report dated January 6, 2026 read with the letter dated February 9, 2026, and an inspection and risk assessment report read with the letter, both dated April 7, 2025, in respect of the erstwhile CIFICPL's financial positions as on March 31, 2025 and March 31, 2024, respectively, highlighting certain observations pertaining to CIFICPL in relation to *inter alia*, (a) gaps in the borrower-level asset classification, (b) write-off of loans which were not covered under credit life insurance due to insurance coverage not being co-terminus with the loan, (c) review of pricing policy, expected credit loss model, (d) gaps in recording KYC documentation for certain customers and gaps in deduplication processes, (e) missing details in loan card for foreclosure of loan accounts, and (f) gaps in senior management's review of complaints with respect to customer's credit information report. While we have submitted our responses to such observations and provided necessary clarifications and/or undertaken remedial actions to ensure compliance with such observations, we cannot assure you that such responses, clarifications and remedial actions will be adequate. Further, pursuant to the Scheme, CIFICPL has been amalgamated into our Company with effect from March 21, 2026. For details, see, "*History and Certain Corporate Matters – Scheme of amalgamation between Svantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively*" on page 290.

As a housing finance company, our Subsidiary, Svantra Micro Housing Finance Corporation Limited ("SMHFCL"), is subject to periodic inspections by the NHB. The NHB, pursuant to its onsite inspection of SMHFCL issued reports dated June 1, 2026, and June 4, 2025, in respect of its financial positions as on March 31, 2025, and March 31, 2024, respectively. The NHB inspection report highlighted certain deficiencies, in relation to *inter alia*, (a) gaps in communication of revision of rate of interest and approach for gradation of risk to customers in a timely and explicit manner, (b) lapses in updating risk gradation and asset classification pursuant to the change of rate of interest of borrowers, (c) extension of loan period beyond 300 months as stipulated under the credit policy, (d) absence of policy on the use of Lok Adalat mechanism for recovery of loans below ₹10 lakh, (e) disbursement of loans availed for construction purposes in a single tranche without linking them to the stages of construction in certain cases, (f) gaps in obtaining KYC and CKYC documents for borrowers/co-borrowers and absence of system-based PAN verification software. While responses to such observations have been submitted and necessary clarifications and/or remedial actions have been undertaken to ensure compliance with such observations, we cannot assure you that such responses, clarifications and remedial actions will be adequate. Further, as on the date of this Draft Red Herring Prospectus, the NHB has not concluded its inspection for the Fiscal 2026.

There can be no assurance that the RBI or NHB will not make other observations in the future. While we attempt to comply with all regulatory provisions, directions or observations applicable to us, and there have been no penalties and sanctions imposed on us in the three preceding Fiscals, we cannot assure you that such instances will not occur in the future. If we are unable to resolve any deficiencies to RBI or NHB's satisfaction, our ability to conduct our business may be adversely affected. The imposition of any penalty or adverse findings by the RBI or NHB during any future inspections may have an adverse impact on our reputation, business prospects, financial condition, results of operations and cash flows.

20. A portion of our AUM is derived from certain states in India. Any adverse developments in these states could affect our financial condition, results of operations and cash flows.

As of March 31, 2026, 68.09% of our AUM was derived from our operations in five states, namely Bihar, Uttar Pradesh, Karnataka, Maharashtra and Madhya Pradesh. Set forth below is our AUM distribution in our top five states (as of March 31, 2026), as of the corresponding dates:

Particulars	As of March 31, 2026		As of March 31, 2025		As of March 31, 2024	
	AUM (₹ million)	Percentage of total AUM (%)	AUM (₹ million)	Percentage of total AUM (%)	AUM (₹ million)	Percentage of total AUM (%)
Bihar	48,559.13	20.39%	32,280.94	18.80%	29,918.98	18.16%
Uttar Pradesh	38,913.48	16.34%	25,356.62	14.76%	23,574.28	14.31%
Maharashtra	32,501.70	13.65%	25,999.33	15.14%	25,722.18	15.62%
Karnataka	28,025.86	11.77%	22,340.25	13.01%	20,187.50	12.26%
Madhya Pradesh	14,174.50	5.95%	10,154.73	5.91%	11,016.98	6.69%
Total	162,174.67	68.09%	116,131.87	67.62%	110,419.92	67.04%

For details of our state-wise AUM, see “*Selected Statistical Information – State-wise AUM Mix*” on page 330. While our branches are spread across 23 states and union territories in India, with no state contributing more than 20.39% of our AUM as of March 31, 2026, we may be exposed to risks arising from to any adverse geological, ecological, economic and/or political circumstances in these states. If there is a sustained downturn in the economy of those regions or a sustained change in financial patterns in those regions for any reason, our financial position, results of operations and cash flows may be adversely affected.

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

We are dependent on the continued contributions of our Board and Senior Management team, which has experience across the financial services sector. In particular, we benefit from the vision, industry positioning, stakeholder relationships and legacy of our Individual Promoter, Ananya Birla, who has been instrumental in shaping our growth strategy and long-term direction. The inputs and experience of our Senior Management and Key Managerial Personnel, together with the leadership of our Individual Promoter, are valuable for the growth and development of our business and the strategic decisions undertaken by us. Any diminution in her involvement, or the loss of our Individual Promoter’s services or association with us, or any negative publicity involving our Individual Promoter, could have an adverse effect on our business, brand perception, and relationships with investors, lenders and other stakeholders.

As of March 31, 2026, our Company employed 24,594 employees. Our ability to compete depends upon our Company’s ability to attract, motivate, and retain qualified personnel. Set forth below are details regarding our Company’s employees and their attrition rates for the years indicated:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Number of employees	24,594	23,640	18,410
Attrition rate for full-time employees (%) ⁽¹⁾	39.22%	41.47%	25.88%*

Note:

⁽¹⁾ Attrition rate is defined as (number of persons who have left our employment in the Fiscal) / (number of persons employed at the beginning of the Fiscal + number of persons employed at the end of the Fiscal)/2, as a percentage. The number of employees does not include persons on probation.

*Pursuant to the acquisition of CIFCPL on November 23, 2023, the employee base of CIFCPL has been considered for the purpose of computation of the attrition rate only from December 2023 onwards.

If our attrition rate is high, it may reduce productivity levels and require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. We cannot assure you that any of our Key Managerial Personnel or Senior Management will not leave us or join a competitor or that we will be able to retain them or find adequate replacements in a timely manner, or at all. For information in relation to change in our KMPs and Senior Management in the last three years, see “*Our Management – Changes in the Key Managerial Personnel and Senior Management in the three immediately preceding years*” on page 315.

As of the date of this Draft Red Herring Prospectus, our workforce is not unionized. However, if a substantial portion of our workforce were to become unionized in the future, our workforce costs could rise. Compliance with labour laws and the negotiation of collective agreements might result in increased financial commitments.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel. A loss of the services of our key personnel may adversely affect our business, financial condition, results of operations and cash flows.

22. *We rely on our information technology systems for our business and any inadequacy, cyber-attacks or security breach in such systems could adversely affect our reputation, financial condition, results of operations and cash flows.*

We may be subject to disruptions, failures or infiltrations of our information technology systems arising from events that are wholly or partially beyond our control (including damage or incapacitation by human error, insider attacks, electrical or telecommunication outages, sabotage, computer viruses, cyberattacks or similar events, or loss of support services), which could result in breaches of applicable data security laws and resultant imposition of monetary penalties. While we have not experienced any significant disruptions to our information technology systems in the three preceding Fiscals, we cannot assure you that disruptions will not occur in the future.

In addition, we use third party software, platforms, services and data storage services, and on-cloud data centres, including payment gateway services, fund disbursement services, cash collection services, electronic sign services, credit bureau checks, and for automated calls and messages to borrowers. Infiltration of our or such third parties' information technology systems may result in data losses or theft of our or borrowers' proprietary business or personally identifiable information, resulting in exposure to litigation, liabilities, remediation costs, disruption of internal operations, increased cybersecurity protection costs and loss of borrower confidence. Any cyber-security breach could also subject us to the penalties levied for breach of obligations under the Digital Personal Data Protection Act, 2023 ("DPDP Act"), which provides for personal data protection and privacy of individuals and provides several exemptions for personal data processing by the Government. The DPDP Act also imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the DPDP Act. Further, the Digital Personal Data Protection (Rules), 2025 ("DPDP Rules") have been notified by the Central Government on 14 November, 2025 marking the full operationalisation of the DPDP Act. Although we have not experienced any data security breaches or cyberattacks in the three preceding Fiscals, any such security breaches or compromise of technology systems could result in institution of legal proceedings and potential imposition of penalties, which may have an adverse effect on our business, reputation, financial condition, results of operations and cash flows. In addition to the DPDP Act, the RBI has notified the RBI Cybersecurity Directions, applicable to all NBFCs, which impose obligations in relation to IT governance, cyber and information security, third-party vendor risk management, business continuity and disaster recovery, and information system audits. Any failure by us to comply with the obligations prescribed under the RBI Cybersecurity Directions could expose us to regulatory action and sanctions by the RBI, reputational damage, and may have a material adverse effect on our business, financial condition, results of operations and cash flows. For further information, see "Key Regulations and Policies in India" on page 267.

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

23. *Deterioration in the performance of any pool of receivables securitized to banks and other institutions may adversely impact our financial condition, results of operations and cash flows.*

As part of our operations, we engage in securitization of our receivables to banks and other financial institutions to obtain funding and minimize our risk. Such securitization is undertaken by us on the basis of our internal estimates of funding requirements and availability of other sources of funds and may vary from time to time. We undertake these securitization transactions through the issuance of unlisted pass through certificates ("PTCs").

Set forth below are details of book value of outstanding borrowing through PTCs as of the dates indicated:

Particulars	As of March 31,		
	2026	2025	2024
Book value of outstanding borrowing through PTCs (₹ million) (A)	21,592.39	1,300.91	-
Total Borrowings (₹ million) ⁽¹⁾ (B)	186,132.63	119,883.71	129,172.82
Book value of outstanding borrowing through PTCs, as a percentage of Total Borrowings (A/B)*100	11.60%	1.09%	-

Notes:

(1) Total Borrowings represent the aggregate of our Debt securities, Borrowings (other than debt securities) and Subordinated liabilities as of the last day of the relevant year.

We have substantially retained the risks and rewards of ownership for assets securitized through PTCs, as credit enhancements are provided to support the rating of these instruments. As a result, the risks are not proportionally transferred to the investors, and the assets do not meet derecognition criteria under IND AS. However, securitization through direct assignment and co-lending allows for derecognition of assets, as risks and rewards are transferred to the investor on a *pari passu* basis. Set forth below are details of our assigned assets as of the dates indicated:

Particulars	As of March 31,		
	2026	2025	2024
Assigned assets (₹ million)	27,208.20	21,611.41	23,547.98

The presence of outstanding PTCs and securitized debt instruments exposes us to a number of risks, including the risk that, in the event of deterioration in the performance of the underlying pool of receivables, investors or financial institutions may enforce the underlying credit enhancements provided by our Company, such as fixed deposits or other collateral. This could result in a requirement for us to fund shortfalls or absorb losses, which may have an adverse effect on our financial condition, result of operations and cash flows.

Any change in regulations framed by RBI or other regulators in relation to securitizations or assignments by NBFCs could have an adverse impact on our assignment and securitization program. In the event the banks or financial institutions with whom we have securitized our receivables does not realize the receivables due under loans that have been securitized, the relevant bank or financial institution could enforce the underlying credit enhancements provided by our Company. Should such banks or financial institutions seek to enforce the underlying credit enhancements, such as fixed deposits, provided up to a specified percentage of the underlying loan, it could have an adverse effect on result of our business.

Further, any deterioration in the performance of any batch of receivables assigned to banks could affect our ability to conduct further securitizations. We may also be named as party in legal proceedings initiated by an assignee in relation to the securitized assets. This could have an adverse impact on our financial condition, results of operations, cash flows and our securitization plans in the future.

24. Our Company is exposed to operational risks and losses that may occur due to acts of misappropriation or fraud by our employees, particularly as a significant portion of our collections from borrowers is in cash. Any failure or significant weakness of our internal controls, processes or systems could cause operational errors or enable fraud, which would adversely affect our reputation, financial condition, results of operations and cash flows.

A significant portion of our Company's collections from borrowers is in cash, as indicated below:

Particulars	For the year ended March 31,		
	2026	2025	2024
Amount of cash collected (₹ million)	122,465.29	121,461.58	110,488.66
Amount of cash collected, as a percentage of total collections (%)	79.22%	86.63%	90.14%

Our Company is exposed to risks of loss, theft, fraud, misappropriation and unauthorized transactions by our employees, particularly due to our large cash collections. Our microfinance business is also susceptible to fraud by other agents through the forgery of documents and unauthorized collection of instalments on behalf of us. Our Company may be unable to adequately prevent or deter such activities in all cases. In the three preceding Fiscals, our Company has experienced acts of fraud, forgery and misappropriation committed by or involving our borrowers and employees. The fraud detected was mainly due to embezzlement of cash and theft. Our Company classifies as fraud cases those instances where the acts are committed by our own employees, while theft and robbery are those instances where cash is stolen or looted by outsiders. The table below shows the number of fraud cases and instances of theft and robbery our Company has experienced and the amounts involved in the corresponding years:

Particulars	Fiscal		
	2026	2025	2024
Number of fraud cases	23	131	541
Amounts involved (₹ million)	3.44	4.39	10.39
Number of theft and burglary cases	53	113	64
Amounts involved (₹ million)	3.23	7.75	5.24

While such fraud cases and embezzlement cases did not have a material impact on our business and operations, these risks are exacerbated by the high levels of responsibility we delegate to our in-house collections team and field agents and the geographically dispersed nature of our network. There can be no assurance that our collection technology, insurance policies, and systems to detect fraud, misappropriation and misuse will be effective in preventing or deterring such activities in all cases. Given the high number of transactions we process daily, certain instances of fraud and misconduct may go unnoticed or may only be discovered after a significant period has elapsed if at all. Even when we discover such instances of fraud, theft or other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any of the amounts lost.

Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems. Our management information systems, internal audit/ vigilance system and internal control procedures may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to identify the root cause and correct such weakness. Owing to our volume of transactions and wide geographic presence, there may be lapses in timely completion of internal audits as per schedule. It is possible that errors may repeat or compound before they are discovered and rectified.

25. *If we fail to maintain the quality of our service, we may face difficulties in maintaining existing and acquiring new borrowers and our business may be harmed.*

If we fail to provide quality service, our borrowers may be less inclined to continue their financial activities with us or recommend us to new borrowers, and may switch to our competitors. Borrowers may raise complaints against us if they are dissatisfied with the terms and conditions of our loans, such as high interest rates or hidden charges. Borrowers might also experience delays in loan disbursement or face challenges in the repayment process, including difficulties in accessing borrower support or resolving disputes. Additionally, technical issues, such as problems with online platforms or mobile applications, may also prompt borrowers to seek redress. Set forth below are details of the borrower complaints received by our Company in the corresponding years:

Particulars	Fiscal		
	2026	2025	2024
Borrower complaints received ⁽¹⁾	3,695	4,830	1,445
Borrower complaints resolved ⁽²⁾	3,720	4,747	1,420

Notes:

⁽¹⁾ Includes legal notices and complaints received through the RBI ombudsman channel and complaints received from credit bureau.

⁽²⁾ Includes complaints received during prior years which were resolved in the relevant Fiscal.

We have implemented various measures aimed at minimizing customer complaints and strengthening our grievance redressal framework, including enhancing operational controls and monitoring mechanisms, conducting regular training programs for branch employees and borrower-facing teams on effective handling of borrower queries and customer interactions, increasing borrower awareness regarding fraud prevention and safe financial practices, upgrading our borrower relationship management and complaint tracking systems, and prioritizing the resolution of escalated and high-impact cases. We also undertake periodic reviews of complaint trends and root causes to identify process gaps and implement corrective and preventive measures. However, there is no assurance that these measures will be effective in reducing complaints in the future. If we are unable to redress consumer complaints and grievances in a timely, efficient and satisfactory manner, our business and reputation may be adversely affected.

26. *We are required to ensure compliance with money-laundering laws and a failure to detect money laundering or other illegal activities in a timely manner could expose us to liabilities which in turn may adversely affect our business and reputation.*

As a regulated entity, we are required to comply with applicable anti-money-laundering (“AML”) and anti-terrorism laws and other regulations in India. While we have adopted policies and procedures aimed at collecting and maintaining all

AML and KYC related information from our borrowers to detect and prevent the use of our business networks for illegal money-laundering activities, there may be instances where the information may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. 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. While we have not experienced any instance of money laundering or similar illegal activities in the three preceding Fiscals, any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties. For further information, see “ – Our Company is exposed to operational risks and losses that may occur due to acts of misappropriation or fraud by our employees, particularly as a significant portion of our collections from borrowers is in cash. Any failure or significant weakness of our internal controls, processes or systems could cause operational errors or enable fraud, which would adversely affect our reputation, financial condition, results of operations and cash flows.” on page 45.

27. As a NBFC, we are subject to RBI's regulations in relation to excess interest and impairment allowances. Non-adherence and non-compliance with these regulations could adversely affect our business, financial condition, results of operations and cash flows.

Under the Scale Based Regulations, the RBI mandates that NBFCs adopt an interest rate model considering factors such as the cost of funds, margin, and risk premium. The interest rates and the rationale for charging different rates to various borrower categories must be disclosed to the borrower in the application form and communicated explicitly in the sanction letter. Additionally, these rates should be made available on the company's website. Pursuant to the Scale Based Regulations applicable to NBFCs, we maintain impairment allowances in line with the requirements of the Indian Accounting Standards, specifically IND AS 109 – Financial Instruments.

Non-compliance with these requirements could lead to sanctions and penalties against us and our management, as well as expose us to heightened risks. While we have adhered to the conditions stipulated by the RBI in relation to excess interest and impairment allowances in the three preceding Fiscals, if we fail to comply with these requirements in the future, or if the RBI alleges that we have not complied with these requirements, we may be subject to penalties and compounding proceedings, which could adversely affect our business, financial condition, results of operations and cash flows.

28. Our Company, Directors, Key Managerial Personnel, Senior Management Personnel, Subsidiary and Promoters may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may affect our business, financial condition, results of operations and cash flows.

There are outstanding legal and regulatory proceedings involving our Company, Directors, Subsidiary and Promoters which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, cash flows, financial condition and results of operations.

The summary of outstanding legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Category of individuals/entities	Criminal proceedings	Tax proceedings	Actions by statutory or regulatory authorities	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation ⁽¹⁾	Aggregate amount involved (₹ in million) ⁽²⁾
Company						
By the Company	352	Nil	Nil	NA	Nil	26.34
Against the Company	3	28	Nil	NA	Nil	44.64
Directors⁽³⁾						
By the Directors	1	Nil	NA	NA	Nil	Nil
Against the Directors	3	Nil	2	NA	Nil	Nil
Promoters						

Category of individuals/entities	Criminal proceedings	Tax proceedings	Actions by statutory or regulatory authorities	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation ⁽¹⁾	Aggregate amount involved (₹ in million) ⁽²⁾
By the Promoters	Nil	Nil	NA	NA	Nil	Nil
Against the Promoters	1	Nil	Nil	Nil	Nil	Nil
Subsidiary						
By the Subsidiary	3,202 ⁽⁴⁾	Nil	Nil	NA	Nil	2,037.76 ⁽⁵⁾
Against the Subsidiary	1	2	Nil	NA	Nil	31.80 ⁽⁶⁾
Key Managerial Personnel⁽⁷⁾						
By the KMP	Nil	NA	NA	NA	NA	Nil
Against the KMP	Nil	NA	Nil	NA	NA	Nil
Senior Management⁽⁸⁾						
By the SMP	Nil	NA	NA	NA	NA	Nil
Against the SMP	Nil	NA	Nil	NA	NA	Nil

⁽¹⁾ Determined in accordance with the Materiality Policy.

⁽²⁾ To the extent quantifiable.

⁽³⁾ Other than our Individual Promoter who is also a Director.

⁽⁴⁾ Excludes, 43 recovery proceedings aggregating to ₹32.25 million initiated under both Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the National Automated Clearing House.

⁽⁵⁾ This includes the aggregate amount of ₹191.30 million involving 281 proceedings initiated by our Company under the Section 14 of the SARFAESI Act and one arbitration proceeding.

⁽⁶⁾ This includes the aggregate amount of ₹21.73 million involving two miscellaneous appeals, 35 securitization applications, three interim applications, and one writ petition filed by various petitioners and appellants against SMHFCL before various fora challenging the proceedings initiated by SMHFCL under Section 14 of the SARFAESI Act

⁽⁷⁾ Other than our Directors who are also KMPs.

⁽⁸⁾ Other than our Key Managerial Personnel who are also members of the Senior Management.

Further, there are no pending litigation proceedings involving our Group Companies which has a material impact on our Company.

We cannot assure you that there will be no new legal and regulatory proceedings involving our Company, Directors, Key Managerial Personnel, Senior Management Personnel, Subsidiary and Promoters in the future. An adverse outcome in any such proceedings may have an adverse effect on our business, reputation, financial position, results of operations and cash flows. For further information, see “*Outstanding Litigation and Other Material Developments*” on page 474.

29. We have listed non-convertible debentures and are subject to rules and regulations, including the SEBI Listing Regulations, with respect to such listed NCDs. Any non-compliances with such rules and regulations could subject us to penal actions, which may have an adverse effect on our business, financial condition, results of operations and cash flows.

Our Company has issued rated, secured/ unsecured, taxable, redeemable, senior, subordinated/ unsubordinated, transferable non-convertible debentures amounting to ₹ 3,600.00 million which are listed on the debt segment of BSE Limited as of March 31, 2026, of which ₹ 3,433.33 million is outstanding. The debenture trust deeds entered into by our Company in relation to these NCDs include restrictive covenants that require us to *inter alia* intimate or obtain the consent of the debenture trustee before undertaking certain corporate actions such as change in the constitutional documents such as the articles of association and the memorandum of association of our Company, declare or pay any dividend, change in control or management control or ownership, change in shareholding pattern of our Company and change in the capital structure of our Company. For further information on such listed, rated, secured/ unsecured, taxable, redeemable, senior, subordinated/ unsubordinated, transferable non-convertible debentures, see “*Financial Indebtedness*” on page 431.

Further, we are required to comply with various applicable rules and regulations in terms of our listed NCDs. As a result, we are subject to continuous disclosure obligations under the SEBI Listing Regulations, including the requirement to publish our quarterly financial results within 45 days from the completion of the previous quarter. In case of any non-compliances in terms of the SEBI Listing Regulations, we may be subject to certain penal actions by the stock exchanges, including, without limitation, imposition of fines, suspension of trading of our securities, freezing of shareholding of the Promoters and members of the Promoter Group in our Company, which may have an adverse effect on our business, results of operations, financial condition and cash flows. CIFCPL, our former subsidiary, had received an e-mail dated September

28, 2022 from BSE regarding a fine of ₹ 0.08 million imposed on CIFCPL due to an alleged delay in submission of the notice of record date as per applicable laws, thereby allegedly violating Regulation 60(2) of the SEBI Listing Regulations. Further, we anticipate a delay in the release of our quarterly financial results for the quarter ended June 30, 2026 beyond the prescribed timeline under the SEBI Listing Regulations. We cannot assure you that we will not, in future, be found to be in non-compliance with such rules and regulations. Any non-compliance could subject us to legal liability and consequently adversely affect our business, financial condition, results of operations and cash flows.

30. *The Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus are not comparable to the underlying audited financial statements for Fiscals 2025 and 2024, which may hinder investors' ability to accurately assess and compare our historical performance.*

Our Company acquired 100.00% stake in CIFCPL, an NBFC-MFI, which became our wholly-owned subsidiary with effect from November 23, 2023. Subsequently, SHPL and CIFCPL were amalgamated into our Company under applicable provisions of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026. For further details, please see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatanttra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively” on page 290.

With the Scheme becoming effective, and since combining entities are ultimately controlled by the same parties both before and after the business combination, the merger has been accounted in accordance with “pooling of interest method” as laid down in Appendix C - ‘Business combinations of entities under common control’ of Ind AS 103 notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 read with the Expert Advisory Committee opinion issued by the Institute of Chartered Accountants of India on ‘Accounting treatment and disclosure of Debit Balance of Capital Reserve arising on merger’ dated July 11, 2023. It is imperative to note that the Company acquired a 100% stake in CIFCPL effective November 23, 2023. For the purpose of accounting for this transaction as a business combination under common control, the Company used November 30, 2023 as the cut-off date, as there were no material or exceptional transactions during this period that could have materially impacted the restated financial results. Accordingly, the Company has retrospectively accounted for the merger of SHPL from April 1, 2023 and has included the balances of CIFCPL from the cut-off date of November 30, 2023. The balances of SHPL and CIFCPL have been included at their respective carrying values, and no fair value adjustments have been made.

Therefore, the Restated Consolidated Summary Statements for Fiscals 2025 and 2024 are not directly comparable with the underlying audited financial statements for such periods, which did not reflect the amalgamation. Further, as of the date of this Draft Red Herring Prospectus, Svatanttra Micro Housing Finance Corporation Limited, which offers housing finance loans, is our wholly owned Subsidiary. Consequently, investors should exercise caution while comparing the Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus with the previously issued underlying audited financial statements for Fiscals 2025 and 2024, which may not be indicative of our future financial performance, financial condition, results of operations or cash flows.

31. *We are expected to maintain optimal levels of operating expense, Impairment on financial instruments and Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) and failure to do so may have adverse impacts on our business, results of operations, cash flows and financial conditions.*

Maintaining optimal levels of operating expense ratio, Impairment on financial instruments, and Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) is crucial for our financial health and operational efficiency. Set forth below are details in relation to our operating expense, Impairment on financial instruments, and Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) for the years and dates indicated:

Particulars	As of/ For the Year Ended March 31,		
	2026	2025	2024
Operating Expense ⁽¹⁾ (₹ million)	14,611.71	11,403.12	6,291.22
Operating Expense as percentage of Average AUM ⁽²⁾ (%)	7.13%	6.78%	4.93%
Impairment on financial instruments (₹ million)	6,227.54	5,279.13	4,159.65
Impairment on financial instruments, as a percentage of Average AUM ⁽³⁾ (%)	3.04%	3.14%	3.26%
Gross Stage 3 Loans Loss Allowance Coverage Ratio - MFI ⁽⁴⁾ (%)	76.90%	82.02%	88.98%

Particulars	As of/ For the Year Ended March 31,		
	2026	2025	2024
Gross Stage 3 Loans Loss Allowance Coverage Ratio – Housing Finance ⁽⁴⁾ (%)	28.01%	27.03%	24.13%

Notes:

- (1) Operating Expense represents Employee benefit expenses, depreciation and amortization expenses and other expenses for the relevant year.
- (2) Operating Expense as percentage of Average AUM is the proportion of operating expenses for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (3) Impairment on financial instruments as a percentage of Average AUM is the proportion of impairment on financial instruments for the relevant year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (4) Gross Stage 3 Loans Loss Allowance Coverage Ratio – MFI (%) represents Total Loss Allowances (Provisions) as required under Ind AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year, for the MFI entity.
- (5) Gross Stage 3 Loans Loss Allowance Coverage Ratio – Housing Finance (%) represents Total Loss Allowances (Provisions) as required under Ind AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year, for the Housing Finance entity.

Specifically, a significant reduction in our business could impact our ability to adjust our employee numbers commensurately and reduce our Employee benefit expenses in a relatively shorter period. The table below sets forth details of our Employee benefit expenses as a percentage of total expenses for the years indicated:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Total Employees	26,835	24,864	19,427
Employee benefit expenses (₹ million) (A)	9,421.83	7,419.79	4,093.93
Total expenses (₹ million) (B)	33,345.15	29,088.52	20,121.60
Employee benefit expenses, as a percentage of total expenses (%) (A/B)*100	28.26%	25.51%	20.35%

It may take us a longer period of time than is optimal in order to adjust our employee numbers or reduce the associated personnel costs, in the event of any significant reduction in our business. An increase in our operating expenses can erode profit margins and necessitate cost-cutting measures, potentially impacting service quality. Elevated Impairment on financial instruments, arising from higher default rates or adverse credit environments, can strain financial resources and reduce net income. A lower Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) indicates insufficient reserves to cover potential losses from non-performing assets, exposing the company to higher financial risk. Conversely, maintaining a high Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) requires significant capital allocation, potentially limiting funds for growth. Failure to manage these ratios effectively can lead to deteriorated financial performance, increased vulnerability to economic downturns, reduced investor confidence, constraints on capital availability, and potential regulatory scrutiny and may have adverse impacts on our business, results of operations, cash flows and financial conditions.

- 32. Our Statutory Auditor's examination report discloses certain modifications under the "Other Legal and Regulatory Requirements" section, an emphasis of matter paragraph and modifications under the Companies (Auditor's Report) Order, 2020 for Fiscals 2026 and 2025. Further, our Previous Statutory Auditor's examination report for Fiscal 2024 includes certain modifications under the Companies (Auditor's Report) Order, 2020. Any failure to remediate the underlying matters or any future adverse findings may adversely affect our financial condition, results of operations and cash flows.**

Our Statutory Auditors' report on our consolidated financial statements for Fiscal 2026 includes an emphasis of matter paragraph drawing attention to the Scheme of Amalgamation of Chaitanya India Fin Credit Private Limited and Svatantra Holding Private Limited with our Company, pursuant to which the comparative financial information as at March 31, 2025 has been restated to give effect to the adjustments arising from such amalgamation. The Statutory Auditors have stated that their opinion is not modified in respect of this matter.

Our Statutory Auditors have included certain modifications in the "Report on Other Legal and Regulatory Requirements" section of their auditor's reports on our consolidated financial statements for Fiscals 2026 and 2025. These matters primarily related to: (i) limitations in compliance with the statutory requirements relating to the maintenance of daily electronic backups of books of account for certain accounting software; and (ii) exceptions relating to the enablement and operation of audit trail (edit log) features for certain accounting software, including audit trail functionality for master data, specified fields and tables, and direct changes to data using certain access rights. The annexure to the auditors' reports issued under

the Companies (Auditor's Report) Order, 2020 also includes certain modifications in respect of a) Repayment of loan receipts are not regular and b) Loans or advances granted which are overdue for more than 90 days. These matters primarily relate to system configurations, electronic record maintenance, audit trail functionality and other operational and compliance processes.

Our Company has implemented and continues to implement measures to strengthen its internal controls and governance framework, including measures relating to the maintenance of electronic records, daily back-up processes, audit trail functionality and management oversight. In addition, the loans referred to above were extended in the ordinary course of business and are repayable on demand in accordance with their terms. However, there can be no assurance that these remediation measures will be fully effective or that similar matters will not arise in the future.

Further, the report of our Previous Statutory Auditor on our consolidated financial statements for Fiscal 2024 also included certain observations under the Companies (Auditor's Report) Order, 2020 in relation to loans granted by our Company and Chaitanya India Fin Credit Private Limited that were repayable on demand. The auditors of SMHFCL have also included modifications under the Companies (Auditor's Report) Order, 2020 for Fiscal 2025 and Fiscal 2024 in the standalone financial statements in respect of a) Repayment of loan receipts are not regular and b) Loans or advances granted which are overdue for more than 90 days.

We cannot assure you that our Statutory Auditors' reports for future financial periods will not contain similar modifications, emphasis of matter paragraphs, observations or other adverse comments, which could adversely affect our financial condition, results of operations and cash flows.

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

Our business is subject to seasonality as we generally see higher borrowings and drawdowns by our borrowers during the third and fourth quarter of each Fiscal due to increased economic activity towards the end of the Fiscal owing to the harvest season in rural areas in India. Further, there is typically an increase in retail economic activity in India during the period from October to March, due to several holiday periods, festivals and improved weather conditions, resulting in higher volumes of business during this period. Accordingly, our results of operations and financial condition in one quarter may not accurately reflect the trends for the entire Fiscal and may not be comparable with our results of operations and financial condition for other quarters. Additionally, any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns which take place during these peak seasons may adversely affect our business, financial condition, results of operations and cash flows. However, there can be no assurance that we will be able to successfully navigate seasonality in our operations or the impact of any national crisis.

34. *We do not own any of the premises where our branch offices are located, including our Registered Office and our Corporate Office. Any termination or failure by us to renew the lease and license agreements in a favorable and timely manner, or at all, could adversely affect our business, financial condition, results of operations and cash flows. Additionally, we may be unable to enforce our rights under agreements with third parties due to inadequate stamping or non-registration of such agreements.*

Our Registered Office is located at Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India and our Corporate Office is located at 8th Floor, Block B, Brigade Software Park, 27th Cross, Banashankari, 2nd Stage, Bangalore – 560070, Karnataka, India. Our Registered Office and our Corporate Office, as well as all of our branches and other offices, are located on leased or licensed premises.

The table below provides information regarding the arrangement for our Company's offices:

Property	Address	Arrangement (Owned/ Leased)	Name of lessor	Name of lessee	Date of expiry	Rent payable for the month of March 31, 2026 (₹ in million)	Whether leased from related party
Registered Office	Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013,	Leased	Khimji Kunverji Realty Holding LLP and Khimji	Svatantra Microfin Limited	December 31, 2027	1.32	No

Property	Address	Arrangement (Owned/ Leased)	Name of lessor	Name of lessee	Date of expiry	Rent payable for the month of March 31, 2026 (₹ in million)	Whether leased from related party
	Maharashtra, India		Kunverji Properties India LLP				
Corporate Office	8th Floor, Block B, Brigade Software Park, 27 th Cross, Banashankari, 2 nd Stage, Bangalore – 560070, Karnataka, India	Leased	Sneha Rakesh and Rajath V.	Svatantra Microfin Limited	August 31, 2027	1.25	No
Office	17th Floor, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013, Maharashtra, India	Leased	Yashvi Commercial Premises LLP	Svatantra Microfin Limited	February 28, 2029	1.08	No
Office	602, 6th Floor, Block B, Brigade Software Park, 27th Cross, Banashankari, 2nd Stage, Bangalore – 560070, Karnataka, India	Leased	B. Venkatnarayan and Vidya Rangasayee Narayan	Svatantra Microfin Limited	January 31, 2031	0.56	No
Office	4 th Floor, M Square IT Park, 241, Road No. 33, Ambica Nagar, Wagle Estate, Thane West – 400604 Thane, Maharashtra	Leased	Zon Collabhub Private Limited	Svatantra Microfin Limited	December 31, 2028	0.60	No

For further information, see “Our Business – Business Operations - Properties” on page 266.

The lease agreements can be terminated, and any such termination could result in any of our branches being shifted or shut down. While we have not faced material issues renewing the leases of our branches in the three preceding Fiscals and have not faced any termination of lease except in the ordinary course by our lessors, if these lease and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business.

Although we duly execute our documents, some of the agreements executed by us may be inadequately stamped or unregistered. For example, certain lease agreements in relation to our branches are unregistered. While such agreements may be enforceable in accordance with the dispute resolution mechanism set out in such agreements, any inadequately stamped or unregistered documents may not be admissible as evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could affect our ability to enforce our rights under the agreements in a timely manner or without incurring any additional costs.

35. In the past, we offered a moratorium to our borrowers in relation to their payments to us, which helped maintain our asset quality. There is no assurance that we will be able to grant moratoriums on the occurrence of any adverse macroeconomic events in the future which adversely impact the microfinance industry.

During the COVID-19 pandemic, we offered moratorium to our borrowers in accordance with the relevant RBI circulars, which allowed lending institutions to offer moratorium to their borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020. The RBI circulars, upheld through a decision of the Supreme Court of India, also allowed lenders to exclude the moratorium period from the number of days past due in respect of accounts classified as standard as of February 2020, for the purpose of asset classification under the income recognition, asset classification and provisioning norms. Accordingly, where moratorium was granted for our loans, the asset / stage-wise classification remained ‘as-is’ during the moratorium period (i.e. the number of days past due excluded the moratorium period for the

purposes of asset / stage-wise classification). Thus, we were able to maintain our asset quality by offering moratorium to borrowers, as we did not need to recognise NPAs during this moratorium period. However, we cannot assure you that the RBI will allow us to offer moratoriums to borrowers in the future in case of future adverse macroeconomic events that impact the microfinance industry. Further, such moratorium in the future may also adversely impact cash collections during the period of a moratorium. Such factors may adversely affect our business, financial condition, results of operations and cash flows.

36. We have entered into related party transactions in the past and may continue to do so in the future.

We have entered into related party transactions in the three preceding Fiscals, each of which have been undertaken in accordance with the Companies Act, 2013 and the rules made thereunder including after taking necessary consents and approvals from the Board / shareholders/ Audit Committee of the company, including for material related party transactions, as applicable, and on an “arm’s length basis”. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

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

Particulars	Fiscal		
	2026	2025	2024
Arithmetic aggregated absolute total of all related party transactions (₹ million)	4,639.63	56.98	11,050.35
Arithmetic aggregated absolute total of all related party transactions, as a percentage of total income (%)	11.08%	0.16%	44.83%

The related party transactions are in the nature of equity shares issued, KMP compensation in terms of share-based payments, among others. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company, in spite of obtaining the necessary approvals. We cannot assure you that such future transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations and cash flows.

37. As of March 31, 2026, we had contingent liabilities which have not been provided for in our financial statements and could adversely affect our business, results of operations, financial condition and cash flows.

As of March 31, 2026, our contingent liabilities as per IND AS 37 – Provisions, Contingent Liabilities and Contingent Assets derived from the Restated Consolidated Summary Statements, were as follows:

Contingent Liabilities

Particulars	As of March 31, 2026 (₹ million)
i) In respect of Income tax demands where the Group has filed an appeal with relevant authority	44.42
ii) Bank guarantee issued by Banks favoring the NHB for refinance facilities	217.50

Note (i). On account of Income tax demands of certain disallowances made by the Assessing Officer such as share premium, share issue expenses, ESOP expenses, and deduction of TDS at concessional rates. The management believes that there will be no probable economic outflow arising from these cases and, accordingly, no provision has been made in the financial statements in accordance with IND AS 37.

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. Our contingent liabilities may materialize and become actual liabilities and if a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

38. There have been certain instances of delays in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company’s business, financial condition, results of operation and cash flows.

Our Company is required to pay certain statutory dues including provident fund contributions and employee state insurance

contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, and professional taxes. The table below sets forth the details of the statutory dues paid by our Company in relation to its employees for the years indicated below:

Particulars	As of/ For the year ended March 31, 2026	As of/ For the year ended March 31, 2025	For the year ended March 31, 2024
	Amount (₹ million)	Amount (₹ million)	Amount (₹ million)
Employee provident fund (includes employer's and employees' contribution)	777.15	861.50	561.27
Employee state insurance corporation contribution (includes employer's and employees' contribution)	153.50	125.41	89.59
Professional tax	16.82	13.36	9.87
Labor welfare fund	2.41	1.34	0.83

The table below sets forth the number of employees of our Company as at the end of the years indicated below:

Particulars	As at the year ended March 31, 2026	As at the year ended March 31, 2025	As at the year ended March 31, 2024
Number of Employees	24,594	23,640	18,410

There have been certain delays in payment of statutory dues, including employee state insurance corporation, provident fund, professional tax and income tax amongst others towards regulatory authorities by our Company as highlighted below:

Particulars	Fiscal		
	2026	2025	2024
	(₹ million)		
Employee provident fund (includes employer's and employees' contribution)	0.46	3.12	0.25
Employee state insurance corporation contribution (includes employer's and employees' contribution)	-	0.00	-
Professional tax	0.31	0.86	0.47
Labor welfare fund	-	0.00	-
TDS	-	0.12	1.53
GST	-	-	-

Set forth below are details in relation to number of days and instances of delay, along with reasons for such delay as on March 31, 2026:

Particulars	Total instances of delay	Range of days of delay (Number of days)
Employee provident fund (includes employer's and employees' contribution)	18.00	24 - 83
Employee state insurance corporation contribution (includes employer's and employees' contribution)	-	-
Professional tax	56.00	1 - 58
Labor welfare fund	-	-
TDS	-	-
GST	-	-

While the above delays were not material, we cannot assure you that going forward we will be able to make timely payment of our statutory dues which could result into paying interest on the delay in payment of statutory dues, or that we will not be subject to such penalties and fines in the future which could adversely affect our business, financial condition, results of operations and cash flows.

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

Pursuant to the Directions on Managing Risks, and Code of Conduct in Outsourcing of Financial Services by NBFCs issued by the RBI on November 9, 2017 and the RBI Cybersecurity Directions NBFCs have been mandated to put in place necessary safeguards and corporate governance measures for activities outsourced by them. For further information, see “*Key Regulations and Policies in India*” on page 267. We enter into arrangements with third-party service providers, who provide services that include, among others, employee background verification services, and development/ licensing of our online platforms. We also availed memberships with credit bureaus for availing credit assessment and other services, and with payment gateways for cash management services.

While we have not faced any material instances of disruptions by third party service providers in the three preceding Fiscals, we cannot guarantee that in the future there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition, results of operations and cash flows may be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. For further information, see “– *We rely on our information technology systems for our business and any inadequacy, cyber-attacks or security breach in such systems could adversely affect our reputation, financial condition, results of operations and cash flows.*” on page 44.

Further, certain of our agreements require us to indemnify our counterparties for certain losses, and limit contractual or other liabilities of our counterparties to fees or other amounts received by them from us for a certain period of time. While there have been no such instances in the three preceding Fiscals, if such indemnities are invoked, or if our counterparties limit their liabilities to an extent that our losses are not fully recovered, we may incur additional costs. Such additional costs may adversely affect our business, financial condition, results of operations and cash flows.

40. *Certain of our corporate records and challans in respect of RoC filings are not traceable and may have inadvertent errors or inaccuracies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent authority in this regard.*

We have not been able to trace certain corporate records and secretarial forms filed by our Company. These include, *inter alia*, certain letters of offer sent to the eligible shareholders and subscription letters in respect of certain rights issues undertaken by our Company during the period from May 2014 to December 2018, pursuant to which Equity Shares were allotted by our Company. Additionally, we have also not been able to trace certain corporate records such as delivery instruction slips related to some of the transfers of Equity Shares to one of our Promoters, Ananya Birla. For further details, see “*Capital Structure – Notes to the Capital Structure – Share capital history of our Company – Equity share capital*” and “*Capital Structure – History of the share capital held by our Promoters*” on pages 96 and 107, respectively. While we have relied on alternate documents such as board resolutions, shareholders’ resolutions, other form filings and supporting documents available in our records for the purpose of making disclosures in relation to such untraceable corporate/secretarial records in this Draft Red Herring Prospectus, we cannot assure you that such records will be available to us in the future. Further, while no legal proceeding or regulatory action has been initiated against our Company in relation to such untraceable records as of the date of this Draft Red Herring Prospectus, we provide no assurance that such proceedings will not be initiated against our Company in the future.

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

Through our Subsidiary, Svatanttra Micro Housing Finance Corporation Limited, we offer housing finance loans. The contribution of our housing finance portfolio to our total AUM is set forth below:

Particulars	As of March 31,		
	2026	2025	2024
AUM - Housing Finance (₹ million)	27,245.55	22,723.90	20,337.40
AUM - Housing Finance, as a percentage of AUM (%)	11.44%	13.23%	12.35%

While our housing finance portfolio is secured, we may face difficulty in recovering the amount against such property collateral. In cases where immovable property is provided as security for a borrowing, (i) its value may decline, (ii) its

ownership documents may not be duly registered or adequately stamped, which renders such documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties, or (iii) there may be challenges in title verification, including overvaluation, fraud and misrepresentation. Foreclosure on collateral may also be subject to delays and administrative requirements that could result in, or be accompanied by, a decrease in the value of the collateral. We may also encounter difficulties in repossessing and liquidating collateral. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such collateral. There may also be failure by our employees to properly appraise the value of the collateral, which provides us with no recourse against the borrower and the loan sanctioned may eventually result in bad debt in our books of accounts. Set forth below are details regarding write-offs with respect to our housing finance portfolio:

Particulars	Fiscal		
	2026	2025	2024
Write-offs – Housing finance (₹ million)	81.82	30.98	16.74

Further, if any of our borrowers takes recourse to arbitration or litigation against our repayment claims, it may cause a further delay in our recovery process, leading to depreciation of the secured asset. We may be unable to fully recover the outstanding balance, even where we are able to successfully repossess and liquidate the collateral.

42. *Our housing finance portfolio is exposed to the real estate sector. Any significant downturn or adverse developments in the real estate sector may lead to an increase in impairment losses and adversely affect our business, financial condition, results of operations and cash flows.*

The primary security for our housing finance business is the underlying property/ collateral. For details in relation to the percentage of our portfolio secured by collateral, see “- In our housing finance portfolio, our inability to assess and recover the full value of collateral, or amounts outstanding under defaulted loans in a timely manner, or at all, could adversely affect our business, financial condition, results of operations and cash flows” on page 55. As a result, we depend on the performance of the real estate sector in India and any decline in conditions of the real estate markets could have an adverse impact on our business, financial condition, results of operations and cash flows. Economic developments within and outside India can adversely affect the real estate market in India. We also provide retail home loans secured by properties under construction in residential real estate projects. The execution of these projects may be subject to delays or disruptions due to regulatory actions, unforeseen circumstances beyond the control of developers or failures in developers' execution. Such interruptions could lead to incomplete construction of the properties, potentially impacting the ability of retail home loan borrowers to service their loans effectively. Deterioration in the residential and commercial real estate market may result in reversing the growth of our loan accounts, which in turn could adversely affect our business, results of operations, cash flows and financial condition. In addition, as the underlying security on these loans is primarily mortgages or other form of security over the borrowers' other residential or commercial property, a significant portion of our loans is exposed to events affecting the real estate sector. In the event of a significant decline in property prices or a defect in the title of the property, we may not be able to realize the value of the collateral or recover the principal and interest in the event of a default.

These factors can also adversely affect the demand for, and pricing of, our loan portfolio in the real estate sector and may materially and adversely affect our business, results of operations, cash flows and financial condition. There can be no assurance that our real estate lending portfolio will grow, or will not decrease, in the future. Any such reduction in demand could have an adverse effect on our business, financial condition, results of operations and cash flows.

43. *In our housing finance business, we may choose to assign a portion of our loan assets through co-lending arrangements to banks and other institutions. Changes in regulations affecting such co-lending arrangements may adversely impact our financial condition, results of operations and cash flows.*

As part of our housing finance business, we may enter into co-lending arrangements with banks to leverage our distribution network and widen our sources of funds. While we have not entered into any co-lending arrangements as of the date of this Draft Red Herring Prospectus, co-lending arrangements allow lenders to cater to a larger borrower base with lesser capital by leveraging the balance sheet of partner banks. Any change in statutory and/ or regulatory requirements in relation to assignments by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on assignment transactions we may enter into. The commercial viability of assignment transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include:

- Prohibition on carrying out assignment transactions at rates lower than the prescribed base rate of the bank;

- Prohibition on housing finance companies focused on the low-income housing segment from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows;
- Minimum holding period or ‘seasoning’ and minimum retention requirements of assignment loans; and
- Assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed the bank’s marginal cost of funds-based lending rate plus 10% per annum or the external benchmark-linked lending rate plus 14% per annum.

There is no assurance that we will be able to comply with applicable policies and/or regulations for assignment of loan assets, which may adversely affect our ability to manage our liquidity and raise or transfer external funds. Any adverse changes in the policy and/or regulations in connection with the assignment of assets by housing finance companies and/or new circulars and/or directions issued by the RBI in this regard, affecting housing finance companies or the purchasers of assets, would affect the assignment market in general and our ability to assign our assets.

44. *With regard to our housing finance business, we may not be able to identify or correct defects or irregularities in title to the properties which are made collateral to the loans offered by us to borrowers, which could adversely affect our business, financial condition, results of operations and cash flows.*

A portion of our loan portfolio is secured by mortgage over immovable property. Our ability to recover amounts due in the event of borrower default within our housing finance portfolio depends on the enforceability and marketability of title to such properties. There is no conclusive or centralized title registry for immovable property in India, and land and property records are maintained at the state or local level, often in vernacular languages and through manual or partially digitized systems. As a result, property records may be incomplete, inaccurate, outdated, illegible or tampered with, and title may suffer from defects or irregularities such as non-registration or improper execution of conveyance deeds, inadequate stamping, fragmented ownership, undisclosed or unregistered encumbrances, competing claims, or rights arising from inheritance or adverse possession. Further, there is no centralized mechanism to verify whether multiple conveyance deeds in respect of the same property have been executed on the same day before different registrars, or to independently authenticate the legitimacy of such executions. Verification of the genuineness of title documents typically requires obtaining certified copies from the relevant registrar offices, which is time-consuming, involves additional costs and requires reliance on public authorities.

The Government of India established and operationalised the Central Registry of Securitization Asset Reconstruction and Security Interest of India (“CERSAI”) on March 31, 2011, under the SARFAESI Act to create a central database of all mortgages created by lending institutions. However, the management and maintenance of this database is subject to the accuracy of descriptions of property submitted by borrowers and set out in the relevant property deeds. Although data is required to be updated on the CERSAI portal, potential disputes or claims over title to our mortgaged properties may arise. Moreover, an adverse decision from a court or adjudicating agency may result in additional costs and delays in the realization of any disbursement made by us. Although we obtain property search reports and non-encumbrance certificates through empaneled advocates prior to disbursement, such checks remain dependent on the accuracy of property descriptions and disclosures and may not fully eliminate the risk of duplication, fraud or undisclosed encumbrances. Although we undertake legal and technical due diligence on properties offered as collateral, such diligence is inherently limited and may not reveal all defects or competing interests affecting title. Any such defects or disputes may impair or delay our ability to enforce security interests or realise the full value of the collateral, or result in prolonged litigation, higher recovery costs or lower recoveries in the event of borrower default. Any of the foregoing could require us to make additional provisions or write-offs and could adversely affect our business, results of operations, cash flows and financial conditions.

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

Our operations are subject to various risks inherent to the finance industry, as well as fraud, theft, robbery, acts of terrorism and other *force majeure* events. We maintain insurance coverage under various policies to safeguard against potential risks associated with our operations. We maintain insurance policies covering credit life insurance for MFI borrowers, directors and officers insurance, office protection insurance covering electronic equipment, breakdown of office appliances, fire and allied perils, burglary and other perils. We have availed general office insurance policy covering fidelity guarantee, money insurance and public liability insurance among others. We also provide employee insurance cover, including group medical cover, group term life insurance and group personal accident insurance to eligible employees. For further information on the insurance policies availed by us, see “*Our Business – Insurance*” on page 264. We cannot assure you that our insurance policies will provide adequate coverage in certain circumstances, such as credit loss and loss of profit, and such policies

may be subject to certain deductibles, exclusions and limits on coverage. Set forth below are details of our insurance coverage, as of the corresponding dates:

Particulars	As of March 31, 2026		As of March 31, 2025		As of March 31, 2024	
	Amount (₹ million)	Percentage of insurance coverage of Total Tangible Assets (%)	Amount (₹ million)	Percentage of insurance coverage of Total Tangible Assets (%)	Amount (₹ million)	Percentage of insurance coverage of Total Tangible Assets (%)
Coverage of insurance policies	849.63	202.83%	687.86	165.64%	592.04	161.21%

Notes: Total Tangible Assets represent the aggregate of the Net block of property, plant and equipment as reduced by leasehold improvement and vehicles as at the end of the relevant year.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time, or that we have taken out sufficient insurance to cover all our losses. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. While we have not experienced significant claims for insurance which have been rejected or exceed our insurance coverage in the three preceding Fiscals, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance to cover all potential losses. We apply for the renewal of our insurance coverage in the normal course of our business and while there have been no material instances of renewal applications being rejected in the three preceding Fiscals, we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our financial condition, results of operations and cash flows could be adversely affected in future.

46. *Our business, financial condition, results of operations and cash flows may be adversely affected by regulations in states in which we operate.*

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. For instance, the Bihar Micro Finance Institutions (Regulation of Money Lending and Prevention of Coercive Action) Act, 2026, the Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Ordinance, 2025 and the Tamil Nadu Money Lending Entities (Prevention of Coercive Actions) Act, 2025 could place limitations on our operations. We cannot assure you that any such actions taken by the state governments in which we operate will not adversely impact our business, financial condition, results of operations and cash flows.

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, financial condition, results of operations and cash flows may be adversely affected.

47. *Actual or perceived loan waiver, debt relief, loan forgiveness or similar measures announced or implemented by the Central Government, state governments or other authorities, or expectations thereof, could adversely affect our collections, financial condition, results of operations and cash flows.*

Our microfinance borrowers are primarily low-income individuals located in rural and semi-urban areas. From time to time, the Central Government, state governments or other authorities may announce, consider or implement loan waiver, debt relief, loan restructuring, interest subvention, repayment deferment or similar schemes, including schemes applicable to agricultural or other borrower segments.

Even where such measures do not directly apply to loans originated by us, announcements, proposals, public discussions or expectations regarding such measures may adversely affect borrower repayment behaviour by creating expectations of similar relief in respect of our loan portfolio. Such expectations may reduce repayment discipline, increase delinquencies, impair collection efficiencies, adversely affect borrower credit culture and result in higher provisioning requirements, write-offs and credit costs. Further, uncertainty regarding the scope, applicability or implementation of such measures may adversely affect our ability to originate new loans, recover outstanding amounts and maintain asset quality.

In addition, regulatory authorities or governments may, in response to economic stress, natural disasters, pandemics, regional disruptions or other extraordinary circumstances, introduce moratoriums, repayment deferments, restructuring measures or similar borrower relief mechanisms. Although such measures may be intended to provide temporary relief to borrowers, they may adversely affect our collections, cash flows, liquidity, asset quality, interest income, provisioning requirements and the timing of recoveries. Any such developments could adversely affect our business, financial condition, results of operations and cash flows.

48. *We are required to obtain certain statutory and regulatory licenses and approvals for our operations and any failure or omission to obtain, maintain or renew such licenses and approvals in a timely manner, or at all, could adversely affect our business, financial condition, results of operations and cash flows.*

We are required to obtain, and have obtained, certain statutory and regulatory licenses and approvals in India for our operations. For further information, see “Government and Other Approvals” on page 483. We may be required to obtain new registrations, permits and approvals for our business, as a result of change in current regulations or for any proposed expansion strategy. There can be no assurance that the relevant authorities will grant or renew such approvals in a timely manner or at all. For details of material approval or renewals which are yet to be received by our Company, see “Government and Other Approvals - VIII. Pending Material Approvals in relation to the business of our Company” on page 484. If we fail to obtain any applicable approvals, licenses, registrations or consents in a timely manner or at all, we may not be able to undertake certain operations of our business. These approvals may be granted for a limited duration, and may involve compliance with certain conditions.

Our Company has a certificate of registration from the RBI to operate as an NBFC-MFI, which requires our Company to comply with certain terms and conditions for our Company to continue our operations as an NBFC-MFI. Our Subsidiary, SMHFCL, also holds a certificate of registration from the NHB to operate as a housing finance company and is required to comply with the applicable regulatory framework, directions and conditions prescribed by the NHB for HFCs in order to continue carrying on its housing finance business. Further, our Company is registered with the Insurance Regulatory and Development Authority of India (“IRDAI”) to undertake insurance distribution activities and is required to comply with the applicable regulatory framework and conditions prescribed by the IRDAI in relation to such activities. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax and GST registrations of the particular state in which we operate. For further information, see “Government and Other Approvals” on page 483.

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

49. *We have made investments in debt instruments and other financial instruments which are unsecured and may subject us to credit risk.*

As of March 31, 2026, we held investments amounting to ₹ 1,799.97 million, comprising investments in treasury bill and in units of mutual fund. These investments are subject to counterparty credit risk, including the risk of delay or default in repayment by the issuers. Any deterioration in the credit quality of such instruments, or the occurrence of any adverse market conditions, may result in losses and have an adverse effect on our financial condition, results of operations and cash flows.

50. *Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL MI&A, exclusively commissioned and paid for by us for such purpose and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*

Certain information regarding the industry and the market in which the Company operates, included in this Draft Red Herring Prospectus has been derived from the report titled “The microfinance industry in India” dated August 2026 (“CRISIL Report”) prepared by CRISIL MI&A, appointed and exclusively commissioned by our Company pursuant to letter dated April 14, 2026 at an agreed fees to be paid by our Company and is available on the website of our Company at <https://svatantramicrofin.com/investor-relations/initial-public-offerings>. The report is subject to various limitations and

based upon certain assumptions, parameters and conditions that are subjective in nature. It also uses certain methodologies for market sizing and forecasting which may or may not be accurate.

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

You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. For the disclaimer associated with the CRISIL Report, see, “*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*” on page 26.

51. *We are subject to certain industry threats and challenges, which could adversely affect our financial condition, results of operations and cash flows.*

The MFI sector faces several issues that impact its operations and growth. These challenges can be broadly categorized as follows: (Source: CRISIL Report)

- **Sharp asset quality deterioration:** The sector is experiencing a surge in GNPA's and PAR of over 180 days. The AUM in India contracted 13.18% on year in Fiscal 2026.
- **Over-leveraging and borrower stress:** Borrowers face repayment issues due to economic slowdowns, inflation, natural disasters, heatwaves and election related disruptions. Many borrowers have taken loans from multiple lenders, leading to a debt trap causing over leverage issues.
- **High cost of funds and operations:** Smaller MFIs are struggling with funding constraints as banks become more selective in their lending practices. Operating costs remain high due to the manual and field-intensive nature of micro-lending.
- **Shift of borrowers towards individual loans:** The traditional JLG model, which relies on peer pressure to ensure loan repayment, is weakening due to urbanisation and a shift from group-focused credit leading to individual lending, which requires better credit assessment techniques. MFIs must develop more sophisticated credit assessment models to manage the risks associated with individual lending.

Further, the affordable housing finance market is subject to a range of risks and challenges that could temper its growth trajectory and impact portfolio performance, including the following: (Source: CRISIL Report)

- **Macroeconomic Sensitivity:** Affordable housing borrowers are disproportionately impacted by inflationary pressures and interest rate fluctuations. Rising EMI's during tightening monetary cycles can strain the limited financial buffers of economically weaker sections and low income group borrowers, elevating delinquency risks.
- **Competitive Intensity:** Growing participation from banks, large HFCs, and fintech platforms is intensifying pricing competition within the affordable housing segment, particularly in the ₹ 1.00 million to ₹ 2.00 million ticket size category. This heightened competitive pressure can compress NIMs as lenders are compelled to lower yields to retain and attract borrowers, directly impacting profitability. Additionally, aggressive pricing strategies by well-capitalized players may force smaller players to either sacrifice margins or pursue higher-risk borrower segments to maintain growth rates, potentially compromising the quality of customer selection. The pressure to sustain portfolio growth in an increasingly crowded market could lead to dilution of underwriting standards and elevated credit costs over time. Furthermore, competitive intensity may also increase customer acquisition costs as lenders invest more heavily in distribution networks, digital platforms, and incentive structures to maintain market share, further straining operating margins and return profiles.
- **Rising Construction Costs:** Persistent escalation in input costs, particularly steel and cement threaten to push property prices beyond the affordability threshold for target borrowers, potentially shrinking the addressable market and altering the segment's risk profile.

For further information, see “*Industry Overview*” on page 147. An inability to manage these risks could adversely affect our results of operations, financial condition and cash flows.

52. *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.*

Our Promoters, non-Independent Directors, Key Managerial Personnel and Senior Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their respective shareholding, and the shareholding of their relatives, in our Company, payment of dividend or other distributions in respect of such shareholding, employee stock options granted to them under the ESOP Plans, as applicable, and in case of the Independent Directors sitting fees payable to them for attending meetings of the Board or committees thereof. For further information, see “*Our Promoters and Promoter Group – Interests of our Promoters*”, *Our Management – Interest of Directors*”, “*Our Management - Interests of Key Managerial Personnel and Senior Management Personnel*”, and “*Summary of Related Party Transactions*” on pages 317, 303, 314 and 83, respectively. We cannot assure you that our Promoters will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoters, non-Independent Directors, Key Managerial Personnel and Senior Management Personnel may take or block actions with respect to our business which may conflict with the interests of the minority shareholders of our Company.

53. *Our Promoters, Directors, KMPs may have interest in entities which are in businesses similar to ours, which may result in conflict of interest with us.*

Our Promoters, Directors and KMPs may have interests in entities within the Aditya Birla Group which are engaged in activities similar to ours and whose offerings may compete with our business offerings. The presence of Aditya Birla Group companies in overlapping or adjacent segments may lead to actual or perceived conflicts of interest and dilution of our value proposition. While these instances have not led to an adverse impact on our business in Fiscals 2026, 2025 and 2024, there is no assurance that such instances will not occur in the future. Further, there can be no assurance that we will not face competition from other Aditya Birla Group entities in the future or that any existing or future arrangements will be sufficient or enforceable to prevent overlap.

54. *Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit for the year after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.*

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013, applicable RBI regulations and the dividend distribution policy adopted by our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, profits, capital requirements, contractual obligations and restrictions, restrictive covenants in financing arrangements, our overall financial condition and other factors considered relevant by our Board.

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. However, there is no guarantee that our Equity Shares will appreciate in value after the Offer, or at all. For information on dividend declared in the past, see “*Dividend Policy*” on page 320.

55. *Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Offer and will be able to exercise significant influence over us, and their interests may differ from those of the other shareholders.*

As of the date of this Draft Red Herring Prospectus, our Promoters and the members of the Promoter Group collectively hold 60.23% of the paid-up equity share capital of our Company on a fully diluted basis. For further information on their shareholding pre and post-Offer, see “*Capital Structure*” on page 94. After the completion of the Offer, our Promoters along with the members of Promoter Group will continue to collectively hold significant shareholding in our Company and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders’ approval. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of our Promoters as our controlling shareholders could conflict with our interests or the interests of other shareholders, including

public shareholders after the completion of the Offer. We cannot assure you that the Promoters and the members of the Promoter Group, as controlling shareholders, will act to resolve any conflicts of interest in favour of our Company and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters in our Company, see “*Our Promoters and Promoter Group*” and “*Our Management*” on pages 316 and 295, respectively.

56. *We have issued Equity Shares during the preceding 12 months at prices that may be lower than the Offer Price.*

We have, in the 12 months preceding the filing of this Draft Red Herring Prospectus, issued Equity Shares at prices that may be lower than the Offer Price. See “*Capital Structure – Notes to the capital structure – Share capital history of our Company – Equity share capital*” on page 96. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded.

57. *Our Company will not receive any proceeds from the Offer for Sale and the proceeds from the Offer for Sale will be paid to the Selling Shareholders.*

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer expenses) and our Company will not receive any part of the proceeds of the Offer for Sale. For further information, see “*The Offer*” and “*Objects of the Offer*” on pages 75 and 120, respectively.

58. *The average cost of acquisition of Equity Shares for our Selling Shareholders may be lower than the Offer Price.*

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

Name	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)
Multiples Private Equity Fund III	48,747,187	66.93 [^]
Multiples Private Equity Fund IV	21,028,478	66.93 [^]
Multiples Private Equity Gift Fund IV	22,474,694	66.93 [^]
Violicina Limited	225,683,915	66.93 [^]

Note: As certified by Manian & Rao, Chartered Accountants pursuant to their certificate dated August 13, 2026.

[^]The amount paid to acquire original CCPS has been considered as total cost for equity shares allotted pursuant to conversion of CCPS.

59. *Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or unanticipated expenses, our business, cash flows, financial condition and results of operations may be adversely affected.*

We intend to use the Net Proceeds of the Fresh Issue to augment our Tier I Capital base, as described in “*Objects of the Offer*” on page 120. The objects of the Fresh Issue and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. While a monitoring agency will be appointed for monitoring the utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our resources.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilisation of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

60. *Any variation in the utilisation 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 utilise the Net Proceeds towards the purposes described in “*Objects of the Offer*” beginning on page 120. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and has not been appraised by any bank, financial institution or other independent party. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Offer. Further, 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 the 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 the SEBI ICDR Regulations, we cannot undertake variation in the utilisation of the Net Proceeds or in the terms of any contracts as disclosed in this Draft Red Herring Prospectus without obtaining the approval of the Shareholders through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the Shareholders in a timely manner, or at all. Any delay or inability in obtaining such approval of the Shareholders may adversely affect our business or operations. Further, our Promoter would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the Objects of the Offer, at a price and manner as prescribed under Schedule XX of the SEBI ICDR Regulations.

Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoter or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that our Promoter 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 vary the objects of the Offer to use any unutilised proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business, results of operations, financial conditions and cash flows.

61. *Our Corporate Promoter, Antimatter Media Private Limited, does not have experience in the business activities undertaken by our Company.*

One of our Promoters, Antimatter Media Private Limited, does not have experience in our line of business and has not actively participated in the business activities undertaken by our Company. For further details of our Corporate Promoter, see “*Our Promoters and Promoter Group*” on page 316. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company.

62. *We may also pursue strategic acquisitions for inorganic growth in the future. We may not be able to integrate any future acquisitions or may be faced with operating difficulties due to such integration, which could adversely affect our business, financial condition, results of operations and cash flows.*

While we do not have any proposed acquisitions at present, we may evaluate such opportunities as and when they arise. Acquisitions can be time-consuming to execute and may not be accretive to our overall business and result in increased integration costs due to regulatory complexities or otherwise. The identification of suitable opportunities on commercially reasonable terms and securing the necessary financing for such acquisitions can pose challenges. Moreover, the integration of acquired businesses or investments is not guaranteed, and the profitability of such investments is uncertain. The integration process involves significant challenges, including the alignment of business cultures, systems, and processes, retention of key personnel, and realisation of expected benefits. We may face difficulties in harmonising the operational practices and corporate cultures of the acquired companies with our own, which could lead to inefficiencies and disruptions in our operations. Additionally, the integration process may require additional unanticipated costs and divert management's attention and resources from our core business activities, potentially impacting our overall performance. We cannot assure you that we will be able to successfully identify acquisition targets in future, integrate future acquisitions or achieve the anticipated synergies. Our inability to successfully identify, acquire and integrate suitable opportunities on commercially reasonable terms could adversely affect our business, financial condition, results of operations and cash flows.

63. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.*

Certain non-GAAP financial measures, such as Total Borrowings, Net Interest Income, Debt to Equity Ratio, Net Total Income, Cost to Income Ratio, Gross Stage 3 Loans Loss Allowance Coverage Ratio (%), Total Assets to Total Equity Ratio, Net Stage 3 Loans, Gross Stage 3 Ratio (%), Net Stage 3 Ratio (%), Total Income excluding Interest Income, Total Income adjusted for Net Loss on fair value changes, Net Worth, EBITDA, NAV per Equity Share, Return on Average

Equity and certain other measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of players in the Indian financial services industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information.

These non-GAAP financial measures and certain other measures relating to our operations and financial performance are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Such non-GAAP financial measures may be different from financial measures and statistical information disclosed or followed by other NBFCs or NBFC-MFIs. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting their usefulness as a comparative measure. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” and “*Selected Statistical Information - Reconciliation of Non-GAAP Measures*” on pages 443 and 335, respectively.

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

The Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus have been derived from the:

- (i) audited financial statements as at and for the year ended March 31, 2026 of our Company and its subsidiary, prepared in accordance with Indian Accounting Standards,
- (ii) the audited financial statements as at and for the years ended March 31, 2025 and March 31, 2024 of our Company and its subsidiary as at and for the relevant fiscal year prepared in accordance with Indian Accounting Standards as adjusted by the management to give effect to the common control business combination of SHPL and CIFCPL which has been accounted in accordance with “pooling of interest method” as laid down in Appendix C- ‘Business combinations of entities under common control’ of Ind AS 103 read with the Expert Advisory Committee opinion issued by the Institute of Chartered Accountants of India on ‘Accounting treatment and disclosure of Debit Balance of Capital Reserve arising on merger’ dated July 11, 2023.

and restated in accordance with the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended;
- b. The SEBI ICDR Regulations; and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India, as amended from time to time.

Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. 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.

EXTERNAL RISK FACTORS

- 65. *The determination of the Price Band is based on various factors and assumptions and the Offer Price, price to earnings ratio and market capitalization to revenue multiple based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing or thereafter and, as a result, you may lose a significant part or all of your investment.***

Our Total Revenue from operations for Fiscal 2026 was ₹ 41,209.11 million. Further, profit for the year after tax for Fiscal 2026 was ₹ 6,493.99 million. The table below sets forth details of our price to earnings ratio and market capitalization to Total Revenue from operations at the upper end of the Price Band:

Particulars	Price to Earnings Ratio	Price to Book Ratio	Market Capitalization to Total Revenue from operations
For Fiscal 2026	[●]	[●]	[●]

**To be populated at Prospectus stage.*

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company, through our Board or IPO Committee, in consultation with the BRLMs. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. Further, 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 the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section “*Basis for the Offer Price*” on page 126 and the Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter.

- 66. *Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain. Legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and cash flows.***

Our business, financial performance, cash flow and results of operations could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. While we did not have any material non-compliance with the applicable laws and regulations in Fiscals 2026, 2025 and 2024, any failure or alleged failure to comply with the applicable laws, regulations or requirements could subject us to inspection, enforcement actions and penalties imposed by authorities. Our business, cash flows, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. or pass any cost arising from the compliance with the revised norms to our consumers. The regulatory and policy environment in which we operate are evolving and are 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 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 enacted the DPDP Act on personal data protection for implementing organizational and technical measures in processing personal data, lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The DPDP Act provides several exemptions for personal data processing by the Government. We may incur increased costs and other burdens relating to compliance with any new requirements under the DPDP Act, which may also require significant management time and other resources. Further, the DPDP Rules have been notified by the Central Government on November 14, 2025, marking the full operationalisation of the DPDP Act. It aims to strengthen the legal framework for the protection of digital personal data by providing necessary details and an actionable framework. and is applicable to all entities that process digital personal data, both within India and abroad. The DPDP Rules lays down various implementation aspects such as the notice by the data fiduciary to the individuals, registration and obligations of consent manager, processing of personal data for issuance of subsidy, benefit, services by State, applicability of reasonable security safeguards, intimation of personal data breach, providing details about availing of the rights by the individuals, processing of personal data of child or of person with disability, setting up the Data Protection Board (“**Board**”), appointment and service conditions of the chairperson and other members of the Board, functioning of Board as digital office, procedure to appeal to appellate tribunal among others.

The RBI *vide* its notification dated November 28, 2025 implemented a comprehensive overhaul of the regulatory framework consolidating over 9,000 circulars and directions including the Master Directions – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, which have been replaced by the Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025, amongst others. These Master Directions

consolidate existing guidelines and introduce new measures to address concerns in the digital lending ecosystem, such as the engagement of third parties, mis-selling, data privacy issues, unfair practices, excessive interest rates, and unethical recovery methods. The revised regulatory framework may require changes in existing processes and systems and result in increased compliance and implementation costs.

The GoI has recently notified the Code on Social Security, 2020 (“**Social Security Code**”); the Occupational Safety, Health and Working Conditions Code, 2020 (“**Occupational Safety, Health and Working Conditions Code**”); the Industrial Relations Code, 2020 (“**Industrial Relations Code**”) and the Code on Wages, 2019 (“**Code on Wages**”), which consolidate, subsume and replace numerous existing central labour legislations (collectively, the “**Labour Codes**”), and were made effective from November 1, 2025, in a phased manner. Subsequently, on May 8, 2026, the GoI notified the Code on Wages (Central) Rules, 2026, Industrial Relations (Central) Rules, 2026, Occupational Safety, Health and Working Conditions (Central) Rules, 2026 and the Social Security (Central) Rules, 2026, thereby operationalizing the Code on Wages, Industrial Relations Code, Occupational Safety, Health and Working Conditions Code and the Social Security Code respectively. As an immediate consequence, the coming into force of these codes may increase the financial burden on our Company, which may adversely affect our profitability. In addition, the Government of India has introduced The Bhartiya Nyaya Sanhita, 2023, Nagarik Suraksha Sanhita, 2023 (“**BNSS**”) and Bhartiya Sakshya Adhiniyam, 2023 (“**BSA**”), replacing the Indian Penal Code, 1860, Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively.

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, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our financial conditions, cash flows and results of operations.

67. *Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could adversely affect our business, financial condition, results of operations and cash flows.*

Natural disasters (such as typhoons, flooding, fires and earthquakes), epidemics, pandemics and man-made disasters, including acts of war, terrorist attacks and other events such as political instability, including strikes, demonstrations, protests, marches or other types of civil disorder, 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, cash flows 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 offices or branches 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. As a result, any future outbreak of a contagious disease could have an adverse effect on our business and the trading price of the Equity Shares.

Any acts of war, terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or other countries could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

68. *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, of India, as amended (“**Competition Act**”), was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (“**CCI**”) to prevent such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition (“**AAEC**”) is considered void and may result in the imposition of substantial 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 the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. 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.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

The Competition (Amendment) Act, 2023 (“**Competition Amendment Act**”) was notified on April 11, 2023, which amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position. The Competition Amendment Act also enumerates the categories of combinations that, upon satisfying the specified criteria, are exempted from the notice requirements under the Competition Act. The CCI has introduced the Competition Commission of India (General) Regulations, 2024, which will replace the previous General Regulations, 2009. These new regulations follow the passage of the Competition Amendment Act last year. We have not experienced any instances wherein we were subject to any penalty or received any notice from the CCI in the three preceding Fiscals, we cannot assure you such instances will not arise in the future.

69. *Financial and political instability in other countries, as well as geopolitical conflicts, may cause increased volatility in Indian financial markets.*

While our operations are limited to India, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing military conflicts between Russia and Ukraine, the Israel-Gaza conflict and the Iran war could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India’s major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Events such as the recent conflicts and tensions involving Israel and Iran, including concerns regarding the security of transit routes such as the Strait of Hormuz, have increased uncertainty in global markets. Additionally, war-like conditions, geopolitical conflicts, or broader regional instability may trigger economic downturns, increase inflationary pressures, or adversely affect capital markets in India and globally.

These developments, or the perception that any of them could occur, have had and may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital.

This could have an adverse effect on our business, financial condition, results of operations and cash flows and reduce the price of the Equity Shares.

70. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our borrowers thereby reducing our margins.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses.

Rising inflation may also impact our lending operations. Higher inflation can lead to increased interest rates, which may reduce demand for loans, affect borrowers' repayment capacity, and result in higher delinquencies or non-performing assets. Additionally, inflation may erode the real value of collateral and reduce the purchasing power of our borrowers, impacting their ability to service debt.

High fluctuations in inflation rates may also make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our borrowers, whether entirely or in part, and may adversely affect our business, results of operations, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the price of our services to pass the increase in costs on to our borrowers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

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

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

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

Risks Relating to the Equity Shares and this Offer

72. *The trading volume and market price of the Equity Shares may be volatile following the Offer.*

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

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

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

73. *A downgrade in ratings of India and other jurisdictions we operate in 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 and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

74. *The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.*

Any change in Indian tax laws could have an effect on our operations. The GoI has implemented two major reforms, namely the Goods and Services Tax ("GST"), and provisions relating to general anti-avoidance rules ("GAAR"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("DDT"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the erstwhile Income-tax Act, 1961 ("IT Act, 1961") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

The GoI has introduced various tax reforms through Finance Act, 2026 for the Financial Year 2027. Additionally, the GoI has enacted the Income Tax Act, 2025 ("ITA 2025"), and Income Tax Rules, 2026, to repeal and replace the Income-tax Act, 1961 and Income Tax Rules, 1962 respectively with effect from April 1, 2026. While the GoI has stated that ITA 2025 does not introduce any policy changes and has primarily been enacted as a simplified, concise, and reader-friendly legislation, we cannot predict whether such transition may create interpretive uncertainty and require changes to our systems, controls, contracts, and processes in India. Failure to implement timely changes or accurately comply with could result in higher tax liabilities, cash flow timing impacts from withholding, interest and penalties, increased administrative

costs, and disputes. Additional rules, notifications, or technology requirements issued by the Central Board of Direct Taxes could be extensive or retrospective and may affect our Indian operations and cross-border arrangements.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

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

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

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

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

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

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to 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 market for and trading of our Equity Shares.

77. *The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors 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 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. Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

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

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on equity shares sold on an Indian stock exchange. Any capital gains exceeding ₹125,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 12.50% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT. Further any capital gains realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 12.50% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our 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 at the rate of 20% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

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, 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 realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

79. *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. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment and transfer of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately three Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid Closing Date. There could be a failure or delay in the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise

of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

81. *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.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior approval of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the 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. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. 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 shareholders.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Subsequently, Press Note No. 2 (2026 Series), dated March 15, 2026, issued by the DPIIT, further amended the FDI Policy to, *inter alia*, provide that prior Government approval shall be required only where citizen(s) and/or entity(ies) of a country sharing a land border with India hold (directly or indirectly, individually or cumulatively) more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity.

These amendments under Press Note No. 2 (2026 Series) have come into effect as on the date of this Draft Red Herring Prospectus. Furthermore, any transfer of ownership of existing or future foreign direct investment in an Indian entity (whether directly or indirectly) that results in beneficial ownership falling within the aforesaid restrictions will also require Government approval. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 544. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

82. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the

Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

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

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offer document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

84. *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, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI Takeover Regulations**") that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, any person together with persons acting in concert, who acquire 25% or more of the voting rights in a listed company, or otherwise obtains control, is required to make an open offer to acquire a minimum of 26% of the voting share capital from public shareholders and would also require prior permission from the RBI. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of requirements prescribed under the SEBI Takeover Regulations.

85. *Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, including the Companies Act, 2013 and the SEBI Listing Regulations, 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. Further, enforcement of rights under Indian law may be subject to procedural delays and limitations in Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

86. *U.S. holders should consider the impact of the passive foreign investment company (“PFIC”) rules in connection with an investment in our Equity Shares.*

A non-US corporation will be a PFIC for U.S. federal income tax purposes for any taxable year if either: (i) 75% or more of its gross income is passive income or (ii) 50% or more of the total value of its assets is attributable to assets, including cash, that produce or are held for the production of passive income. Our Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

No assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the application of the PFIC rules to a non-US, non-bank fintech company such as our Company is uncertain in several respects under current U.S. federal income tax law, (ii) the composition of our Company’s income and assets will vary over time, and (iii)) our Company holds, and may continue to hold, a substantial amount of cash following this offering. Further, our Company’s PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably. Prospective investors should consult their own tax advisors on whether and how the PFIC rules may apply to their investment in Equity Shares.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of equity shares of face value of ₹10 each⁽¹⁾⁽²⁾⁽³⁾	[●] equity shares of face value of ₹10 aggregating up to ₹30,000.00 million
<i>of which:</i>	
(i) Fresh Issue ⁽¹⁾⁽³⁾	[●] equity shares of face value of ₹10 aggregating up to ₹15,000.00 million
(ii) Offer for Sale ⁽¹⁾⁽²⁾	[●] equity shares of face value of ₹10 aggregating up to ₹15,000.00 million
<i>Which includes:</i>	
Employee Reservation Portion ⁽⁴⁾	[●] equity shares of face value of ₹10 aggregating up to ₹[●] million
Net Offer	[●] equity shares of face value of ₹10 aggregating up to ₹[●] million
The Net Offer consists of:	
QIB Portion⁽⁵⁾⁽⁶⁾	Not more than [●] equity shares of face value of ₹10 aggregating up to ₹[●] million
<i>of which:</i>	
Anchor Investor Portion	[●] equity shares of face value of ₹10 each
<i>Of which up to 40% of the Anchor Investor Portion shall be reserved in the following manner:</i>	
Up to 33.33% of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds	[●] equity shares of face value of ₹10 each
Up to 6.67% of the Anchor Investor Portion shall be reserved for allocation to Life Insurance Companies and Pension Funds	[●] equity shares of face value of ₹10 each
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] equity shares of face value of ₹10 each
<i>of which:</i>	
Mutual Fund Portion	[●] equity shares of face value of ₹10 each
Balance of Net QIB Portion for all QIBs including Mutual Funds	[●] equity shares of face value of ₹10 each
Non-Institutional Portion⁽⁶⁾⁽⁷⁾	Not less than [●] equity shares of face value of ₹10 each aggregating up to ₹[●] million
<i>of which:</i>	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	[●] equity shares of face value of ₹10 each
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	[●] equity shares of face value of ₹10 each
Retail Portion⁽⁶⁾	Not less than [●] equity shares of face value of ₹10 each aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	803,076,694 equity shares of face value of ₹10 each
Equity Shares outstanding after the Offer*	[●] equity shares of face value of ₹10 each
Use of Net Proceeds by our Company	See “Objects of the Offer” on page 120 for details regarding the use of Net Proceeds

* To be updated upon finalisation of the Offer Price.

(1) The Offer has been authorized by resolution of our Board of Directors at their meeting held on July 22, 2026, and the Fresh Issue has been authorised by a special resolution passed by our Shareholders at their meeting held on July 22, 2026. For further details, see “Other Regulatory and Statutory Disclosures” beginning on page 488.

(2) Each of the Selling Shareholders have, severally and not jointly, confirmed and authorized their participation in the Offer for Sale in relation to their respective portion of the Offered Shares. The Equity Shares being offered by each of the Selling Shareholders have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations, and are eligible for being offered for sale pursuant to the Offer in accordance with the provisions, including Regulation 8, of the SEBI ICDR Regulations. Our Board has taken on record the consents and authorisations for the Offer for Sale by each of the Selling Shareholders, to severally and not jointly, participate in the Offer for Sale, pursuant to its resolution dated August 13, 2026. For details of consents and authorisations (as applicable) for the Offer for Sale, see “The Offer” and “Other Regulatory and Statutory Disclosures” beginning on pages 75 and 488, respectively.

(3) Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, as may be permitted under the applicable law,

at its discretion, aggregating up to ₹ 3,000.00 million, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

- (4) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount, if any). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any). Our Company, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.
- (5) Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 40% of the Anchor Investor Portion shall be reserved as under (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Any under-subscription in the reserved category specified in clause (ii) above may be allocated to domestic Mutual Funds. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 524.
- (6) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section “Terms of the Offer” beginning on page 512.
- (7) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. SEBI through the SEBI ICDR Master Circular has prescribed that all individual investors applying in initial public offerings, where the application amount is up to ₹500,000, shall use the UPI Mechanism. 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.

Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●] % of the post-Offer paid-up equity share capital of our Company. Allocation to all categories, except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each RIB and NIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion, respectively, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see “Offer Procedure” and “Terms of the Offer” on pages 524 and 512, respectively.

SUMMARY FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Summary Statements for Fiscals 2026, 2025 and 2024. The Restated Consolidated Summary Statements referred to above are presented under “*Financial Information*” on page 339.

The summary of financial information presented below should be read in conjunction with the “*Restated Consolidated Summary Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 339 and 434, respectively.

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SUMMARY OF BALANCE SHEET

(₹ in million)

	Particulars	As at		
		March 31, 2026	March 31, 2025	March 31, 2024
	ASSETS			
(1)	Financial assets			
(a)	Cash and cash equivalents	21,451.46	7,289.60	14,419.53
(b)	Bank balance other than cash and cash equivalents	3,026.92	1,512.34	1,146.46
(c)	Derivative financial instruments	256.91	54.01	-
(d)	Receivables			
	(i) Trade receivables	117.18	46.70	42.83
	(i) Other receivables	8.88	11.06	44.22
(e)	Loans	204,767.62	143,342.48	135,414.32
(f)	Investments	1,799.97	947.39	669.98
(g)	Other financial assets	3,071.38	2,580.27	2,420.11
	Total financial assets	234,500.32	155,783.85	154,157.45
(2)	Non-financial assets			
(a)	Current tax assets (net)	255.94	368.58	82.94
(b)	Deferred tax assets (net)	1,639.59	1,718.81	1,422.32
(c)	Investment property	0.25	0.25	0.25
(d)	Property, plant and equipment	458.77	443.48	381.51
(e)	Right of use assets	220.66	196.52	240.15
(f)	Other intangible assets	79.23	75.95	59.92
(g)	Intangible assets under development	265.04	157.49	-
(h)	Other non-financial assets	954.03	593.37	472.24
	Total non-financial assets	3,873.51	3,554.45	2,659.33
	TOTAL ASSETS	238,373.83	159,338.30	156,816.78
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial liabilities			
(a)	Payables			
(I)	Trade payables			
	(i) Total outstanding dues to micro enterprises and small enterprises	63.27	33.34	0.38
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	726.71	247.97	199.28
(II)	Other payables			
	(i) Total outstanding dues to micro enterprises and small enterprises	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11.42	101.74	79.46
(b)	Debt securities	23,189.12	3,902.40	4,305.24
(c)	Borrowings (other than debt securities)	156,751.90	109,658.79	118,436.50
(d)	Subordinated liabilities	6,191.61	6,322.52	6,431.08
(e)	Lease Liabilities	240.74	211.05	246.95
(f)	Other financial liabilities	3,034.82	2,433.67	2,916.88
	Total financial liabilities	190,209.59	122,911.48	132,615.77
(2)	Non-financial liabilities			
(a)	Provisions	568.00	485.52	356.15
(b)	Other non-financial liabilities	175.59	203.41	127.19
(c)	Current tax liabilities (net)	40.58	40.70	19.61
	Total non-financial liabilities	784.17	729.63	502.95
	TOTAL LIABILITIES	190,993.76	123,641.11	133,118.72
	EQUITY			
(a)	Equity share capital	8,030.77	4,922.75	2,120.46
(b)	Equity share pending for issuance	-	2,155.60	2,101.33
(c)	Instruments entirely equity in nature	-	-	11,000.00

(₹ in million)

	Particulars	As at		
		March 31, 2026	March 31, 2025	March 31, 2024
(d)	Other equity	39,349.30	28,618.84	8,476.27
	Equity attributable to Owners of the Holding Company	47,380.07	35,697.19	23,698.06
	Non-controlling interest	-	-	-
	TOTAL EQUITY	47,380.07	35,697.19	23,698.06
	TOTAL LIABILITIES AND EQUITY	238,373.83	159,338.30	156,816.78

Note: The figures as at March 31, 2025, and March 31, 2024, have been restated on account of business combination.

SUMMARY OF PROFIT AND LOSS

(₹ in million, except as otherwise specified)

Particulars	For the Financial Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Total Revenue from operations			
Interest income	37,425.17	31,609.51	22,098.02
Fees and commission income	495.49	108.75	135.64
Net gain on fair value changes	-	325.48	197.70
Net gain on derecognition of financial instruments under amortized cost category	3,288.45	2,366.49	1,860.90
Total Revenue from operations	41,209.11	34,410.23	24,292.26
Other income	679.30	529.85	359.74
Total income	41,888.41	34,940.08	24,652.00
Expenses			
Finance costs	12,460.36	12,406.27	9,670.73
Net loss on fair value changes	45.54	-	-
Impairment on financial instruments	6,227.54	5,279.13	4,159.65
Employees benefits expenses	9,421.83	7,419.79	4,093.93
Depreciation and amortization expenses	322.63	268.66	161.92
Other expenses	4,867.25	3,714.67	2,035.37
Total expenses	33,345.15	29,088.52	20,121.60
Profit before tax	8,543.26	5,851.56	4,530.40
Tax expense:			
Current tax	2,042.65	1,695.34	1,310.34
Adjustment of tax relating to earlier periods	(34.33)	(9.03)	17.38
Deferred tax charge / (credit)	40.95	(288.57)	(248.70)
Profit for the year after tax (A)	6,493.99	4,453.82	3,451.38
Other comprehensive income			
Item that will not to be reclassified to the statement of profit and loss			
Re-measurement gains /(loss) on defined benefit plans	109.46	(13.83)	(7.41)
Less: Income tax expense on above	(27.55)	3.60	1.87
Subtotal (I)	81.91	(10.23)	(5.54)
Items that will be reclassified to profit or loss			
Net movement on Effective portion and cost of Cash Flow Hedges	43.78	(5.65)	-
Net (loss)/gain on debt instruments through Other Comprehensive Income	-	(14.85)	(26.20)
Less: Income tax expense on above	(11.02)	5.16	6.59
Subtotal (II)	32.76	(15.34)	(19.61)
Total other comprehensive income for the year (I+II) (B)	114.67	(25.57)	(25.15)
Total comprehensive income for the year (A+B)	6,608.66	4,428.25	3,426.23
Profit attributable to:			
Owners of the Holding Company	6,493.99	4,453.82	3,451.38
Non-controlling interest	-	-	-
Other Comprehensive Income attributable to:			
Owners of the Holding Company	114.67	(25.57)	(25.15)
Non-controlling interest	-	-	-
Total Comprehensive Income attributable to:			
Owners of the Holding Company	6,608.66	4,428.25	3,426.23
Non-controlling interest	-	-	-
Earnings per equity share (Nominal value of share ₹ 10 each) (31 March 2026, 31 March 2025 and 31 March 2024 : ₹ 10 each)			
Basic (₹)	9.17	8.18	7.21
Diluted (₹)	9.13	8.15	7.17

Note: The figures as at March 31, 2025 and March 31, 2024 have been restated on account of business combination.

SUMMARY OF CASH FLOWS

(₹ in million)

Particulars	For the Financial Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Cash flow from operating activities			
Profit before tax	8,543.26	5,851.56	4,530.40
Adjustment for:			
Net gain on derecognition of financial instruments under amortized cost category	(3,288.45)	(2,366.49)	(1,860.90)
Net (loss)/gain on fair value changes	45.53	(325.48)	(197.70)
Amortisation of Interest expenses (transaction cost)	138.47	244.48	87.25
Expenses on employee stock option plan	76.46	9.88	5.33
Depreciation and amortisation	322.63	268.66	161.92
Amortisation of Interest income (transaction cost)	(695.69)	(84.26)	(92.44)
Interest on fixed deposits	(182.27)	(241.01)	(291.15)
Finance cost on lease liabilities	26.58	24.37	16.14
Impairment on financial instruments	6,227.54	5,279.13	934.68
Interest accrued on borrowings	322.08	316.41	394.66
Movement in working capital:			
- (Increase) / decrease in loans and advances	(66,956.99)	(13,091.00)	(15,032.49)
- (Increase) / decrease in receivables	(68.30)	29.31	(64.93)
- (Increase) / decrease in other financial assets including derivatives	2,594.44	2,120.29	1,442.91
- (Increase) / decrease in other non financial assets	(360.66)	(79.91)	256.64
- Increase / (decrease) in trade payables	418.35	103.96	(15.23)
- Increase / (decrease) in other financial Liabilities	601.16	(522.83)	(62.11)
- Increase / (decrease) in other non financial Liabilities	(27.82)	40.38	(75.10)
- Increase / (decrease) in provisions	195.04	102.84	(55.76)
Cash generated from/(used in) operations	(52,068.64)	(2,319.71)	(9,917.88)
Income tax paid (net)	(1,857.43)	(1,958.26)	(1,574.58)
Cash generated from/(used in) operations (A)	(53,926.07)	(4,277.97)	(11,492.46)
Cash flow from/(used in) investing activities			
Purchase of property, plant and equipment, intangibles including intangibles under development	(365.07)	(436.56)	(415.78)
Proceeds from sale of property, plant and equipment and intangibles	4.61	2.00	217.99
Capital advance given	-	(5.09)	(170.34)
Purchase of mutual funds	(33,679.39)	(93,456.77)	(84,073.46)
Proceeds from sale of mutual funds	34,085.33	93,376.80	88,221.30
Interest received on fixed deposits	199.55	158.99	348.85
Purchase of Government securities and others	(15,865.00)	(26,235.00)	(8,755.44)
Proceeds from sale of Government securities and others	14,573.30	26,363.28	8,101.47
Acquisition of subsidiary (net of cash and cash equivalents)	-	-	(14,637.84)
Maturity /(investments) of/in fixed deposits	(1,531.86)	(283.87)	1,099.80
Cash generated from/(used in) investing activities (B)	(2,578.53)	(516.22)	(10,063.45)
Cash flow from/(used in) financing activities			
Proceeds from issue of share capital (including securities premium)	5,000.18	8,670.12	475.29
Proceeds from issuance of compulsorily convertible preference shares	-	-	11,000.00
Proceeds from borrowings, debt securities and subordinated liabilities	156,253.30	67,534.96	70,262.25
Repayment of borrowings, debt securities and subordinated liabilities	(90,477.26)	(77,345.68)	(56,035.92)
Dividend paid	-	(1,108.98)	-
Repayment of lease liabilities (including interest)	(109.76)	(86.16)	(35.00)
Cash generated from/(used in) financing activities (C)	70,666.46	(2,335.74)	25,666.62
Net increase/(decrease) in cash and cash equivalents (A+B+C)	14,161.86	(7,129.93)	4,110.71
Cash and cash equivalents at the beginning of the year	7,289.60	14,419.53	10,308.82
Cash and cash equivalents at the end of the year	21,451.46	7,289.60	14,419.53

Note: The figures as at March 31, 2025, and March 31, 2024, have been restated on account of business combination.

SUMMARY OF CONTINGENT LIABILITIES

A summary of our contingent liabilities as at March 31, 2026, as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, derived from the Restated Consolidated Summary Statements is set forth below:

(₹ in million)	
Particulars	As of March 31, 2026
i) In respect of Income tax demands where the Group has filed an appeal with relevant authority	44.42
ii) Bank guarantee issued by Banks favoring the NHB for refinance facilities	217.50

Note (i). On account of Income tax demands of certain disallowances made by the Assessing Officer such as share premium, share issue expenses, ESOP expenses, and deduction of TDS at concessional rates. The management believes that there will be no probable economic outflow arising from these cases and, accordingly, no provision has been made in the financial statements in accordance with IND AS 37.

For further details on contingent liabilities as at March 31, 2026, as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, see “*Restated Consolidated Summary Statements –Note 36 – Contingent liabilities and capital commitments*” on page 394.

For details on risks in relation to our contingent liabilities, see “*Risk Factors – As of March 31, 2026, we had contingent liabilities which have not been provided for in our financial statements and could adversely affect our business, results of operations, financial condition and cash flows.*” on page 53.

SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company with related parties for the Fiscals 2026, 2025 and 2024, derived from the Restated Consolidated Summary Statements, are as follows:

(₹ in million, unless otherwise specified)

S. No.	Names of related parties	Nature of relationship	Nature of transactions	Fiscal 2026		Fiscal 2025		Fiscal 2024	
				Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
1.	Violicina Limited	Entities with significant influence over the Holding Company [^]	Equity shares issued including securities premium	1,405.17	3.41%	-	-	-	-
2.	Antimatter Media Private Limited	Parties on which KMPs* of the Holding Company [^] are able to exercise control	Equity shares issued including securities premium	3,020.63	7.33%	-	-	-	-
3.	Ananyashree Birla	Key managerial personnel*	Equity shares issued	54.43	0.13%	-	-	-	-
4.	IGH Holdings Private Limited	Entities with significant influence over the Holding Company [^]	Issue of Compulsorily convertible non-cumulative preference shares (“CCPS”)	-	-	-	-	11,000	45.28%
5.	Ananya Birla Foundation	Key managerial personnel*	CSR expenses	62.44	0.15%	28.54	0.08%	4.00	0.02%
6.	Svatantra Microfin Employee Gratuity Fund	Parties on which KMPs* of the Holding Company [^] are able to exercise control	Contribution to Gratuity Fund	70.00	0.17%	-	-	17.50	0.07%
7.	Independent directors**	Key managerial personnel*	Director’s Sitting Fees	2.40	0.01%	3.58	0.01%	0.92	0.00%
8.	IKAI ASAI Online Services Private Limited	Parties on which KMPs of the Holding Company [^] are able to exercise control	Purchase of goods	-	-	-	-	0.43	0.00%
9.	Key managerial personnel*	Key managerial personnel*	Remuneration – Key managerial personnel (KMP)* compensation	24.56	0.06%	24.86	0.07%	27.50	0.11%

(₹ in million, unless otherwise specified)

S. No.	Names of related parties	Nature of relationship	Nature of transactions	Fiscal 2026		Fiscal 2025		Fiscal 2024	
				Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
			– short-term employee benefits [§]						
10.	Key managerial personnel*	Key managerial personnel*	Remuneration – Key managerial personnel (KMP)* compensation – share-based payment (in Nos)	2,996,057	-	-	-	-	-

*Indicates key managerial personnel (KMP) as per the requirements under Ind AS 24 – Related Party Disclosures.

**Indicates independent directors as per the requirements under Ind AS 24 – Related Party Disclosures.

^Holding Company refers to Svatntra Microfin Limited.

[§]Notes:

- (1) Our Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Svatntra Microfin Employee Gratuity Fund).
- (2) Employee benefits in relation to gratuity are calculated at the Company level and hence not considered in the above disclosure.

For details of the related party transactions, see “Other Financial Information – Related party transactions” on page 429.

The following are the details of the related party transactions as per the requirements under Ind AS 24 –Related Party Disclosures eliminated on consolidation during Fiscals 2026, 2025 and 2024, disclosed in accordance with Schedule VI, Part A, Para 11(I)(A)(i)(g) of the SEBI ICDR Regulations:

(₹ in million)

S. No.	Names of related parties	Nature of relationship	Nature of transactions	Amount		
				Fiscal 2026	Fiscal 2025	Fiscal 2024
1.	Svatntra Micro Housing Finance Corporation Limited	Subsidiary of the Company	Commission received	-	0.67	-
2.	Svatntra Micro Housing Finance Corporation Limited	Subsidiary of the Company	Investment in equity shares	500.58	-	500.00

Note: The above commission income amounting to Rs.0.67 million during the FY 2025 has been eliminated against Other Expenses and the investment in equity shares amounting to Rs. 500.58 million and Rs.500.00 million during the FY 2026 and FY 2024 respectively has been eliminated against Equity Share Capital amounting to Rs. 97.36 million and Rs. 109.29 million and Securities Premium amounting to Rs. 403.22 million and Rs. 390.71 million in FY 2026 and FY 2024 respectively in the books of Svatntra Micro Housing Finance Corporation Limited.

GENERAL INFORMATION

Registered Office of our Company:

Sunshine Tower, Level 20
Senapati Bapat Marg, Elphinstone Road
Mumbai – 400 013
Maharashtra, India

Corporate Office of our Company:

8th Floor, Block B
Brigade Software Park
27th Cross, Banashankari, 2nd Stage
Bangalore – 560 070
Karnataka, India

Corporate Identity Number: U74120MH2012PLC227069

Company Registration Number: 227069

For details of our incorporation and changes to our Registered Office, see “*History and Certain Corporate Matter – Brief history of our Company*” and “*History and Certain Corporate Matters – Changes in the Registered Office*”, respectively on page 285.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai-I, at Mumbai which is situated at:

100, Everest Marine Drive
Mumbai – 400 002
Maharashtra, India

Filing

A copy of this Draft Red Herring Prospectus, along with the Draft Abridged Prospectus has been uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular. This Draft Red Herring Prospectus will also be filed with the SEBI at:

Securities and Exchange Board of India

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

A copy of the Red Herring Prospectus along with the material contracts and documents therein, will be filed with the RoC as required under Section 32 of the Companies Act, and a copy of the Prospectus will be filed with the RoC as required under Section 26 of the Companies Act through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Board of Directors of our Company

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

Name	Designation	DIN	Address
Ananya Birla	Chairperson and Non-Executive Director	06625036	Mangal Adityayan, 20, Carmichael Road, Mumbai – 400 026, Maharashtra, India
Vineet Bijendra Chatterjee	Managing Director	07962531	202-A, Kukreja Residency, W.T. Patil Road, Opp. Dukes Company, Chembur, Mumbai – 400 071, Maharashtra, India
Anand Rao	Joint Managing Director	01713987	534 3 Floor Sobha Dew Flower, 4 Cross Road Sarakki Main Road I Phase, J P Nagar 8 Blk, VTC: Bangalore South, PO: J P Nagar, Bengaluru – 560 078, Karnataka, India
Shweta Jalan*	Non-Executive Director	00291675	2403, 24 th Floor, Artesia Tower, Plot No. 249 and 249A, Hind Cycle Compound, Worli, VTC: Mumbai, PO: Worli Colony, Mumbai – 400 030, Maharashtra, India
Renuka Ramnath**	Non-Executive Director	00147182	Ashok Tower, D Tower, Flat No. 4701, 47 th Floor, Dr. S.S. Rao Road, Opp. Gandhi Hospital, Parel, Mumbai – 400 012, Maharashtra, India
NG Shankar	Independent Director	07960781	H-1560, Ground Floor, C.R. Park, Chittranjan Park, South Delhi, Delhi – 110 019, India
Mamta Suri	Independent Director	10949054	24/33, Near Patel Park, West Patel Nagar, Patel Nagar, Central Delhi, Patel Nagar, Delhi – 110 008, New Delhi, India
Balasubramanian Ganesh	Independent Director	07455286	New 6 Old 18, Vivekanandar Street, Nilamangai Nagar, Adambakkam, Kancheepuram, Tamil Nadu – 600 088, India
Mathew Joseph	Independent Director	01033802	Flat No. 1301, 13 th Floor, Tower No. 7, One 74, Sathyadev Avenue Extension, M R C Nagar, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India
Ashish Razdan	Independent Director	03584734	302 Leela Villa, 36 th Road Bandra West, Mumbai – 400 050, Maharashtra, India

*Nominee Director of Violicina Limited.

** Nominee Director of Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV

For further details of our Board, see “Our Management – Our Board” on page 295.

Our Company Secretary and Chief Compliance Officer

Surinder Kumar Bhatia is the Company Secretary and Chief Compliance Officer of our Company. His contact details are set forth below:

Surinder Kumar Bhatia

Sunshine Tower, Level 20
Senapati Bapat Marg, Elphinstone Road
Mumbai – 400 013
Maharashtra, India
Tel.: + 91 22 6141 5900
E-mail: cs@svatantramicrofin.com

Statutory Auditors of our Company

S.R. Batliboi & Co. LLP, Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg, Dadar
(West), Mumbai – 400 028
Maharashtra, India
Tel.: +91 22 6819 8000
E-mail: srbc@srbc.in
Peer Review Number: 017128
Firm Registration Number: 301003E/E300005

Changes in Statutory Auditors

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

Particulars	Reason for change	Date of change
S. R. Batliboi & Co. LLP, Chartered Accountants 12 th Floor, The Ruby 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 Maharashtra, India Tel.: +91 22 6819 8000 E-mail: srbc@srb.in Peer Review Number: 017128 Firm Registration Number: 301003E/E300005	Appointment as statutory auditors of the Company for a period of three consecutive years from the conclusion of the 13 th AGM till the conclusion of the 16 th AGM of the Company to be held in 2027.	September 30, 2024
BGJC & Associates LLP, Chartered Accountants 2nd Floor, 202, Raj Tower-1, Alaknanda Community Centre, New Delhi 110019 Tel.: +91 11 2602514 E-mail: bgjc@bgjc.in Peer Review Number: 020618 Firm Registration Number: 003304N/N500056	Completion of term as statutory auditors.	September 30, 2024

Book Running Lead Managers

Axis Capital Limited

Axis House, 1st Floor
Pandurang Budhkar Marg
Worli, Mumbai – 400 025
Maharashtra, India
Tel.: +91 22 4325 2183
E-mail: svatantra.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance ID: complaints@axiscap.in
Contact Person: Gaurav Goyal
SEBI Registration No.: INM000012029

IIFL Capital Services Limited

(formerly known as IIFL Securities Limited)
24th Floor, One Lodha Place, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Telephone: +91 22 4646 4728
E-mail: svatantra.ipo@iiflcap.com
Investor Grievance ID: ig.ib@iiflcap.com
Website: www.iiflcapital.com
Contact Person: Mansi Sampat/ Pawan Kumar Jain
SEBI Registration No.: INM000010940

SBI Capital Markets Limited

1501, 15th Floor, A & B Wing
Parinee Crescenzo Building
G Block, Bandra Kurla Complex Bandra (East)
Mumbai 400 051
Maharashtra, India
Telephone: +91 22 4006 9807
E-mail: svatantra.ipo@sbicaps.com
Investor Grievance ID: investor.relations@sbicaps.com

Avendus Capital Private Limited

Platina Building, 9th Floor 901
Plot No C-59, Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Telephone: +91 22 6648 0050
E-mail: svatantra.ipo@avendus.com
Investor Grievance ID: investorgrievance@avendus.com
Website: www.avendus.com
Contact Person: Sarthak Sawa/ Nikhil Bhola
SEBI Registration No.: INM000011021

Kotak Mahindra Capital Company Limited

27 BKC, 1st Floor, Plot No. C – 27
“G” Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra, India
Tel.: +91 22 4336 0000
E-mail: svatantra.ipo@kotak.com
Website: https://investmentbank.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Website: www.sbicaps.com
Contact Person: Krithika Shetty/ Sylvia Mendonca
SEBI Registration No.: INM000003531

Legal Counsel to our Company as to Indian law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai – 400 013
Maharashtra, India
Tel.: +91 22 2496 4455
E-mail: ipo.cam@cyrilshroff.com

Registrar to the Offer

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)

C-101, Embassy 247
L B S Marg, Vikhroli (West)
Mumbai 400 083, Maharashtra, India
Tel.: +91 810 811 4949
E-mail: svatantra.ipo@in.mpms.mufg.com
Website: www.in.mpms.mufg.com
Investor Grievance ID: svatantra.ipo@in.mpms.mufg.com
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer

Escrow Collection Bank(s), Refund Banks and Public Offer Account Bank

[•]

Sponsor Banks

[•]

Bankers to our Company

Axis Bank Limited

Axis House, Wadia International Centre
P.B. Marg, Worli, Mumbai – 400 025
Maharashtra, India
Tel: +91 99300 88196
Email: Nikhil2.Shetty@axis.bank.in
Contact Person: Nikhil Shetty
Website: https://axis.bank.in

Bank of Maharashtra

Corporate Finance Branch,
Office No. 23 & 24, 2nd Floor,
Maker Chambers III, Nariman Point,
Mumbai – 400 021
Tel: +91 96658 60012
Email: brmgr972@bankofmaharashtra.bank.in
Contact Person: Sumit Kumar
Website: https://bankofmaharashtra.bank.in

Bandhan Bank Ltd

BN Block, Sector V
Salt Lake City, Bidhannagar
West Bengal, India
Tel.: 033-6609-0909
E-mail: FIG-Ops@bandhanbank.com
Contact Person: Sharat Jha
Website: www.bandhanbank.com

Citibank NA

First International Finance Centre
Plot Nos C-54 and C-55
G-Block, Bandra Kurla Complex
Bandra East, Mumbai – 400 051
Tel: 97695 25131
Email: amit.chaturvedi@citi.com
Contact Person: Amit Chaturvedi
Website: www.citi.com

DBS Bank India Limited

Ground Floor Nos. 11 & 12
 Capitol Point, Baba Kharak Singh Marg
 Connaught Place, Delhi – 110 001
Tel.: +91 11 6653 8888
E-mail: hiteshthakkar@dbs.com
Contact Person: Hitesh Thakkar
Website: www.dbs.com

Federal Bank Ltd

Federal Bank, FIG Division, 15th Floor
 VIOS Tower, Lodha New Cuffe Parade,
 Sewri - Chembur Road, Wadala (E),
 Mumbai – 400 037, Maharashtra, India
Tel.: 93227 57716
E-mail: Sagarvandra@federal.bank.in
Contact Person: Sagar Vandra
Website: www.federal.bank.in

IDFC First Bank Limited

Vibgyor Towers, C- 62
 G Block, Bandra Kurla Complex
 Bandra East, Mumbai – 400 051
 Maharashtra, India
Tel.: 022 713 25654
E-mail: Abdullah.Mehtab@idfcfirst.bank.in
Contact Person: Abdullah Mehtab
Website: https://www.idfcfirst.bank.in/

Karur Vysya Bank

No. 6 Vasavi Temple Road, near Sajjon Rao Circle
 Vishwesharapuram, Bangalore
 Karnataka – 560 004
Tel.: 080266 23176
E-mail: bangalorecbu@kvbmail.com
Contact Person: Anand Angadi
Website: www.kvb.co.in

Syndicate Members

[•]

Designated Intermediaries**Self-Certified Syndicate Banks**

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

SCSBs and mobile applications enabled for UPI Mechanism

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

HDFC Bank Ltd

Sustainable Livelihood Initiative, HDFC Bank Ltd, 10th
 Floor, B wing, Peninsula business park, Lower Parel,
 Mumbai – 400 013
Tel.: N.A.
E-mail: vinod.kondurkar@hdfc.bank.in
Contact Person: Vinod M. Kondurkar
Website: www.hdfc.bank.in

ICICI Bank Limited

ICICI Bank Towers, G Block
 Bandra Kurla Complex, Bandra (East)
 Mumbai – 400 051
Tel.: 99815 02999
E-mail: indrajeet.pathak@icici.bank.in
Contact Person: Indrajeet Pathak
Website: www.icici.bank.in

IndusInd Bank Limited

11th Floor, Tower 1
 One World Center, 841,
 S.B. Marg, Elphinstone Road,
 Mumbai – 400 013
Tel.: +91 99870 62949
E-mail: pankaj.gehlot@indusind.com
Contact Person: Pankaj Gehlot
Website: www.indusind.bank.in

provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> for SCSBs and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> for mobile applications, as updated from time to time or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts to the Offer

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

Our Company has received written consent dated August 13, 2026 from S. R. Batliboi & Co. LLP, Chartered Accountants to include their name as required under Section 26(1) 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 Statutory Auditors and in respect of their (i) examination report, dated August 7, 2026, on our Restated Consolidated Summary Statements; and (ii) their report dated August 12, 2026 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received a written consent dated August 13, 2026 from Manian & Rao, Chartered Accountants, to include their name as required under Section 26(5) 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 respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received a written consent dated August 13, 2026 from Mehta & Mehta, Practising Company Secretary, to include their name as required under Section 26(5) 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 respect of the certificates issued by them in their capacity as a practicing company secretary to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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

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

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, draft abridged prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	Axis
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Axis
3.	Drafting and approval of all statutory advertisements	BRLMs	Axis
4.	Drafting and approval of all publicity material other than statutory advertisements, audio visual presentation, corporate advertising, brochure, media monitoring, etc. and filing of media compliance report	BRLMs	SBICAPS
5.	Appointment of intermediaries – Registrar to the Offer, advertising agency and printer, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Axis
6.	Appointment of intermediaries - Banker(s) to the Offer, Sponsor Bank, monitoring agency, and other intermediaries not covered in point 5 above, including coordination of all agreements to be entered into with such intermediaries	BRLMs	IIFL
7.	Preparation of road show presentation and preparation of FAQs	BRLMs	Kotak
8.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Marketing strategy; - Finalizing the list and division of investors for one-to-one meetings; and - Finalizing road show and investor meeting schedule	BRLMs	Kotak
9.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Marketing strategy; - Finalizing the list and division of investors for one-to-one meetings; and - Finalizing road show and investor meeting schedule	BRLMs	Axis
10.	Non-Institutional marketing of the Offer, which will cover, <i>inter alia</i> , - Finalising media, marketing and public relations strategy; - Formulating strategies for marketing to Non-Institutional Investors	BRLMs	Avendus
11.	Retail marketing of the Issue, which will cover, <i>inter alia</i> , - Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows; - Finalising centres for holding conferences for brokers, etc.; - Finalising collection centres; - Follow-up on distribution of publicity and issue material including form, RHP, Prospectus and deciding on the quantum of the issue material	BRLMs	SBICAPS
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading	BRLMs	Avendus
13.	Coordination with Stock Exchanges for anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	SBICAPS
14.	Managing the book and finalization of pricing in consultation with the Company and Selling Shareholders	BRLMs	Kotak
15.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting	BRLMs	IIFL

S. No.	Activity	Responsibility	Coordinator
	arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI.		

IPO Grading

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

Monitoring Agency

Our Company will appoint a monitoring agency, which shall be appointed for monitoring the Gross Proceeds, prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. The relevant details shall be included in the Red Herring Prospectus.

Appraising Entity

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

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Illustration of the Book Building Process

Book building in the context of the Offer refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms) within the Price Band and the minimum Bid Lot, which will be decided by our Company, in consultation with the Book Running Lead Managers, and advertised in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date. For further details, see “*Offer Procedure*” on page 524.

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

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

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

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

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

For further details, see “Terms of the Offer”, “Offer Structure” and “Offer Procedure” on pages 512, 519 and 524, respectively.

For details in relation to filing of this Draft Red Herring Prospectus, see “- Filing” on page 85.

Investor grievances

For mechanism for the redressal of Investor Grievances, see “Other Regulatory and Statutory Disclosures – Disposal of Investor Grievances by our Company” and “Other Regulatory and Statutory Disclosures – Mechanism for Redressal of Investor Grievances” on pages 510 and 509, respectively.

Underwriting Agreement

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

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

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

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

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

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

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

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

CAPITAL STRUCTURE

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

(in ₹, except share data, unless otherwise stated)

S. No.	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Offer Price*
A	AUTHORISED SHARE CAPITAL⁽¹⁾		
	<i>Equity Shares comprising</i>		
	5,208,500,000 equity shares of face value of ₹10 each	52,085,000,000	-
	<i>Preference Shares comprising</i>		
	18,000,000 preference shares of face value of ₹10 each	180,000,000	-
	660,000,000 preference shares of face value of ₹100 each	66,000,000,000	-
Total		118,265,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	803,076,694 equity shares of face value of ₹10 each	8,030,766,940	
Total		8,030,766,940	-
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS⁽²⁾⁽⁴⁾		
	Offer of up to [●] equity shares of face value of ₹10 each aggregating up to ₹30,000.00 million ⁽²⁾	[●]	[●]
	<i>Of which:</i>		
	Fresh Issue of up to [●] equity shares of face value of ₹10 each aggregating up to ₹ 15,000.00 million ⁽²⁾⁽⁴⁾	[●]	[●]
	Offer for Sale of up to [●] equity shares of face value of ₹10 each aggregating up to ₹15,000.00 million ⁽³⁾	[●]	[●]
	<i>Which includes:</i>		
	Employee Reservation Portion of up to [●] equity shares of face value of ₹10 each aggregating up to ₹ [●] million ⁽⁵⁾		
	Net Offer of [●] equity shares of face value of ₹10 each aggregating up to ₹ [●] million		
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER*		
	[●] equity shares of face value of ₹ 10 each	[●]	[●]
E	SECURITIES PREMIUM		
	Before the Offer (in ₹)		31,852,914,365.55
	After the Offer* (in ₹)		[●]

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

⁽¹⁾ For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see “History and Certain Corporate Matters – Amendments to the Memorandum of Association” on page 286.

⁽²⁾ The Offer has been authorized by resolution of our Board of Directors at their meeting held on July 22, 2026, and the Fresh Issue has been authorised by a special resolution passed by our Shareholders at their meeting held on July 22, 2026. For further details, see “Other Regulatory and Statutory Disclosures” beginning on page 488.

⁽³⁾ Each of the Selling Shareholders have, severally and not jointly, confirmed and authorized their participation in the Offer for Sale in relation to their respective portion of the Offered Shares. The Equity Shares being offered by each of the Selling Shareholders have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations, and are eligible for being offered for sale pursuant to the Offer in accordance with the provisions, including Regulation 8, of the SEBI ICDR Regulations. Our Board has taken on record the consents and authorisations for the Offer for Sale by each of the Selling Shareholders, to severally and not jointly, participate in the Offer for Sale, pursuant to its resolution dated August 13, 2026. For details of consents and authorisations (as applicable) for the Offer for Sale, see “The Offer” and “Other Regulatory and Statutory Disclosures” beginning on pages 75 and 488, respectively.

⁽⁴⁾ Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, as may be permitted under the applicable law, at its discretion, aggregating up to ₹ 3,000.00 million, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

⁽⁵⁾ Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount, if any). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such

unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any). Our Company, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.

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

Notes to the Capital Structure

1. Share capital history of our Company

(a) Equity share capital

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

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Number of allottees	Details of allottees		Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
February 17, 2012 ⁽¹⁾	10,000	10	10	Initial subscription to the MoA	Cash	2			10,000	100,000
							Name of allottee			
							Number of equity shares			
Shriram Jagetiya		5,000								
Sushil Agarwal		5,000								
March 20, 2012	5,240,000	10	10	Further issue	Cash	2			5,250,000	52,500,000
							Name of allottee			
							Number of equity shares			
Infocyber India Private Limited		2,620,000								
TGS Investment & Trade Private Limited		2,620,000								
March 27, 2014	4,000,000	10	10.10	Further issue	Cash	3			9,250,000	92,500,000
							Name of allottee			
							Number of equity shares			
IGH Holdings Private Limited		1,840,000								
Infocyber India Private Limited		170,000								
TGS Investment & Trade Private Limited		1,990,000								
May 15, 2014	5,000,000	10	10	Rights issue	Cash	3			14,250,000	142,500,000
							Name of allottee			
							Number of equity shares			
Birla Group Holdings Private Limited		2,500,000								
IGH Holdings Private Limited		1,000,000								
Infocyber India Private Limited		1,500,000								
August 25, 2014	5,750,000	10	10	Rights issue	Cash	4			20,000,000	200,000,000
							Name of allottee			
							Number of equity shares			
Birla Group Holdings Private Limited		1,350,000								
IGH Holdings Private Limited		1,000,000								
Infocyber India Private Limited		2,900,000								
TGS Investment & Trade Private Limited		500,000								

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Number of allottees	Details of allottees		Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
December 9, 2014	5,000,000	10	10	Rights issue	Cash	3			25,000,000	250,000,000
							Name of allottee			
							Number of equity shares			
							Birla Group Holdings Private Limited			
							3,500,000			
IGH Holdings Private Limited		1,150,000								
Infocyber India Private Limited		350,000								
September 30, 2015	5,000,000	10	10	Rights issue	Cash	1			30,000,000	300,000,000
							Name of allottee			
							Number of equity shares			
Infocyber India Private Limited		5,000,000								
October 31, 2015	5,000,000	10	10	Rights issue	Cash	4			35,000,000	350,000,000
							Name of allottee			
							Number of equity shares			
							Birla Group Holdings Private Limited			
							2,500,000			
							IGH Holdings Private Limited			
Infocyber India Private Limited		500,000								
TGS Investment & Trade Private Limited		1,000,000								
December 7, 2015	5,000,000	10	10	Rights issue	Cash	3			40,000,000	400,000,000
							Name of allottee			
							Number of equity shares			
							Birla Group Holdings Private Limited			
							500,000			
IGH Holdings Private Limited		1,000,000								
TGS Investment & Trade Private Limited		3,500,000								
April 30, 2016	15,000,000	10	10	Rights issue	Cash	4			55,000,000	550,000,000
							Name of allottee			
							Number of equity shares			
							Birla Group Holdings Private Limited			
							2,500,000			
							IGH Holdings Private Limited			
Infocyber India Private Limited		3,600,000								
TGS Investment & Trade Private Limited		5,000,000								

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Number of allottees	Details of allottees		Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
July 13, 2016	22,000,000	10	10	Rights issue	Cash	4			77,000,000	770,000,000
							Name of allottee			
							Number of equity shares			
							Birla Group Holdings Private Limited			
							5,100,000			
							IGH Holdings Private Limited			
4,500,000										
Infocyber India Private Limited										
6,500,000										
TGS Investment & Trade Private Limited										
5,900,000										
December 23, 2016	19,250,000	10	10	Rights issue	Cash	5			96,250,000	962,500,000
							Name of allottee			
							Number of equity shares			
							IGH Holdings Private Limited			
							3,847,500			
							Infocyber India Private Limited			
750,000										
Birla Group Holdings Private Limited										
2,000,000										
TGS Investment & Trade Private Limited										
7,500,000										
Umang Commercial Company Private Limited										
5,152,500										
February 7, 2017	9,625,000	10	10	Rights issue	Cash	5			105,875,000	1,058,750,000
							Name of allottee			
							Number of equity shares			
							IGH Holdings Private Limited			
							1,923,750			
							Infocyber India Private Limited			
50,000										
Birla Group Holdings Private Limited										
600,000										
TGS Investment & Trade Private Limited										
3,500,000										
Umang Commercial Company Private Limited										
3,551,250										
March 26, 2018	26,468,750	10	10	Rights issue	Cash	3			132,343,750	1,323,437,500
							Name of allottee			
							Number of equity shares			
							Birla Group Holdings Private Limited			
13,016,250										
IGH Holdings Private Limited										
5,290,312										
Umang Commercial Company Private Limited										
8,162,188										

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Number of allottees	Details of allottees	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)												
December 10, 2018	39,703,125	10	10	Rights issue	Cash	5	<table><tr><th>Name of allottee</th><th>Number of equity shares</th></tr><tr><td>Birla Group Holdings Private Limited</td><td>10,069,875</td></tr><tr><td>IGH Holdings Private Limited</td><td>7,935,469</td></tr><tr><td>Infocyber India Private Limited</td><td>7,183,500</td></tr><tr><td>TGS Investment & Trade Private Limited</td><td>9,454,500</td></tr><tr><td>Umang Commercial Company Private Limited</td><td>5,059,781</td></tr></table>	Name of allottee	Number of equity shares	Birla Group Holdings Private Limited	10,069,875	IGH Holdings Private Limited	7,935,469	Infocyber India Private Limited	7,183,500	TGS Investment & Trade Private Limited	9,454,500	Umang Commercial Company Private Limited	5,059,781	172,046,875	1,720,468,750
Name of allottee	Number of equity shares																				
Birla Group Holdings Private Limited	10,069,875																				
IGH Holdings Private Limited	7,935,469																				
Infocyber India Private Limited	7,183,500																				
TGS Investment & Trade Private Limited	9,454,500																				
Umang Commercial Company Private Limited	5,059,781																				
May 20, 2019	40,000,000	10	10	Rights issue	Cash	5	<table><tr><th>Name of allottee</th><th>Number of equity shares</th></tr><tr><td>Birla Group Holdings Private Limited</td><td>19,550,000</td></tr><tr><td>IGH Holdings Private Limited</td><td>8,000,000</td></tr><tr><td>Infocyber India Private Limited</td><td>500,000</td></tr><tr><td>TGS Investment & Trade Private Limited</td><td>1,750,000</td></tr><tr><td>Umang Commercial Company Private Limited</td><td>10,200,000</td></tr></table>	Name of allottee	Number of equity shares	Birla Group Holdings Private Limited	19,550,000	IGH Holdings Private Limited	8,000,000	Infocyber India Private Limited	500,000	TGS Investment & Trade Private Limited	1,750,000	Umang Commercial Company Private Limited	10,200,000	212,046,875	2,120,468,750
Name of allottee	Number of equity shares																				
Birla Group Holdings Private Limited	19,550,000																				
IGH Holdings Private Limited	8,000,000																				
Infocyber India Private Limited	500,000																				
TGS Investment & Trade Private Limited	1,750,000																				
Umang Commercial Company Private Limited	10,200,000																				
September 30, 2019	40,000,000	10	10	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of equity shares</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>40,000,000</td></tr></table>	Name of allottee	Number of equity shares	Svatantra Holdings Private Limited	40,000,000	252,046,875	2,520,468,750								
Name of allottee	Number of equity shares																				
Svatantra Holdings Private Limited	40,000,000																				
October 31, 2024	121,339,707	10	68.40	Private placement	Cash	4	<table><tr><th>Name of allottee</th><th>Number of equity shares</th></tr><tr><td>Multiples Private Equity Fund III</td><td>18,604,378</td></tr><tr><td>Multiples Private Equity Fund IV</td><td>8,025,524</td></tr><tr><td>Multiples Private Equity Gift Fund IV</td><td>8,577,474</td></tr><tr><td>Violicina Limited</td><td>86,132,331</td></tr></table>	Name of allottee	Number of equity shares	Multiples Private Equity Fund III	18,604,378	Multiples Private Equity Fund IV	8,025,524	Multiples Private Equity Gift Fund IV	8,577,474	Violicina Limited	86,132,331	373,386,582	3,733,865,820		
Name of allottee	Number of equity shares																				
Multiples Private Equity Fund III	18,604,378																				
Multiples Private Equity Fund IV	8,025,524																				
Multiples Private Equity Gift Fund IV	8,577,474																				
Violicina Limited	86,132,331																				
	140,713,584	10	Not applicable	Pursuant to conversion of CCPS ⁽²⁾	Not applicable	4	<table><tr><th>Name of allottee</th><th>Number of equity shares</th></tr><tr><td>Multiples Private Equity Fund III</td><td>24,361,596</td></tr><tr><td>Multiples Private Equity Fund IV</td><td>10,509,064</td></tr><tr><td>Multiples Private Equity Gift Fund IV</td><td>11,231,815</td></tr><tr><td>Svatantra Holdings Private Limited</td><td>94,611,109</td></tr></table>	Name of allottee	Number of equity shares	Multiples Private Equity Fund III	24,361,596	Multiples Private Equity Fund IV	10,509,064	Multiples Private Equity Gift Fund IV	11,231,815	Svatantra Holdings Private Limited	94,611,109	514,100,166	5,141,001,660		
Name of allottee	Number of equity shares																				
Multiples Private Equity Fund III	24,361,596																				
Multiples Private Equity Fund IV	10,509,064																				
Multiples Private Equity Gift Fund IV	11,231,815																				
Svatantra Holdings Private Limited	94,611,109																				
January 9, 2025	112,786,414	10	Not applicable	Pursuant to conversion of CCPS ⁽²⁾	Not applicable	1	<table><tr><th>Name of allottee</th><th>Number of equity shares</th></tr><tr><td>Violicina Limited</td><td>112,786,414</td></tr></table>	Name of allottee	Number of equity shares	Violicina Limited	112,786,414	626,886,580	6,268,865,800								
Name of allottee	Number of equity shares																				
Violicina Limited	112,786,414																				

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Number of allottees	Details of allottees	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)	
March 21, 2026 ⁽³⁾	(134,611,109)	Pursuant to the Scheme, 134,611,109 Equity Shares held by Svatantra Holdings Private Limited (“SHPL”) in our Company stood cancelled without any consideration. Accordingly, the issued, subscribed and paid-up capital of our Company has been reduced to the extent of the aggregated nominal value of such Equity Shares as on the effective date of the Scheme.						492,275,471	4,922,754,710	
March 23, 2026	5,444,295	10	Not applicable	Pursuant to the Scheme	Consideration other than cash ⁽⁴⁾	3	Name of allottee	Number of equity shares	707,835,151	7,078,351,510
							Ananya Birla	5,442,565		
							Anil Chirania	865		
							Shriram Jagetiya	865		
	210,115,385	10	Not applicable	Pursuant to the Scheme	Consideration other than cash ⁽⁵⁾	1	Name of allottee	Number of equity shares		
IGH Holdings Private Limited							210,115,385			
March 31, 2026	95,241,543	10	52.50	Rights issue	Cash	5	Name of allottee	Number of equity shares	803,076,694	8,030,766,940
							Antimatter Media Private Limited	57,535,865		
							Multiples Private Equity Fund III	5,781,213		
							Multiples Private Equity Fund IV	2,493,890		
							Multiples Private Equity Gift Fund IV	2,665,405		
							Violicina Limited	26,765,170		

⁽¹⁾ Our Company was incorporated on February 17, 2012. The date of subscription to the Memorandum of Association was February 2, 2012, and the allotment of Equity Shares pursuant to such subscription was taken on record by our Board on March 16, 2012.

⁽²⁾ In the ratio of 13 Equity Shares allotted upon conversion for every nine CCPS held. The consideration was paid at the time of allotment of CCPS, and no separate consideration has been paid at the time of allotment of Equity Shares. See “- History of Preference share capital” on page 101.

⁽³⁾ In terms of the Scheme, the paid-up share capital of our Company stood reduced to the extent of SHPL’s shareholding as on the effective date of the Scheme, being March 21, 2026. Subsequently, our Company has filed form INC-28 on March 26, 2026 with the RoC, to take on record and reflect the effect of such capital reduction on the MCA database. For further details of the Scheme, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited (“SHPL”), Chaitanya India Fin Credit Private Limited (“CIFCPL” and together with SHPL, the “Transferor Companies”) and our Company (“Transferee Company”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“NCLT”) by way of its order dated March 12, 2026, respectively (“Scheme”)” on page 290.

⁽⁴⁾ Pursuant to the Scheme, our Company allotted nine Equity Shares to the equity shareholders of SHPL for every 52 equity shares of face value of ₹ 10 each held by them in SHPL. For details of Scheme, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited (“SHPL”), Chaitanya India Fin Credit Private Limited (“CIFCPL” and together with SHPL, the “Transferor Companies”) and our Company (“Transferee Company”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“NCLT”) by way of its order dated March 12, 2026, respectively (“Scheme”)” on page 290.

⁽⁵⁾ Pursuant to the Scheme, our Company allotted 90 Equity Shares to the preference shareholders of SHPL for every 52 preference shares of face value of ₹ 100 each held by them in SHPL. For details of the Scheme, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited (“SHPL”), Chaitanya India Fin Credit Private Limited (“CIFCPL” and together with SHPL, the “Transferor Companies”) and our Company (“Transferee Company”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“NCLT”) by way of its order dated March 12, 2026, respectively (“Scheme”)” on page 290.

(b) Preference share capital

Our Company does not have any outstanding preference share capital as on the date of filing of this Draft Red Herring Prospectus. The history of the preference share capital of our Company is set out below:

Date of allotment/conversion of preference shares	Number of preference shares	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of allotment	Nature of consideration	Number of allottees	Name of allottees		Cumulative number of preference shares	Cumulative paid-up preference share capital (in ₹)			
January 16, 2020	2,500,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>2,500,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	2,500,000	2,500,000	250,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	2,500,000												
February 10, 2020	2,500,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>2,500,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	2,500,000	5,000,000	500,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	2,500,000												
March 31, 2020	3,000,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>3,000,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	3,000,000	8,000,000	800,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	3,000,000												
September 30, 2020	5,000,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>5,000,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	5,000,000	13,000,000	1,300,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	5,000,000												
March 30, 2021	12,500,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>12,500,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	12,500,000	25,500,000	2,550,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	12,500,000												
September 30, 2021	7,500,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>7,500,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	7,500,000	33,000,000	3,300,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	7,500,000												
January 4, 2022	10,000,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>10,000,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	10,000,000	43,000,000	4,300,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	10,000,000												
March 31, 2022	7,500,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>7,500,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	7,500,000	50,500,000	5,050,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	7,500,000												
December 30, 2022	10,000,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>10,000,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	10,000,000	60,500,000	6,050,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	10,000,000												
March 31, 2023	5,000,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th>Number of CCPS</th></tr><tr><td>Svatantra Holdings Private Limited</td><td>5,000,000</td></tr></table>	Name of allottee	Number of CCPS	Svatantra Holdings Private Limited	5,000,000	65,500,000	6,550,000,000
Name of allottee	Number of CCPS												
Svatantra Holdings Private Limited	5,000,000												

Date of allotment/conversion of preference shares	Number of preference shares	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of allotment	Nature of consideration	Number of allottees	Name of allottees			Cumulative number of preference shares	Cumulative paid-up preference share capital (in ₹)															
November 23, 2023	110,000,000	100	100	Rights issue	Cash	1	<table><tr><th>Name of allottee</th><th colspan="2">Number of CCPS</th></tr><tr><td>IGH Holdings Private Limited</td><td colspan="2">110,000,000</td></tr></table>			Name of allottee	Number of CCPS		IGH Holdings Private Limited	110,000,000		175,500,000	17,550,000,000									
Name of allottee	Number of CCPS																									
IGH Holdings Private Limited	110,000,000																									
October 31, 2024	(97,417,098)	100	Not applicable	Pursuant to conversion of CCPS into Equity Shares ⁽¹⁾	Not applicable ⁽²⁾	4	<table><tr><th>Name of allottee</th><th>Number of CCPS converted</th><th>Number of Equity Shares allotted</th></tr><tr><td>Multiples Private Equity Fund III</td><td>16,865,720</td><td>24,361,596</td></tr><tr><td>Multiples Private Equity Fund IV</td><td>7,275,506</td><td>10,509,064</td></tr><tr><td>Multiples Private Equity Gift Fund IV</td><td>7,775,872</td><td>11,231,815</td></tr><tr><td>Svatantra Holdings Private Limited</td><td>65,500,000</td><td>94,611,109</td></tr></table>			Name of allottee	Number of CCPS converted	Number of Equity Shares allotted	Multiples Private Equity Fund III	16,865,720	24,361,596	Multiples Private Equity Fund IV	7,275,506	10,509,064	Multiples Private Equity Gift Fund IV	7,775,872	11,231,815	Svatantra Holdings Private Limited	65,500,000	94,611,109	78,082,902	7,808,290,200
Name of allottee	Number of CCPS converted	Number of Equity Shares allotted																								
Multiples Private Equity Fund III	16,865,720	24,361,596																								
Multiples Private Equity Fund IV	7,275,506	10,509,064																								
Multiples Private Equity Gift Fund IV	7,775,872	11,231,815																								
Svatantra Holdings Private Limited	65,500,000	94,611,109																								
January 9, 2025	(78,082,902)	100	Not applicable	Pursuant to conversion of CCPS into Equity Shares ⁽¹⁾	Not applicable ⁽²⁾	1	<table><tr><th>Name of allottee</th><th>Number of CCPS converted</th><th>Number of Equity Shares allotted</th></tr><tr><td>Violicina Limited</td><td>78,082,902</td><td>112,786,414</td></tr></table>			Name of allottee	Number of CCPS converted	Number of Equity Shares allotted	Violicina Limited	78,082,902	112,786,414	-	-									
Name of allottee	Number of CCPS converted	Number of Equity Shares allotted																								
Violicina Limited	78,082,902	112,786,414																								

⁽¹⁾ In the ratio of 13 Equity Shares allotted upon conversion for every nine CCPS held.

⁽²⁾ The consideration for Equity Shares allotted pursuant to conversion of CCPS was paid at the time of issuance of such CCPS, and no separate consideration has been paid upon conversion.

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

- (i) As on the date of this Draft Red Herring Prospectus, our Company has not issued equity shares or preference shares out of revaluation reserves since incorporation.
- (ii) As on the date of this Draft Red Herring Prospectus, our Company has not issued equity shares or preference shares pursuant to a bonus issue since incorporation.
- (iii) Except for Equity Shares allotted pursuant to the Scheme, as disclosed below, our Company has not issued equity shares or preference shares for consideration other than cash:

Date of allotment	Number of equity shares allotted	Details of allottees		Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
March 23, 2026	5,444,295	Name of allottee	Number of equity shares	10	Not applicable ⁽¹⁾	Pursuant to the Scheme	Enabling geographical diversification of portfolio, simplification of group structure, cost efficiencies ⁽³⁾
		Ananya Birla	5,442,565				
		Anil Chirania	865				
		Shriram Jagetiya	865				
	210,115,385	Name of allottee	Number of equity shares	10	Not applicable ⁽²⁾		
		IGH Holdings Private Limited	210,115,385				

⁽¹⁾ Pursuant to the Scheme, our Company allotted nine Equity Shares to the equity shareholders of SHPL for every 52 equity shares of face value of ₹ 10 each held by them in SHPL.

⁽²⁾ Pursuant to the Scheme, our Company allotted 90 Equity Shares to the preference shareholders of SHPL for every 52 preference shares of face value of ₹ 100 each held by them in SHPL.

⁽³⁾ For details of the Scheme, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatanttra Holdings Private Limited (“SHPL”), Chaitanya India Fin Credit Private Limited (“CIFCPL” and together with SHPL, the “Transferor Companies”) and our Company (“Transferee Company”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“NCLT”) by way of its order dated March 12, 2026, respectively (“Scheme”)” on page 290.

3. Issue of shares pursuant to schemes of arrangement

Except for Equity Shares allotted pursuant to the Scheme, as disclosed in “– Notes to the Capital Structure – Issue of shares through bonus issue or for consideration other than cash or out of revaluation of reserves” on page 103, our Company has not allotted any equity shares or preference shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act.

For details of the Scheme, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatanttra Holdings Private Limited (“SHPL”), Chaitanya India Fin Credit Private Limited (“CIFCPL” and together with SHPL, the “Transferor Companies”) and our Company (“Transferee Company”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“NCLT”) by way of its order dated March 12, 2026, respectively (“Scheme”)” on page 290.

4. Issue of equity shares under employee stock option plans

Our Company has not issued any equity shares pursuant to exercise of stock options granted pursuant to the ESOP Plans. For details of outstanding options granted pursuant to the ESOP Plans, see “- Employee stock option plans” on page 113.

5. Issue of specified securities at a price lower than the Offer Price in the last one year

The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date. Except as disclosed in “– Notes to the Capital Structure – Share capital history of our Company – Equity share capital” and “– Details of price at which specified securities were acquired by our Promoters, Selling Shareholders, members of the Promoter Group and Shareholders entitled with the right to nominate directors or other special rights in our Company in the last three years preceding the date of this Draft Red Herring Prospectus” on pages 96 and 110, respectively, our Company has not issued any specified securities in the last one year preceding the date of filing of this Draft Red Herring Prospectus.

6. Secondary transactions of Equity Shares / Preference Shares

Equity Shares

Except as disclosed in “– History of the equity share capital held by our Promoters – Build-up of the shareholding of our Promoters in our Company” on page 107, there have been no secondary transactions involving Equity Shares of our Company through secondary transactions by our Promoters. As on the date of this Draft Red Herring Prospectus, there have been no secondary transactions involving Equity Shares of our Company by our Selling Shareholders.

The details of secondary transactions of Equity Shares by members of our Promoter Group are set forth in the table below:

Date of transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per equity share (in ₹)	Transfer price per equity share (in ₹)
Neerja Birla					
June 7, 2019	Transfer from IGH Holdings Private Limited	2,100,000	Cash	10	10

Preference Shares

As on the date of this Draft Red Herring Prospectus, there have been no secondary transactions involving Preference Shares of our Company by our Promoters or members of our Promoter Group.

The details of secondary transactions of Preference Shares by the Selling Shareholders are set forth in the table below:

Date of transfer	Nature of transaction	Number of Preference Shares	Nature of consideration	Face value per preference share (in ₹)	Transfer price per preference share (in ₹)
Multiples Private Equity Fund III					
October 31, 2024	Transfer from IGH Holdings Private Limited	16,865,720	Cash	100	100
Multiples Private Equity Fund IV					
October 31, 2024	Transfer from IGH Holdings Private Limited	7,275,506	Cash	100	100
Multiples Private Equity Gift Fund IV					
October 31, 2024	Transfer from IGH Holdings Private Limited	7,775,872	Cash	100	100
Violicina Limited					
October 31, 2024	Transfer from IGH Holdings Private Limited	78,082,902	Cash	100	100

7. Shareholding pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares of face value of ₹10 each held (IV)	Number of partly paid-up Equity Shares of face value of ₹10 each held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C)	Number of voting rights held in each class of securities (IX)				Number of Equity Shares of face value of ₹10 each underlying outstanding convertible securities (including Warrants, ESOP, etc.) (X)	Total no of shares on fully diluted basis^ (including warrants, ESOP, convertible securities etc.) (XI)=(VII+X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII) = (VII)+(X) As a % of (A+B+C)	Number of Locked in shares (XIII)		Number of Equity Shares of face value of ₹10 pledged (XIV)		Non-disposal undertaking (XV)	Other encumbrances, if any (XVI)	Total number of shares encumbered (XVII)=(XIII)+(XIV)+(XV)+(XVI)	Number of Equity Shares held in dematerialized form (XVIII)
								Number of voting rights			Total as a % of (A+B+C)				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)				
								Class e.g.: Equity Shares	Classes e.g.: Others	Total												
(A)	Promoter and Promoter Group	3	485,142,420	-	-	485,142,420	60.41	485,142,420	-	485,142,420	60.41	-	485,142,420	60.23^^	-	-	-	-	-	-	-	485,142,420
(B)	Public	4	317,934,274	-	-	317,934,274	39.59	317,934,274	-	317,934,274	39.59	2,462,943^^	320,397,217^^	39.77^^	-	-	-	-	-	-	-	317,934,274
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	803,076,694	-	-	803,076,694	100.00	803,076,694	-	803,076,694	100.00	2,462,943^^	805,539,637^^	100.00^^	-	-	-	-	-	-	-	803,076,694

[^] Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans, as on the date of this Draft Red Herring Prospectus.

^{^^} Based on the number of vested options under the ESOP Plans, as on the date of this Draft Red Herring Prospectus.

8. Details of shareholding of major shareholders of our Company

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

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer equity share capital on a fully diluted basis* (%)
1.	Ananya Birla	213,289,439	26.48
2.	Antimatter Media Private Limited	269,752,981	33.49
3.	Violicina Limited	225,683,915	28.02
4.	Multiples Private Equity Fund III	48,747,187	6.05
5.	Multiples Private Equity Gift Fund IV	22,474,694	2.79
6.	Multiples Private Equity Fund IV	21,028,478	2.61
Total		800,976,694	99.43

Note: Based on the beneficiary position statement dated August 12, 2026.

* Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans.

- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, on a fully diluted basis, as of ten days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer equity share capital on a fully diluted basis* (%)
1.	Ananya Birla	213,289,439	26.48
2.	Violicina Limited	225,683,915	28.02
3.	IGH Holdings Private Limited	210,115,385	26.08
4.	Antimatter Media Private Limited	59,635,866	7.40
5.	Multiples Private Equity Fund III	48,747,187	6.05
6.	Multiples Private Equity Gift Fund IV	22,474,694	2.79
7.	Multiples Private Equity Fund IV	21,028,478	2.61
Total		800,976,694	99.43

Note: Based on the beneficiary position statement dated July 31, 2026.

* Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans.

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, on a fully diluted basis, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer equity share capital on a fully diluted basis* (%)
1.	Ananya Birla	207,846,874	33.04
2.	Violicina Limited	198,918,745	31.62
3.	Svatantra Holdings Private Limited	134,611,109	21.40
4.	Multiples Private Equity Fund III	42,965,974	6.83
5.	Multiples Private Equity Gift Fund IV	19,809,289	3.15
6.	Multiples Private Equity Fund IV	18,534,588	2.95
Total		622,686,579	98.97

Note: Based on the beneficiary position statement dated August 15, 2025.

* Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans.

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, on a fully diluted basis, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Number of CCPS	Percentage of the pre-Offer equity share capital on a fully diluted basis* (%)
1.	Ananya Birla	207,846,874	-	40.96
2.	IGH Holdings Private Limited	2,100,001	110,000,000	31.72
3.	Svatantra Holdings Private Limited	40,000,000	65,500,000	26.53
Total		249,946,875	175,500,000	99.21

Note: Based on the beneficiary position statement dated August 16, 2024.

* Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans and the Equity Shares to be issued upon conversion of CCPS.

9. History of the share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 483,042,420 equity shares of face value ₹10 each equivalent to 59.97% of the issued, subscribed and paid-up equity share capital of our Company on a fully diluted basis.

a. Build-up of the shareholding of our Promoters in our Company

As on the date of this Draft Red Herring Prospectus, there have been no primary or secondary transactions in Preference Shares involving our Promoters, since incorporation.

The details regarding the equity shareholding of our Promoters since incorporation of our Company are set forth in the table below.

Date of allotment/transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per equity share (in ₹)	Issue/ Transfer price per equity share (in ₹)	Percentage of the pre- Offer capital on a fully diluted basis* (%)	Percentage of post- Offer capital (%)
Ananya Birla							
June 7, 2019	Transfer from Umang Commercial Private Limited	32,125,719	Cash	10	10	3.99	[●]
	Transfer from TGS Investment and Trade Private Limited	42,719,500	Cash	10	10	5.30	[●]
	Transfer from IGH Holdings Private Limited	38,187,030	Cash	10	10	4.74	[●]
June 10, 2019	Transfer from Infocyyber India Private Limited	31,628,500	Cash	10	10	3.93	[●]
	Transfer from Birla Group Holdings Private Limited	63,186,125	Cash	10	10	7.84	[●]
March 23, 2026	Allotment of Equity Shares pursuant to the Scheme	5,442,565	Consideration other than cash**	10	Not applicable	0.68	[●]
Total (A)		213,289,439				26.48	[●]
Antimatter Media Private Limited							
March 20, 2026	Transfer from IGH Holdings Private Limited	2,100,001	Cash	10	52.50	0.26	[●]
March 31, 2026	Allotment of Equity Shares pursuant to rights issue	57,535,865	Cash	10	52.50	7.14	[●]
August 12, 2026	Transfer from IGH Holdings Private Limited	210,115,385	Cash	10	68.60	26.08	[●]
	Transfer from Anil Chirania	865	Cash	10	68.60	Negligible	[●]
	Transfer from Shriram Jagetiya	865	Cash	10	68.60	Negligible	[●]
Total (B)		269,752,981				33.49	[●]
Total (A+B)		483,042,420				59.97	[●]

* Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans, as on the date of this Draft Red Herring Prospectus.

** Pursuant to the Scheme, our Company allotted nine Equity Shares for every 52 equity shares of face value of ₹ 10 each held by Ananya Birla in SHPL. For details of the Scheme, see "History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatanttra Holdings Private Limited ("SHPL"), Chaitanya India Fin Credit Private Limited ("CIFCPL" and together with SHPL, the "Transferor Companies") and our Company ("Transferee Company") and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III ("NCLT") by way of its order dated March 12, 2026, respectively ("Scheme")" on page 290.

b. Details of Promoters' contribution and lock-in

- Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, as amended, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by the Promoters, shall be locked in for a period of 18 months, or any other period as prescribed under the SEBI ICDR Regulations, as minimum Promoters' contribution ("Minimum Promoters' Contribution") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment.

- ii. Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Minimum Promoters' Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in ⁽¹⁾⁽²⁾	Date of allotment/ transfer of Equity Shares ⁽²⁾	Nature of transaction	Face Value per Equity Share (in ₹)	Offer/ Acquisition price per equity share (in ₹)	Percentage of the pre- Offer paid-up capital (%)	Percentage of the post- Offer paid-up capital (%)
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]	[•]	[•]	[•]

⁽¹⁾ Subject to finalisation of the Basis of Allotment.

⁽²⁾ All Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

Note: To be updated in the Prospectus.

Each of our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the fully diluted post-Offer equity share capital of our Company as Minimum Promoters' Contribution. Each of our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoters' 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.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of build-up of shareholding of our Promoters, see “– Build-up of the shareholding of our Promoters in our Company” on page 107.

- iii. In this connection, we confirm that:

- The Equity Shares offered for Minimum Promoters' Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash where revaluation of assets or capitalisation of intangible assets was involved in such transactions, or (ii) Equity Shares that have resulted from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or resulted from bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoters' Contribution.
- The Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.
- Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm. Accordingly, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or limited liability partnership.
- All the Equity Shares held by our Promoters are in dematerialised form.
- The Equity Shares held by our Promoters and offered for Minimum Promoters' Contribution are not subject to pledge or any other encumbrance.

c. Other lock-in requirements:

- In addition to the 20% of the post-Offer shareholding of our Company held by our Promoters and locked in for 18 months as specified above, in terms of Regulation 17(1) of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment or such other period as may be prescribed under the SEBI ICDR Regulations. In the event lock-in of such pre-Offer equity share capital of our Company cannot be created, the relevant Depositories upon instructions from our Company, shall record such Equity Shares as 'non-transferable' for such duration of six months from the date of Allotment. However, the above lock-in of Equity Shares shall not be applicable to (i) the Equity Shares offered pursuant to the Offer for Sale; (ii) the Equity Shares held by Shareholders who are VCFs, Category I AIFs, Category II AIFs or FVCIs, subject to the conditions set out in Regulation 17(1) of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by such VCFs or Category I AIFs or Category II AIFs or FVCI Shareholders respectively, and (iii) any Equity Shares transferred to and held by employees (whether currently employees or not) of our Company in accordance with the ESOP Plans. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

- ii. As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.
- iii. Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of 18 months from the date of Allotment (as mentioned above) may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.
- iv. Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.
- v. Pursuant to Regulation 22 of the SEBI ICDR Regulations, (a) the Equity Shares held by our Promoters, which are locked-in may be transferred to and among the members of our Promoter Group or to any new promoter of our Company and (b) the Equity Shares held by any person other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

d. 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.

10. Shareholding of the members of our Promoter Group

The details of the shareholding of the members of the Promoter Group (other than our Promoters) as on the date of this Draft Red Herring Prospectus, are set forth in the table below:

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	Percentage of pre-Offer paid up equity share capital on a fully diluted basis*(%)	No. of Equity Shares	Percentage of post-Offer paid up equity share capital (%)
Neerja Birla	2,100,000	0.26	[●]	[●]

* Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans.

11. Pre-Offer and post-Offer shareholding of our Promoters, members of our Promoter Group and the additional top 10 Shareholders

The pre-Offer shareholding and post-Offer shareholding of our Promoters, members of our Promoter Group and the additional top 10 Shareholders (excluding our Promoters and members of our Promoter Group) is set out below:

S. No.	Name	Pre-Offer shareholding as at the date of the Draft Red Herring Prospectus		Post-Offer shareholding as at the date of Allotment**			
		Number of Equity Shares	Shareholding on a fully diluted basis* (in %)	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares	Shareholdin g on a fully diluted basis*(in %)	Number of Equity Shares	Shareholdin g on a fully diluted basis* (in %)
Promoters							
1.	Ananya Birla	213,289,439	26.48	[●]	[●]	[●]	[●]
2.	Antimatter Media Private Limited	269,752,981	33.49	[●]	[●]	[●]	[●]
Promoter Group							
1.	Neerja Birla	2,100,000	0.26	[●]	[●]	[●]	[●]
Additional top 10 Shareholders							
1.	Violicina Limited	225,683,915	28.02	[●]	[●]	[●]	[●]
2.	Multiples Private Equity Fund III	48,747,187	6.05	[●]	[●]	[●]	[●]

S. No.	Name	Pre-Offer shareholding as at the date of the Draft Red Herring Prospectus		Post-Offer shareholding as at the date of Allotment**			
		Number of Equity Shares	Shareholding on a fully diluted basis* (in %)	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares	Shareholding on a fully diluted basis* (in %)	Number of Equity Shares	Shareholding on a fully diluted basis* (in %)
3.	Multiples Private Equity Fund IV	21,028,478	2.61	[●]	[●]	[●]	[●]
4.	Multiples Private Equity Gift Fund IV	22,474,694	2.79	[●]	[●]	[●]	[●]

* Calculated assuming allotment of Equity Shares resulting upon exercise of vested options under the ESOP Plans.

** Assuming full subscription in the Offer. The post-Offer shareholding details as at Allotment will be based on the actual subscription and the Offer Price and updated in the Prospectus, subject to finalization of the Basis of Allotment. The post-Offer shareholding shall be updated in the Prospectus based on ESOPs exercised until such date.

12. Details of price at which specified securities were acquired by our Promoters, Selling Shareholders, members of the Promoter Group and Shareholders entitled with the right to nominate directors or other special rights in our Company in the last three years preceding the date of this Draft Red Herring Prospectus

Except as disclosed below and in “– History of the equity share capital held by our Promoters”, 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, Selling Shareholders, members of the Promoter Group and Shareholders entitled with the right to nominate directors or other special rights in our Company in the last three years preceding the date of this Draft Red Herring Prospectus:

S. No.	Name	Date of acquisition	Nature of security	Number of securities	Nature of transaction	Face value per specified security (in ₹)	Acquisition price per specified security (in ₹)
Promoters							
1.	Ananya Birla	March 23, 2026	Equity Share	5,442,565	Allotment of Equity Shares pursuant to the Scheme	10	68.15 ⁽¹⁾
2.	Antimatter Media Private Limited	March 20, 2026	Equity Share	2,100,001	Transfer from IGH Holdings Private Limited	10	52.50
3.	Antimatter Media Private Limited	March 31, 2026	Equity Share	57,535,865	Rights issue	10	52.50
4.	Antimatter Media Private Limited	August 12, 2026	Equity Share	210,115,385	Transfer from IGH Holdings Private Limited	10	68.60
5.	Antimatter Media Private Limited	August 12, 2026	Equity Share	865	Transfer from Anil Chirania	10	68.60
6.	Antimatter Media Private Limited	August 12, 2026	Equity Share	865	Transfer from Shriram Jagetiya	10	68.60
Investor Selling Shareholders							
1.	Multiples Private Equity Fund III	October 31, 2024	Equity Share	18,604,378	Private placement	10	68.40
2.	Multiples Private Equity Fund III	October 31, 2024	CCPS	16,865,720	Transfer from IGH Holdings Private Limited	100	100.00
3.	Multiples Private Equity Fund III	October 31, 2024	Equity Share	24,361,596	Pursuant to conversion of CCPS into Equity Shares	10	NA ⁽²⁾
4.	Multiples Private Equity Fund III	March 31, 2026	Equity Share	5,781,213	Rights issue	10	52.50
5.	Multiples Private Equity Fund IV	October 31, 2024	Equity Share	8,025,524	Private placement	10	68.40
6.	Multiples Private Equity Fund IV	October 31, 2024	CCPS	7,275,506	Transfer from IGH Holdings Private Limited	100	100.00

S. No.	Name	Date of acquisition	Nature of security	Number of securities	Nature of transaction	Face value per specified security (in ₹)	Acquisition price per specified security (in ₹)
7.	Multiples Private Equity Fund IV	October 31, 2024	Equity Share	10,509,064	Pursuant to conversion of CCPS into Equity Shares	10	NA ⁽²⁾
8.	Multiples Private Equity Fund IV	March 31, 2026	Equity Share	2,493,890	Rights issue	10	52.50
9.	Multiples Private Equity Gift Fund IV	October 31, 2024	Equity Share	8,577,474	Private placement	10	68.40
10.	Multiples Private Equity Gift Fund IV	October 31, 2024	CCPS	7,775,872	Transfer from IGH Holdings Private Limited	100	100.00
11.	Multiples Private Equity Gift Fund IV	October 31, 2024	Equity Share	11,231,815	Pursuant to conversion of CCPS into Equity Shares	10	NA ⁽²⁾
12.	Multiples Private Equity Gift Fund IV	March 31, 2026	Equity Share	2,665,405	Rights issue	10	52.50
13.	Violicina Limited	October 31, 2024	Equity Share	86,132,331	Private placement	10	68.40
14.	Violicina Limited	October 31, 2024	CCPS	78,082,902	Transfer from IGH Holdings Private Limited	100	100.00
15.	Violicina Limited	January 9, 2025	Equity Share	112,786,414	Pursuant to conversion of CCPS into Equity Shares	10	NA ⁽²⁾
16.	Violicina Limited	March 31, 2026	Equity Share	26,765,170	Rights issue	10	52.50

Note: As certified by Manian & Rao, Chartered Accountants pursuant to their certificate dated August 13, 2026.

⁽¹⁾ Pursuant to the Scheme, our Company allotted nine Equity Shares for every 52 equity shares of face value of ₹ 10 each held by Ananya Birla in SHPL. The consideration paid by Ananya Birla for the acquisition of equity shares of Svatanttra Holdings Private Limited has been considered as the consideration paid for the acquisition of Equity Shares of the Company.

⁽²⁾ The amount paid on acquisition of the CCPS has not been considered while arriving at the acquisition price per Equity Share allotted pursuant to conversion of CCPS, since the acquisition of CCPS and the price per share has been disclosed separately for the CCPS acquired during the preceding three years.

13. Weighted average cost of acquisition of all specified securities transacted by our Promoters, Selling Shareholders, members of the Promoter Group and shareholders with the right to nominate directors or other rights in three years, 18 months and one year immediately preceding this Draft Red Herring Prospectus

Equity Shares

The weighted average cost of acquisition of all Equity Shares transacted by our Promoters, Selling Shareholders, members of the Promoter Group and shareholders with the right to nominate directors or other rights to the extent applicable, in the last three years, 18 months and one year immediately preceding this Draft Red Herring Prospectus is as follows:

Period	Weighted Average Cost of Acquisition of Equity Shares (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last one year	61.01	[●]	52.50 – 68.60
Last 18 months	61.01	[●]	52.50 – 68.60
Last three years	65.07	[●]	52.50 – 69.23

Note: As certified by Manian & Rao, Chartered Accountants pursuant to their certificate dated August 13, 2026.

14. Weighted average cost of acquisition of Equity Shares of our Promoters and Selling Shareholders

The weighted average cost of acquisition of Equity Shares of our Promoters and Selling Shareholders as on the date of this Draft Red Herring Prospectus and the weighted average cost of acquisition at which the Equity Shares were acquired by

our Promoters and Selling Shareholders within one year preceding the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares held as on the date of this DRHP	Weighted Average Cost of Acquisition of Equity Shares (in ₹)	Weighted Average Cost of Acquisition of Equity Shares (in ₹) acquired in the last one year
Ananya Birla	213,289,439	11.48 ⁽¹⁾	68.15 ⁽¹⁾
Antimatter Media Private Limited	269,752,981	65.04	65.04
Multiples Private Equity Fund III	48,747,187	66.93 ⁽²⁾	52.50
Multiples Private Equity Fund IV	21,028,478	66.93 ⁽²⁾	52.50
Multiples Private Equity Gift Fund IV	22,474,694	66.93 ⁽²⁾	52.50
Violicina Limited	225,683,915	66.93 ⁽²⁾	52.50

Note: As certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated August 13, 2026.

⁽¹⁾ Pursuant to merger of Svantra Holdings Private Limited into the Company, Ananya Birla was allotted Equity Shares of the Company. The consideration paid by Ananya Birla for the acquisition of equity shares of Svantra Holdings Private Limited has been considered as the consideration paid for the acquisition of Equity Shares of the Company.

⁽²⁾ The amount paid to acquire original CCPS has been considered as total cost for equity shares allotted pursuant to conversion of CCPS.

15. As on the date of the filing of this Draft Red Herring Prospectus, our Company has 7 Shareholders.
16. Except as disclosed in “– History of the share capital held by our Promoters” on page 107, none of our Promoters, members of the Promoter Group, our Directors or their relatives have purchased or sold any Equity Shares during a period of six months preceding the date of this Draft Red Herring Prospectus.
17. Except for Equity Shares to be allotted pursuant to the Fresh Issue and exercise of options granted under the ESOP Plans, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.
18. Neither our Company, nor the Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Managers have not entered into any buy-back arrangements for purchase of Equity Shares from any person.
19. Except as disclosed in “Our Management – Shareholding of Directors in our Company” and “Our Management – Shareholding of Key Managerial Personnel and Senior Management Personnel” on pages 303 and 313 respectively, none of our Directors, Key Managerial Personnel, Senior Management Personnel or directors of the Corporate Promoter hold any Equity Shares of our Company.
20. Except for options granted under the ESOP Plans as disclosed in “– Employee stock option plans” on page 113, our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
21. Our Company is in compliance with Companies Act, 1956 and Companies Act, 2013, to the extent applicable, with respect to issuance of Equity Shares and Preference Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus.
22. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. All Equity Shares offered and Allotted pursuant to the Offer shall be fully paid-up at the time of Allotment.
23. None of the BRLMs 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. The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company and its respective directors and officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and each of its respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.
24. None of the Book Running Lead Managers are associates of our Company as per Regulation 21A of the Securities and Exchange Board of India (Merchant Banker) Regulations, 1992.
25. Except as disclosed below, there have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other

than in the normal course of business of the relevant financing entity, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the acquirer	Financing entity*	Date of the transaction	Nature of transactions	Issue price per Equity Share (in ₹)
1.	Antimatter Media Private Limited	Siddhipriya Enterprises LLP	August 12, 2026	Transfer of 210,115,385 Equity Shares of face value of ₹10 each from IGH Holdings Private Limited.	68.60

**The above transaction has been part-financed by Siddhipriya Enterprises LLP, a member of the Promoter Group of our Company, by way of loan granted to Antimatter Media Private Limited.*

26. No person connected with the Offer, including, but not limited to, the Book Running Lead Managers, the Syndicate Members, our Company, Directors, Promoters, and member of our Promoter Group shall offer any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
27. Our Promoters and the members of our Promoter Group will not participate in the Offer.
28. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Except for any issue of (a) Equity Shares pursuant to Fresh Issue or pursuant to exercise of the employee stock options granted under the ESOP Plans, or (b) any issuance of specified securities pursuant to the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
30. Our Company shall ensure that transactions in Equity Shares by our Promoters and our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of Bid/Offer Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.
31. Our Company does not have a stock appreciation right scheme and there are no outstanding stock appreciation rights granted to employees pursuant to a stock appreciation right scheme by our Company as on the date of this Draft Red Herring Prospectus.
32. For details of price of acquisition of specified securities by our Promoters, members of the Promoter Group, Selling Shareholders and other Shareholders with nominee director rights or other rights, in the last three years preceding the date of this Draft Red Herring Prospectus, please see “– Details of price at which specified securities were acquired by our Promoters, Selling Shareholders, members of the Promoter Group and Shareholders entitled with the right to nominate directors or other special rights in our Company in the last three years preceding the date of this Draft Red Herring Prospectus” on page 110.
33. **Employee stock option plans**
 - (i) **Svatantra Microfin Employee Stock Options Plan 2017 (“ESOP 2017”)**

Our Company, pursuant to the resolution passed by our Board on September 8, 2017 and our Shareholders on October 10, 2017, adopted the ESOP 2017. The objective of ESOP 2017 is, among others, to attract and retain critical and key talents with employee stock options as a compensation tool.

A maximum number of 2,000,000 options may be issued under the ESOP 2017. As on the date of this Draft Red Herring Prospectus, an aggregate of 1,827,985 options have been granted under the ESOP 2017, of which 186,559 options have been lapsed, been forfeited or cancelled. Out of the 1,641,426 net granted options (adjusted for lapsed, forfeited or cancelled options), no options have been exercised, 1,641,426 options are vested (not yet exercised) and no options are unvested as on the date of this Draft Red Herring Prospectus. The 1,641,426 outstanding options in force shall result, upon exercise, into a maximum of 1,641,426 Equity Shares.

As certified by Mehta & Mehta, Practising Company Secretary pursuant to their certificate dated August 13, 2026, the ESOP 2017 is in compliance with the SEBI SBEB Regulations and other applicable laws, and all options granted under the ESOP 2017 are in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

The details of ESOP 2017, as certified by Manian & Rao, Chartered Accountants through their certificate dated August 13, 2026, are as follows:

Particulars	Details				
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024	
Total options outstanding as at the beginning of the period	1,641,426	1,641,426	1,641,426	1,663,881	
Total options granted	-	-	-	-	
Exercise price of options in ₹ (as on the date of grant options)	₹15.91 to ₹ 20.00	₹15.91 to ₹ 20.00	₹15.91 to ₹ 20.00	₹15.91 to ₹ 20.00	
Options forfeited/lapsed/cancelled	-	-	-	22,455	
Variation of terms of options	NA				
Money realized by exercise of options during the year/period	-	-	-	-	
Total number of options outstanding in force at the end of period/year	1,641,426	1,641,426	1,641,426	1,641,426	
Total options vested (excluding the options that have been exercised)	1,641,426	1,641,426	1,641,426	1,641,426	
Options exercised (since implementation of ESOP 2017)	-	-	-	-	
The total number of Equity Shares arising as a result of full exercise of granted options (including options that have been exercised)	1,641,426	1,641,426	1,641,426	1,641,426	
Employee wise details of options granted to:					
(i) Key Managerial Personnel	NA	NA	NA	NA	
(ii) Senior Management Personnel	NA	NA	NA	NA	
(iii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	NA	NA	NA	NA	
(iv) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NA	NA	NA	NA	
Fully diluted EPS on a pre- Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable Indian accounting standard on ‘EPS’ (in ₹)	NA	9.13	8.15	7.17	
Lock-in	NA				
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	Particulars	ESOP 2017			
		Grant-I	Grant-II	Grant-III	Grant-IV
	Risk free interest rate (%)	For grants vesting in year 1: 6.62% For grants vesting in year 2: 6.77% For grants vesting in year 3: 6.90%	7.99%	6.51%	4.94%
	Life of the options granted in year	For grants vesting in year 1: 3.5 years For grants vesting in year 2: 4.51 years For grants vesting in year 3: 5.51 years	5 years	5 years	5 years
	Expected volatility (%)	0.01%	50%	50%	50%
	Expected dividend rate (%)	0%	0%	0%	0%
	Fair value of the option (₹)	4.06	8.47	10.11	9.75
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the SEBI SBEB & SE	NA				

Particulars	Details			
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
Regulations had been followed, in respect of options granted in the last three years				
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	Not applicable, as the Company has used fair value of ESOPs for accounting.			
Intention of the Key Managerial Personnel, Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer	As on the date of this Draft Red Herring Prospectus, none of the Key Managerial Personnel, Senior Management Personnel and whole-time Directors have been allotted Equity Shares pursuant to exercise of options granted under ESOP 2017.			
Intention to sell Equity Shares arising out of ESOP 2017 within three months after the listing of Equity Shares, by Directors, Key Managerial Personnel, Senior Management Personnel and employees having Equity Shares arising out of an employee stock option plan, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of our Company.	As on the date of this Draft Red Herring Prospectus, none of the Directors, Key Managerial Personnel, Senior Management Personnel and employees have been allotted Equity Shares pursuant to exercise of options granted under ESOP 2017.			

(ii) Svantra Microfin Employee Stock Options Plan 2022 (“ESOP 2022”)

Our Company, pursuant to the resolution passed by our Board on May 26, 2022 and our Shareholders on June 20, 2022, adopted the ESOP 2022. The primary objective of ESOP 2022 is, among others, to attract and retain critical and key talents with employee stock options as a compensation tool.

A maximum number of 3,000,000 options may be issued under the ESOP 2022. As on the date of this Draft Red Herring Prospectus, an aggregate of 1,064,699 options have been granted under the ESOP 2022, of which 243,182 options have been lapsed, been forfeited or cancelled. Out of the 821,517 net granted options (adjusted for lapsed, forfeited or cancelled options), no options have been exercised, 821,517 options are vested (not yet exercised) and no options are unvested. The 821,517 outstanding options in force shall result, upon exercise, into a maximum of 821,517 Equity Shares.

As certified by Mehta & Mehta, Practising Company Secretary pursuant to their certificate dated August 13, 2026, the ESOP 2022 is in compliance with the SEBI SBEB Regulations and other applicable laws, and all options granted under the ESOP 2022 are in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

The details of ESOP 2022, as certified by Manian & Rao, Chartered Accountants through their certificate dated August 13, 2026, are as follows:

Particulars	Details			
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
Total options outstanding as at the beginning of the period	821,517	834,271	930,564	906,009
Total options granted	-	-	-	127,183
Exercise price of options in ₹ (as on the date of grant options)	₹ 20.00 to ₹23.00	₹ 20.00 to ₹23.00	₹ 20.00 to ₹23.00	₹ 20.00 to ₹23.00

Particulars	Details			
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
Options forfeited/lapsed/cancelled	-	12,754	96,293	102,628
Variation of terms of options	NA			
Money realized by exercise of options during the year/period	-	-	-	-
Total number of options outstanding in force at the end of period/year	821,517	821,517	834,271	930,564
Total options vested (excluding the options that have been exercised)	821,517	821,517	618,516	266,242
Options exercised (since implementation of ESOP 2022)	-	-	-	-
The total number of Equity Shares arising as a result of full exercise of granted options (including options that have been exercised)	821,517	821,517	834,271	9,30,564
Employee wise details of options granted to:				
(i) Key Managerial Personnel:	NA	NA	NA	Nil
(ii) Senior Management Personnel:	NA	NA	NA	Nil
(iii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year				
- Sahil Mehta	NA	NA	NA	127,183
(iv) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NA	NA	NA	NA
Fully diluted EPS on a pre- Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable Indian accounting standard on 'EPS' (in ₹)	NA	9.13	8.15	7.17
Lock-in	NA			
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option				
	Particulars	ESOP 2022		
		Grant-V	Grant-VI	
	Risk free interest rate (%)	7.45%		7.18%
	Life of the options granted in year	5 years		5 years
	Expected volatility (%)	60%		50%
	Expected dividend rate (%)	Nil		Nil
	Fair value of the option (₹)	13.37		80.52
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the SEBI SBEB & SE Regulations had been followed, in respect of options granted in the last three years	NA			
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	Not applicable, as the Company has used fair value of ESOPs for accounting.			

Particulars	Details			
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
Intention of the Key Managerial Personnel, Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer	As on the date of this Draft Red Herring Prospectus, none of the Key Managerial Personnel, Senior Management Personnel and whole-time Directors have been allotted Equity Shares pursuant to exercise of options granted under ESOP 2022.			
Intention to sell Equity Shares arising out of ESOP 2022 within three months after the listing of Equity Shares, by Directors, Key Managerial Personnel, Senior Management Personnel and employees having Equity Shares arising out of an employee stock option plan, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of our Company.	As on the date of this Draft Red Herring Prospectus, none of the Directors, Key Managerial Personnel, Senior Management Personnel and employees have been allotted Equity Shares pursuant to exercise of options granted under ESOP 2022.			

(iii) Svatantra Employee Stock Option Plan 2025 (“ESOP 2025”)

Our Company, pursuant to the resolutions passed by our Board on August 12, 2025 and our Shareholders on September 30, 2025, adopted the ESOP 2025. The primary objective of the ESOP 2025 is to motivate key employees for accelerated corporate growth and creation of shareholders’ value, retain and reward the performance of employees of the Company, holding company and subsidiaries, as applicable.

A maximum number of 18,806,597 options may be issued under the ESOP 2025. As on the date of this Draft Red Herring Prospectus, an aggregate of 18,788,733 options have been granted under the ESOP 2025, of which 23,226 options have been lapsed, been forfeited or cancelled. Out of the 18,765,507 net granted options (adjusted for lapsed, forfeited or cancelled options), no options have been vested or exercised, and 18,765,507 options are unvested. The 18,765,507 outstanding options in force shall result, upon exercise, into a maximum of 18,765,507 Equity Shares.

As certified by Mehta & Mehta, Practising Company Secretary pursuant to their certificate dated August 13, 2026, the ESOP 2025 is in compliance with the SEBI SBEB Regulations and other applicable laws. All options granted under the ESOP 2025 are in compliance with the relevant provisions of the Companies Act, 2013 and only to persons who are, at the time of grant, employees of the Company, its holding company or subsidiaries, as applicable.

The details of ESOP 2025, as certified by Manian & Rao, Chartered Accountants through their certificate dated August 13, 2026, are as follows:

Particulars	Details			
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
Total options outstanding as at the beginning of the period	14,962,407	NA	NA	NA
Total options granted	3,826,326	14,962,407	NA	NA
Exercise price of options in ₹ (as on the date of grant options)	₹ 51.75 to ₹ 69.00	₹ 51.75 to ₹ 69.00	NA	NA
Options forfeited/lapsed/cancelled	23,226	-	NA	NA
Variation of terms of options	NA			
Money realized by exercise of options during the year/period	-	-	NA	NA
Total number of options outstanding in force at the end of period/year	18,765,507	14,962,407	NA	NA
Total options vested (excluding the options that have been exercised)	-	-	NA	NA
Options exercised (since	-	-	NA	NA

Particulars	Details			
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
implementation of ESOP 2025)				
The total number of Equity Shares arising as a result of full exercise of granted options (including options that have been exercised)	-	-	NA	NA
Employee wise details of options granted to:				
(i) Key Managerial Personnel:				
- Vineet Bijendra Chattree	1,986,999	2,000,000	NA	NA
- Vrushali Vishal Mahajan	-	593,396	NA	NA
- Surinder Kumar Bhatia	-	402,661	NA	NA
- Anand Rao	1,535,640	2,000,000	NA	NA
(ii) Senior Management Personnel:				
- Yuvraj Vasant Kamdar	-	445,046	NA	NA
- Kranti Pravin Singh Sety	-	402,661	NA	NA
- Salil G Nair	-	445,046	NA	NA
- Vikas Laxman Kalibaug	-	231,794	NA	NA
- Deepak Kumar Jha	-	729,876	NA	NA
- Gaurav Pathak	-	402,661	NA	NA
(iii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	NA	NA	NA	NA
(iv) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NA	NA	NA	NA
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable Indian accounting standard on ‘EPS’ (in ₹)	NA	9.13	NA	NA
Lock-in	NA			
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	Particulars	ESOP 2025		
		Grant-VII		Grant-VIII
	Risk free interest Rate (%)	For grants vesting in year 1: 5.88% For grants vesting in year 2: 6.16% For grants vesting in year 3: 6.40% For grants vesting in year 4: 6.56%		For grants vesting in year 1: 5.95 % For grants vesting in year 2: 6.22 %
	Life of the options granted in year	For grants vesting in year 1: 2 years For grants vesting in year 2: 3 years For grants vesting in year 3: 4 years For grants vesting in year 4: 5 years		For grants vesting in year 1: 2.25 years For grants vesting in year 2: 3.25 years
	Expected volatility (%)	For grants vesting in year 1: 41.03% For grants vesting in year 2: 40.13% For grants vesting in year 3: 42.30% For grants vesting in year 4: 43.23%		For grants vesting in year 1: 40.86% For grants vesting in year 2: 40.23%
	Expected dividend rate (%)	Nil		Nil
	Fair value of the option (₹)	52.70		60.32
Impact on the profits and on	NA			

Particulars	Details			
	From April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026	Fiscal 2025	Fiscal 2024
the Earnings Per Share of the last three years if the accounting policies specified in the SEBI SBEB & SE Regulations had been followed, in respect of options granted in the last three years				
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	Not applicable, as the Company has used fair value of ESOPs for accounting.			
Intention of the Key Managerial Personnel, Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer	As on the date of this Draft Red Herring Prospectus, none of the Key Managerial Personnel, Senior Management Personnel and whole-time Directors have been allotted Equity Shares pursuant to exercise of options granted under ESOP 2025.			
Intention to sell Equity Shares arising out of ESOP 2025 within three months after the listing of Equity Shares, by Directors, Key Managerial Personnel, Senior Management Personnel and employees having Equity Shares arising out of an employee stock option plan, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of our Company.	As on the date of this Draft Red Herring Prospectus, none of the Directors, Key Managerial Personnel, Senior Management Personnel and employees have been allotted Equity Shares pursuant to exercise of options granted under ESOP 2025.			

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale. For further details, see “*The Offer*” on page 75.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds from the Offer for Sale, after deducting their proportion of Offer related expenses and relevant taxes thereon, as applicable. For further details, see “- *Offer Expenses*” on page 122. 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 of the Offer for Sale, see “*Other Regulatory and Statutory Disclosures – Authority for the Fresh Issue and the Offer for Sale*” on page 488.

Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards augmenting our Company’s Tier I capital base to meet our future capital requirements including onward lending, arising out of growth of our business and assets (“**Object**”).

Further, a portion of the proceeds from the Fresh Issue will be used towards meeting the Offer Expenses. For further details, see “- *Offer Expenses*” on page 122.

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

The main objects clause and objects incidental and ancillary to the main objects clause of the memorandum of association of our Company, enables our Company to: (i) undertake the business activities presently carried out by our Company; and (ii) undertake the activities proposed to be funded from the Net Proceeds, as applicable.

Net Proceeds

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

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Fresh Issue ⁽¹⁾	15,000.00
(Less) Fresh Issue expenses ⁽²⁾⁽³⁾	[•]
Net Proceeds⁽²⁾	[•]

⁽¹⁾ Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, as may be permitted under the applicable law, at its discretion, aggregating up to ₹ 3,000.00 million, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

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

⁽³⁾ For details, see “- *Offer Expenses*” below.

Proposed Schedule of Implementation and Deployment of Funds

The Net Proceeds are proposed to be deployed during Fiscal 2027.

The proposed fund deployment is based on current circumstances of our business, management estimates, prevailing market and financial conditions and other technical and commercial factors. The fund requirements and deployment of funds have not been appraised by any bank, or financial institution or any other independent agency and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilization of the Net Proceeds (including preponing the deployment of Net Proceeds) and revising the funding requirement for the Object at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Financial Year, as may be determined by our Company, in accordance with applicable laws. For further information on factors that may affect our internal management estimates for the deployment of funds towards the Object, see “*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or unanticipated expenses, our business, cash flows, financial condition and results of operations may be adversely affected.*” on page 62.

Details of the Object of the Fresh Issue

1. *Augmenting our Company's Tier – I capital base to meet our future capital requirements including onward lending, arising out of the growth of our business and assets*

We are an NBFC-MFI, registered with the RBI under Section 45 IA of the Reserve Bank of India Act, 1934. Our Company is the second largest NBFC-MFI in India as of March 31, 2026, in terms of microfinance assets under management (“**MFI AUM**”). (Source: *CRISIL Report*). We were the fastest growing NBFC-MFI in India over the last three Fiscals, with MFI AUM growing at a CAGR of 20.87% from ₹ 144,378.72 million as of March 31, 2024, to ₹ 210,932.22 million as of March 31, 2026. (Source: *CRISIL Report*). For further details, see “*Our Business*” on page 235.

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 NBFC Scale Based Regulations Directions and the NBFC Prudential Norms Directions, we are required to maintain CRAR consisting of Tier I and Tier II capital of at least 15.00% of our aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items on an ongoing basis, with a minimum Tier I capital of 10.00% at any point. Further, we are required to ensure that the Tier II capital of the Company at any point cannot exceed 100.00% of our Tier I capital. For further details, see “*Key Regulations and Policies in India*” on page 267. For details on risks involved, see “*Risk Factors – As an NBFC-MFI, our Company and our Subsidiary, Svatantra Micro Housing Finance Corporation Limited being a housing finance company, are subject to the regulatory framework governing the financial services industry, including various regulatory requirements of the RBI and the NHB. Non-compliance with applicable regulations or changes in existing regulations could adversely affect our business, financial condition, results of operations and cash flows.*” on page 36.

As at March 31, 2026, our Company's CRAR was 23.12%, of which CRAR - Tier I capital was 22.83%. The following table sets forth certain details regarding our Company's CRAR, CRAR - Tier I Capital and CRAR - Tier II Capital ratios as at March 31, 2026, March 31, 2025 and March 31, 2024:

(₹ in million, unless otherwise stated)

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
Tier I Capital (A)	39,121.20	31,112.58	18,735.64
Tier II Capital (B)	507.78	4,224.70	5,457.32
Tier I + Tier II Capital (C = A + B)	39,628.98	35,337.28	24,192.96
Total Risk Weighted Assets	171,373.75	134,214.07	125,685.11
Tier I CRAR (in %)	22.83%	23.18%	14.91%
Tier II CRAR (in %)	0.29%	3.15%	4.34%
Total CRAR (in %)	23.12%	26.33%	19.25%

Notes:

1. Tier I Capital, Tier II Capital and Total Risk Weighted Assets are computed in accordance with the relevant RBI guidelines as at the last day of the relevant Fiscal / period.
2. Tier I CRAR = Tier I Capital / Total Risk Weighted Assets.
3. Tier II CRAR = Tier II Capital / Total Risk Weighted Assets.
4. Total CRAR = Tier I + Tier II Capital / Total Risk Weighted Assets.

The table sets forth the details of composition of our Company's Tier I Capital and Tier II Capital as at and for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024:

(₹ in million, unless otherwise stated)

Particulars	As of/ For the Financial Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Share Capital	8,030.77	4,922.75	15,221.81
Shares pending for issuance	-	2,155.60	-
Statutory Reserve (u/s 45IC of RBI Act, 1934)	4,165.56	2,880.84	2,039.47
Securities Premium	31,852.92	27,805.15	4,098.68
Retained Earnings	11,255.52	6,116.83	3,818.28
Other Reserves	(6,782.66)	(6,859.12)	24.04
Deferred Tax Asset, Deferred revenue expenditure, other intangible assets and other ineligible items for Tier – I capital	7,600.78	3,836.37	3,268.37
Owned fund	40,921.32	33,185.69	21,933.92
Investment	5,892.26	5,391.68	5,391.68
Amount of investment in excess of 10% of Investment	1,800.13	2,073.11	3,198.28
Tier I Capital ⁽¹⁾	39,121.20	31,112.58	18,735.64
Subordinated Debt	1,551.05	2,711.05	3,886.26
General Provision & Standard Asset Provision	2,142.17	1,677.68	1,571.06
First Loss & Second Loss Credit Enhancement	(3,185.44)	(164.03)	-
Tier II Capital ⁽²⁾	507.78	4,224.70	5,457.32
Tier I + Tier II Capital ⁽³⁾	39,628.98	35,337.28	24,192.96
Total Risk Weighted Assets ⁽⁴⁾	171,373.75	134,214.07	125,685.11
CRAR ⁽⁵⁾ (in %)	23.12%	26.33%	19.25%

(₹ in million, unless otherwise stated)

Particulars	As of/ For the Financial Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
CRAR – Tier I Capital ⁽⁶⁾ (in %)	22.83%	23.18%	14.91%
CRAR – Tier II Capital ⁽⁷⁾ (in %)	0.29%	3.15%	4.34%

Notes:

Tier I Capital: Tier I capital computed from the audited standalone financial statements of the Company, in accordance with relevant RBI guidelines as at the last day of the relevant Fiscal / period.

⁽¹⁾ Tier II Capital: Tier II capital computed from the audited standalone financial statements of the Company, in accordance with relevant RBI guidelines as at the last day of the relevant Fiscal / period.

⁽²⁾ Tier I + Tier II Capital: Computed from the audited standalone financial statements of the Company, as the total of Tier I Capital and Tier II Capital, in accordance with relevant RBI guidelines as at the last day of the relevant Fiscal / period.

⁽³⁾ Total Risk Weighted Assets: Computed from the audited standalone financial statements of the Company in accordance with relevant RBI guidelines as at the last day of the relevant Fiscal / period.

⁽⁴⁾ CRAR: Tier I + Tier II Capital / Total Risk Weighted Assets.

⁽⁵⁾ CRAR – Tier I Capital: Tier I Capital/ Total Risk Weighted Assets.

⁽⁶⁾ CRAR – Tier II Capital: Tier II Capital/ Total Risk Weighted Assets.

Set forth are the details of our Company's AUM (on a standalone basis) as at and for the Financial Years ended March 31, 2026, March 31, 2025, and March 31, 2024:

(₹ in million, except percentages)

Particulars	As of/ For the Financial Years ended		
	March 31, 2026	March 31, 2025	March 31, 2024
AUM	210,932.22	149,020.66	144,378.72
AUM Growth (%)	41.55%	3.22%	92.52%

Notes:

^{1.} AUM: AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year.

^{2.} AUM Growth: AUM Growth represents percentage growth in AUM for the relevant year over AUM of the previous year.

Set forth below are the details of the disbursements made by our Company during the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024, and the year-on-year growth of the same:

(₹ in million, except percentages)

Particulars	As of/ For the Financial Years ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Disbursements	193,876.54	126,232.27	89,663.95
Disbursements Growth (%)	53.59%	40.78%	42.64%

Notes:

^{1.} Disbursements: Disbursements represent the aggregate of all loan amounts extended to our borrowers in the relevant year.

^{2.} Disbursements Growth: Disbursement Growth represents percentage growth in disbursement for the relevant year over disbursement of the previous year.

As we continue to grow our loan portfolio and asset base, we will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business.

The Net Proceeds will be utilised to increase our Company's Tier – I Capital base to meet our future business requirements which are expected to arise out of growth of our business, including but not limited to, onward lending under our Company's lending verticals and other permissible purposes, and to ensure compliance with regulatory requirements on capital adequacy prescribed by the RBI from time to time. The Net Proceeds are expected to lead to an improvement in the overall capital position of our Company.

While our Company's CRAR and CRAR - Tier – I Capital as at March 31, 2026 exceeds the regulatory thresholds prescribed by the RBI, we believe that in order to maintain our Company's growth rate, we will require further capital in the future in order to remain compliant with such regulatory thresholds. We anticipate that the portion of the Net Proceeds allocated towards this object will be sufficient to satisfy our Company's future capital requirements, which are expected to arise out of growth of our business and assets.

Offer expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million.

The Offer related expenses primarily include listing fees, fees payable to the BRLMs and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Other than (i) the listing fees, audit fees not attributable to the Offer, and expenses towards corporate advertisement undertaken in ordinary course (other than expenses in relation to Offer related advertisement) which shall be solely borne by the Company; and (ii) fees for counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders; all costs, fees and expenses with respect to the Offer shall be shared by the Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by each of the Selling Shareholders respectively through the Offer for Sale in accordance with applicable law, including Section 28(3) of the Companies Act. All the expenses relating to the Offer shall be paid by the Company in the first instance. Upon commencement of listing and trading of the Equity Shares on the Stock

Exchanges pursuant to the Offer, each Selling Shareholder agrees that it shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the respective Selling Shareholders.

Further, in the event that the Offer is postponed, withdrawn or abandoned for any reason or in the event that the Offer is not successfully completed, all expenses in relation to the Offer including the fees of the Book Running Lead Managers and legal counsels and their respective reimbursement for expenses which may have accrued up to the date of such postponement, withdrawal, abandonment, failure, return or rejection of the Draft Red Herring Prospectus, as applicable, as set out in their respective fee letters/ the Offer Agreement, shall be, borne by the Company, unless otherwise required by applicable law or written observations issued by any governmental authority in relation to the Offer.

The estimated Offer related expenses are as under:

Activity	Estimated expenses ⁽¹⁾ (₹ in million)	As a % of the total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Banks for Bids made by RIBs using UPI and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾⁽⁴⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to others ⁽⁵⁾	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses for the Offer	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price. Offer expenses are estimates and are subject to change. Offer expenses include goods and services tax, where applicable.

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

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

⁽³⁾ No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and 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 Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders	₹[●] per valid application (plus applicable taxes)

⁽⁴⁾ Selling commission on the portion for UPI Bidders using the UPI mechanism, Non-Institutional Bidders and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

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

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

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

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

Selling commission/ uploading charges payable to the Registered Brokers on the portion for UPI Bidders procured through UPI Mechanism, Non-Institutional Bidders, and Eligible Employees which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

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

*Based on valid applications

Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs (uploading charges)	₹[●] per valid application
Sponsor Banks (Processing fee)	₹[●] per valid application (plus applicable taxes) The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in

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

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format as prescribed by SEBI, from time to time and in accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

⁽⁵⁾ This includes fees payable to our Auditors, practicing company secretary and the independent chartered accountant appointed for providing confirmations and certificates for the purpose of the Offer, CRISIL M&A, for preparing the industry report commissioned by our Company, the virtual data room provider in connection with due diligence for the Offer, etc.

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 the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in the second schedule of the RBI Act as may be approved by our Board or the IPO Committee.

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

Means of Finance

The fund requirements towards the aforesaid object are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals as required under the SEBI ICDR Regulations.

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.

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the proposed Fresh Issue exceeds ₹1,000.00 million.

Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose the utilisation of the Net Proceeds, including interim use, under a separate head in our balance sheet for such Fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant Fiscal periods subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 18(3), Regulation 32(3) and Part C of Schedule II of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. Further, our Company shall, on a quarterly basis, include the deployment of Net Proceeds under various heads, as applicable in the notes to our quarterly results. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of

listing and trading approvals from the Stock Exchanges.

Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the aforesaid object of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and applicable rules. In addition, the notice shall simultaneously be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), in accordance with the Companies Act and applicable rules. Further, the dissenting Shareholders shall be provided an exit opportunity at a price and in such manner as prescribed under Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

Appraising entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other independent agency.

Other confirmations

Each of the Selling Shareholders will receive its respective portion of the proceeds of the Offer for Sale. No part of the Net Proceeds will be paid by us as a consideration to our Promoters, the members of the Promoter Group, our Directors, Key Managerial Personnel or Senior Management Personnel.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoters, Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel in relation to the utilisation of the Net Proceeds. Further, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue, 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 Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and Floor Price is [●] times the face value and the Cap Price is [●] times the face value.

Bidders should read the below mentioned information along with “Risk Factors”, “Our Business”, “Restated Consolidated Summary Statements”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 28, 235, 339 and 434 respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are:

- India’s second largest and fastest growing NBFC-MFI, with consistent growth across volatile macroeconomic conditions
- Strong legacy with marquee institutional investors and an experienced Board and management team
- Geographically diversified microfinance network with pan-India, granular state and district-level penetration
- Robust microfinance asset quality, backed by borrower-centric offerings, risk management architecture and collections mechanisms
- Lowest cost of borrowings, anchored by highest credit ratings, strong liability franchise and established lender relationships
- Technology-enabled and phygital operating model that facilitates borrower acquisition, underwriting, disbursements and collections at scale
- Track record of resilient financial performance

For further details, see “Our Business – Strengths” on page 241.

Quantitative Factors

Certain information presented below, relating to our Company is derived from the Restated Consolidated Summary Statements. For details, see “Restated Consolidated Summary Statements” and “Other Financial Information” beginning on pages 339 and 429, respectively.

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

A. Basic and diluted earnings per equity share (“EPS”):

For the Financial Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2026	9.17	9.13	3
March 31, 2025	8.18	8.15	2
March 31, 2024	7.21	7.17	1
Weighted Average	8.51	8.48	-

Notes:

Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

- i. Weighted average = Aggregate of Financial Year-wise weighted EPS divided by the aggregate of weights i.e. (EPS * Weight) for each Financial Year/Total of weights;
- ii. The face value of each Equity Share is ₹10 each;
- iii. Basic earnings per equity share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding for the purpose of basic earnings per equity share.
- iv. Diluted earnings per equity share is calculated as Profit for the year after tax divided by the Weighted average number of equity shares in computing diluted earnings per share, which includes the effects of potential equity shares on Employee Stock Options outstanding.

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

Particulars	P/E at the Floor Price* (number of times)	P/E at the Cap Price* (number of times)
Based on basic EPS for the Financial Year ended March 31, 2026	[●]	[●]
Based on diluted EPS for the Financial Year ended March 31, 2026	[●]	[●]

*To be computed at the Prospectus stage, after finalization of Price Band.

C. Industry Peer Group P/E ratio:

Particulars	P/E ratio
Highest	31.90
Lowest	7.40
Average	20.10

Notes:

- (1) The industry high and low has been considered from the industry peer set out in Part G of this chapter. The industry average has been calculated

as the arithmetic average P/E of the industry peer set disclosed.

- (2) P/E Ratio has been calculated as the closing market price of equity shares on NSE as on August 12, 2026 divided by diluted EPS for year ended March 31, 2026.
- (3) All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2026, as available on the websites of the Stock Exchanges.

D. Industry Peer Group Price/Book ("P/B") ratio:

Particulars	P/B ratio
Highest	3.21
Lowest	0.86
Average	1.78

Notes:

- (1) The industry high and low has been considered from the industry peer set out in Part G of this chapter. The industry average has been calculated as the arithmetic average P/B of the industry peer set disclosed.
- (2) P/B Ratio has been computed based on the closing market price of equity shares on NSE as on August 12, 2026 divided by the NAV per equity share as of March 31, 2026.
- (3) All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2026, as available on the websites of the Stock Exchanges.

E. Return on Net Worth ("RoNW")

As of/ For the Financial Year ended	RoNW (%)	Weight
March 31, 2026	15.63	3
March 31, 2025	15.00	2
March 31, 2024	18.12	1
Weighted average	15.84	

Notes:

- i. Return on Net Worth (RoNW)% is calculated as Profit for the year after tax divided by Average Net Worth. Average Net Worth is calculated as the average of the Net Worth at the end of relevant year and beginning of the relevant year.
- ii. As per Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Accordingly, we have calculated Net Worth as aggregate of the equity share capital, equity share pending for issuance, instruments entirely equity in nature and other equity.

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

NAV per Equity Share	Amount (in ₹)
As at March 31, 2026	58.82
After completion of the Offer	
- At Floor Price	[●]*
- At Cap Price	[●]*
- At Offer Price [^]	[●]*

* To be computed at the Prospectus stage, after finalization of Price Band.

[^] Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

Notes:

- i. As per Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Accordingly, we have calculated Net Worth as aggregate of the equity share capital, equity share pending for issuance, instruments entirely equity in nature and other equity.
- ii. Net Asset Value per Equity Share represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPS, and employee stock options vested as at the end of the relevant year.

G. Comparison of accounting ratios with listed industry peers

The following peer group has been determined based on the companies listed on the Stock Exchanges. Set out below is the comparison with the peer group companies of our Company listed in India and in the similar line of business as our Company as of March 31, 2026:

Name of the company ⁽¹⁾	Total Income (₹ in million)	Face Value (₹)	Closing Price (₹)	P/E	P/B	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Svatantra Microfin Limited	41,888.41	10.00	N.A	[●]*	[●]*	9.17	9.13	15.63%	58.82
Listed peers									
CreditAccess Grameen Limited	60,625.40	10.00	1,545.40	31.90	3.21	48.63	48.44	10.58%	481.79

Name of the company ⁽¹⁾	Total Income (₹ in million)	Face Value (₹)	Closing Price (₹)	P/E	P/B	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Muthoot Microfin Limited	23,806.97	10.00	213.06	20.99	1.27	10.16	10.15	6.21%	167.42
Satin Creditcare Network Limited	31,608.74	10.00	223.06	7.40	0.86	30.20	30.20	12.29%	259.20

Notes:

* To be computed at the Prospectus stage, after finalization of Price Band.

- (1) All financial information for the listed industry peers is sourced from the financial information as at and for the year ended March 31, 2026, available on the website of the stock exchanges or the Company.
- (2) Closing price of equity shares as on NSE on August 12, 2026.
- (3) P/E Ratio has been computed based on the closing price of equity shares divided by the diluted EPS for Fiscal 2026.
- (4) P/B Ratio has been computed based on the closing price divided by the NAV per equity share as of March 31, 2026.
- (5) Return on Net Worth (RoNW)% is calculated as Profit for the year after tax divided by Average Net Worth. Average Net Worth is calculated as the average of the Net Worth at the end of relevant year and beginning of the relevant year.
- (6) Net Asset Value per Equity Share represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPS, and employee stock options vested as at the end of the relevant year.
- (7) As per Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Accordingly, we have calculated Net Worth as aggregate of the equity share capital, equity share pending for issuance, instruments entirely equity in nature and other equity.

H. Key Performance Indicators (“KPI”)

The table below sets forth all details of the KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been historically used by the Company to understand and analyze its business performance and will also help in analyzing its growth in comparison to its peers.

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 13, 2026 and certified by our Chief Financial Officer on behalf of the management of our Company by way of certificate dated August 13, 2026, and the Audit Committee has confirmed and taken on record that other than the KPIs set out below our Company has not disclosed any other KPIs to investors at any time during the three years period prior to the date of filing of this Draft Red Herring Prospectus and have been subject to verification and certification by Manian & Rao, Chartered Accountants, pursuant to certificate dated August 13, 2026, which has been included in “Material Contracts and Documents for Inspection – Material Documents” on page 566.

The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of our Company and were presented in the past meetings of our Board or shared with the Shareholders during the three years preceding the date of this Draft Red Herring Prospectus, which have been consequently identified as relevant and material KPIs and are disclosed in this “Basis for Offer Price” section.

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

Details of KPIs as at/for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024:

Particulars	Units	As of/ For the Financial Year ended		
		March 31, 2026	March 31, 2025	March 31, 2024*
Number of active borrowers ⁽¹⁾	Number	4,311,956	4,074,503	4,138,471
Number of branches ⁽²⁾	Number	2,253	2,065	1,840
Number of branches - MFI ⁽³⁾	Number	2,123	2,020	1,815
Number of field officers ⁽⁴⁾	Number	16,583	15,378	11,883
Number of field officers - MFI ⁽⁵⁾	Number	15,575	14,975	11,535
AUM ⁽⁶⁾	₹ million	238,177.77	171,744.56	164,716.12
AUM - MFI ⁽⁷⁾	₹ million	210,932.22	149,020.66	144,378.72
AUM - Housing Finance ⁽⁸⁾	₹ million	27,245.55	22,723.90	20,337.40
AUM Growth ⁽⁹⁾	%	38.68%	4.27%	82.45%
Disbursement ⁽¹⁰⁾	₹ million	202,419.85	131,916.90	97,298.76
Disbursement Growth ⁽¹¹⁾	%	53.44%	35.58%	39.97%
Gross Stage 3 Ratio ⁽¹²⁾	%	1.37%	2.34%	2.00%
Gross Stage 3 Ratio - MFI ⁽¹³⁾	%	1.19%	2.24%	1.99%

Particulars	Units	As of/ For the Financial Year ended		
		March 31, 2026	March 31, 2025	March 31, 2024*
Net Stage 3 Ratio ⁽¹⁴⁾	%	0.48%	0.67%	0.42%
Net Stage 3 Ratio - MFI ⁽¹⁵⁾	%	0.28%	0.41%	0.22%
Total equity ⁽¹⁶⁾	₹ million	47,380.07	35,697.19	23,698.06
Interest Income ⁽¹⁷⁾	₹ million	37,425.17	31,609.51	22,098.02
Finance Costs ⁽¹⁸⁾	₹ million	12,460.36	12,406.27	9,670.73
Net Interest Income ⁽¹⁹⁾	₹ million	24,964.81	19,203.24	12,427.29
Net Total Income ⁽²⁰⁾	₹ million	29,382.51	22,533.81	14,981.27
Operating Expense ⁽²¹⁾	₹ million	14,611.71	11,403.12	6,291.22
Impairment on financial instruments ⁽²²⁾	₹ million	6,227.54	5,279.13	4,159.65
Profit for the year after tax ⁽²³⁾	₹ million	6,493.99	4,453.82	3,451.38
Portfolio Yield ⁽²⁴⁾	%	20.70%	21.64%	19.71%
Portfolio Yield - MFI ⁽²⁵⁾	%	21.93%	23.13%	20.89%
Cost of Borrowings ⁽²⁶⁾	%	8.14%	9.96%	NA
Average Cost of Incremental Borrowings ⁽²⁷⁾	%	8.27%	9.25%	9.60%
Net Interest Income as percentage of Average AUM ⁽²⁸⁾	%	12.18%	11.41%	9.75%
Net Total Income as percentage of Average AUM ⁽²⁹⁾	%	14.34%	13.39%	11.75%
Operating expense as percentage of Average AUM ⁽³⁰⁾	%	7.13%	6.78%	4.93%
Cost to Income Ratio ⁽³¹⁾	%	49.73%	50.60%	41.99%
Impairment on financial instruments as a percentage of Average AUM ⁽³²⁾	%	3.04%	3.14%	3.26%
Impairment on financial instruments as a percentage of Average AUM - MFI ⁽³³⁾	%	3.39%	3.51%	3.72%
Return on Average AUM ⁽³⁴⁾	%	3.17%	2.65%	2.71%
Return on Average AUM - MFI ⁽³⁵⁾	%	3.57%	2.90%	2.97%
Return on Average Equity ⁽³⁶⁾	%	15.63%	15.00%	18.12%
Return on Average Equity - MFI ⁽³⁷⁾	%	15.00%	13.66%	15.74%
Tier I CRAR - MFI ⁽³⁸⁾	%	22.83%	23.18%	14.91%
Tier I CRAR - Housing Finance ⁽³⁹⁾	%	28.20%	30.43%	32.56%
Total CRAR - MFI ⁽⁴⁰⁾	%	23.12%	26.33%	19.25%
Total CRAR - Housing Finance ⁽⁴¹⁾	%	29.11%	31.93%	34.76%
Debt to Equity Ratio ⁽⁴²⁾	times	3.93	3.36	5.45
Basic Earnings per Share ⁽⁴³⁾	₹	9.17	8.18	7.21
Diluted Earnings per Share ⁽⁴⁴⁾	₹	9.13	8.15	7.17
Net Asset Value per Equity Share ⁽⁴⁵⁾	₹	58.82	50.27	40.65

* Includes the impact of the acquisition of CIFCPL with effect from November 23, 2023 to March 31, 2024.

Notes:

- (1) Number of active borrowers represents the aggregate number of borrowers who have an active loan account as of the last day of the relevant year.
- (2) Number of branches represents aggregate number of branches as of the last day of relevant year.
- (3) Number of branches - MFI represents aggregate number of branches of our MFI entity as of the last day of the relevant year.
- (4) Number of field officers represents aggregate number of field officers as of the last day of relevant year.
- (5) Number of field officers - MFI represents aggregate number of field officers for our MFI entity of the last day of relevant year.
- (6) AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year.
- (7) AUM - MFI represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for our MFI entity.
- (8) AUM - Housing Finance represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for the Housing Finance entity.
- (9) AUM Growth represents percentage growth in AUM as of the last day of the relevant year over AUM as of the last day of the immediately preceding year.
- (10) Disbursement represent the aggregate of all loan amounts extended to our borrowers in the relevant year excluding corporate loans of ₹ 2,500.00 million in Fiscal 2024.
- (11) Disbursement Growth represents percentage growth in disbursement during the relevant year over disbursement of the previous year.
- (12) Gross Stage 3 Ratio represents the Gross Stage 3 loans outstanding as a percentage of Gross Loans as of the last day of the relevant year.
- (13) Gross Stage 3 Ratio - MFI represents the Gross Stage 3 loans of MFI entity outstanding as a percentage of Gross Loans of MFI entity as of the last day of the relevant year.
- (14) Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.
- (15) Net Stage 3 Ratio - MFI is calculated as Gross Stage 3 Loans of MFI entity outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans of MFI entity reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.
- (16) Total equity includes Equity share capital, Equity share pending for issuance, Instruments entirely equity in nature and other equity as of the last day of the relevant year.
- (17) Represents our interest income for the relevant year.
- (18) Represents our finance costs for the relevant year.
- (19) Net Interest Income represents Interest Income for the relevant year reduced by Finance Cost for the relevant year.
- (20) Net Total Income represents Total Income reduced by Finance Cost and Net loss on fair value changes for the relevant year.
- (21) Operating Expense represents Employee benefit expenses, depreciation and amortization expenses and other expenses for the relevant year.
- (22) Represents Impairment on financial instruments for the relevant year.
- (23) Represents profit after tax for the relevant year.
- (24) Portfolio yield represents interest income divided by Average Gross Loans. Average Gross Loans is calculated as the simple average of total gross loans as at the last day of the relevant year and the total gross loans as at the last day of the immediately preceding year.

- (25) *Portfolio yield - MFI* represents interest income for the MFI entity divided by Average Gross Loans – MFI. Average Gross Loans – MFI is calculated as the simple average of total gross loans of MFI entity as of the last day of the relevant year and the total gross loans of MFI entity as of the last day of the immediately preceding year.
- (26) *Cost of borrowings* represents the finance costs divided by the average borrowings for the relevant year. Average borrowings is calculated as the simple average of total borrowings as of the last day of the relevant year and the total borrowings as of the last day of the immediately preceding year.
- (27) *Average Cost of Incremental Borrowings* represents the weighted average cost of borrowings, with weights being additional borrowings during the relevant year.
- (28) *Net Interest Income as percentage of Average AUM* is the ratio of our Net Interest Income for the relevant year to our Average AUM for the relevant year. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (29) *Net Total Income as percentage of Average AUM* is the proportion of net total income for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (30) *Operating Expense as percentage of Average AUM* is the proportion of operating expenses for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (31) *Cost to Income Ratio* represents Operating Expense as a percentage of Net Total Income for the relevant year.
- (32) *Impairment on financial instruments as a percentage of Average AUM* is the proportion of impairment on financial instruments for the relevant year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (33) *Impairment on financial instruments as a percentage of Average AUM – MFI* is the proportion of impairment on financial instruments for MFI entity for the relevant year expressed as a percentage of Average AUM of MFI entity. Average AUM of the MFI entity is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.
- (34) *Return on Average AUM* represents profit for the relevant year as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (35) *Return on Average AUM – MFI* represents profit of MFI entity for the relevant year as a percentage of Average AUM of MFI entity. Average AUM of the MFI entity is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.
- (36) *Return on Average Equity* is calculated as Profit for the year after tax divided by Average Total Equity. Average Total Equity is calculated as the simple average of total equity as of the last day of the relevant year and total equity as of the last day of the immediately preceding year.
- (37) *Return on Average Equity - MFI* is calculated as Profit for the year after tax of MFI entity divided by Average Total Equity of MFI entity. Average Total Equity – MFI is calculated as the simple average of total equity of MFI entity as of the last day of the relevant year and total equity of MFI entity as of the last day of the immediately preceding year.
- (38) *Tier I CRAR – MFI* is calculated as Tier I Capital divided by risk weighted assets of MFI entity, as of the last day of the relevant years computed in accordance with relevant RBI guidelines.
- (39) *Tier I CRAR - Housing Finance* is calculated as Tier I Capital divided by risk weighted assets of Housing Finance entity, as of the last day of the relevant years computed in accordance with relevant RBI guidelines.
- (40) *Total CRAR – MFI* is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets of MFI entity.
- (41) *Total CRAR - Housing Finance* is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets of Housing Finance entity.
- (42) *Debt to Equity Ratio* represents total borrowings of the Company (comprising Debt securities, Borrowings (other than debt securities), and subordinated liabilities) divided by total equity, as of the last day of the relevant years.
- (43) *Basic earnings per share* is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding, as per IND AS 33, Earnings per share.
- (44) *Diluted earnings per share* is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding which includes the effects of potential equity shares on Employee Stock Options outstanding, as per IND AS 33, Earnings per share.
- (45) *Net Asset Value per Equity Share* represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPS, and employee stock options vested as at the end of the relevant year.

I. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our performance. We use these KPIs to evaluate 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 Consolidated Summary Statements. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS and may have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance, liquidity, profitability or results of operation. 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. Investors are encouraged to review the Ind AS financial statements and to not rely on any single financial or operational KPI to evaluate our business.

A list of our KPIs along with a brief explanation of the relevance of the KPIs to our business operations is set forth below:

S. No.	Particulars	Significance / Explanation of KPIs
	Number of active borrowers	These KPIs are used by the management to assess the customer franchise, geographic footprint and organisational scale of the Company
	Number of branches	
	Number of branches – MFI	
	Number of field officers	
	Number of field officers – MFI	
	AUM	These KPIs are used by the management to assess the growth in terms

S. No.	Particulars	Significance / Explanation of KPIs
	AUM – MFI	of scale and composition of business
	AUM – Housing Finance	
	AUM Growth	
	Disbursement	
	Disbursement Growth	
	Gross Stage 3 Ratio	
	Gross Stage 3 Ratio – MFI	These KPIs are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against the delinquent loans
	Net Stage 3 Ratio	
	Net Stage 3 Ratio – MFI	
	Total equity	
	Interest Income	These KPIs are used by the management to assess the capital requirement for the Company while ensuring that the Company meets the regulatory requirements as applicable
	Finance Cost	
	Net Interest Income	These KPIs are used by the management to assess the financial and profitability measure and cost efficiency of the business
	Net Total Income	
	Operating Expense	
	Impairment on financial instruments	
	Profit for the year after tax	
	Portfolio Yield	
	Portfolio Yield – MFI	
	Cost of Borrowings	
	Average Cost of Incremental Borrowings	
	Net Interest Income as percentage of Average AUM	
	Net Total Income as percentage of Average AUM	
	Operating expense as percentage of Average AUM	
	Cost to Income Ratio	
	Impairment on financial instruments as a percentage of Average AUM	
	Impairment on financial instruments as a percentage of Average AUM – MFI	
	Return on Average AUM	These KPIs are used by the management to assess the return on the equity share capital and the assets of our Company
	Return on Average AUM – MFI	
	Return on Average Equity	
	Return on Average Equity – MFI	
	Tier I CRAR - MFI	These KPIs are used by the management to assess the capital requirement for the Company while ensuring that the Company meets the regulatory requirements as applicable
	Tier I CRAR - Housing Finance	
	Total CRAR - MFI	
	Total CRAR - Housing Finance	
	Debt to Equity Ratio	These KPIs are indicate the Company's financial standing and profitability
	Basic Earnings per Share	
	Diluted Earnings per Share	
	Net Asset Value per Equity Share	

J. Comparison of KPIs over time shall be explained based on additions or dispositions to our business

Our Company has not made any additions or dispositions to its business during the Fiscals 2026, 2025 and 2024 except for the acquisition of Chaitanya India Fin Credit Private Limited (“**CIFCPL**”) (which has now amalgamated with our Company pursuant to the Scheme of Amalgamation). *For details of the Scheme, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited (“**SHPL**”), Chaitanya India Fin Credit Private Limited (“**CIFCPL**” and together with SHPL, the “**Transferor Companies**”) and our Company (“**Transferee Company**”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“**NCLT**”) by way of its order dated March 12, 2026, respectively (“**Scheme**”)” on page 290. The Scheme have resulted in changes have resulted in changes in certain of the key performance indicators in that period. For further details see “–Key Performance Indicators” on page 128.*

K. Comparison of its KPIs with listed industry peers

We are an inclusion-focused non-banking financial company, enabling financial independence for households and empowering grassroots entrepreneurs within the Indian economy. Our portfolio primarily comprises microfinance loans, complemented by secured lending products viz. affordable housing finance, including loans against property, offered through our Subsidiary, Svatantra Micro Housing Finance Corporation Limited. We have compared financial and operating performance of listed NBFC-MFIs in India with an AUM exceeding Rs.100,000 million as of March 31, 2026, namely CreditAccess Grameen Limited, Muthoot Microfin Limited and Satin Creditcare Network Limited (“Listed Peers”). The Listed Peers have been selected for peer benchmarking based on factors such as their industry focus, scale and product offerings. The Listed Peers comprises entities that operate at a broadly similar scale to our Company, making them more comparable across key metrics such as business resilience, access to capital, operational efficiency, portfolio quality and profitability. NBFC-MFIs with AUM below Rs.100,000 million have different operating characteristics, funding profiles and financial performance. Small Finance Banks and commercial banks have been excluded due to their fundamentally different business models and regulatory frameworks compared with NBFC-MFIs (*Source: CRISIL Report*). Following is a comparison of our KPIs with Listed Peers:

Particulars	Unit	The Company			CreditAccess Grameen Limited			Muthoot Microfin Limited			Satin Creditcare Network Limited		
		As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31		
		2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024
Number of active borrowers	#	4,311,956	4,074,503	4,138,471	4,418,054	4,693,733	4,918,147	3,270,000	3,429,000	3,353,000	3,370,000	3,360,000	3,470,000
Number of branches	#	2,253	2,065	1,840	2,236	2,063	1,967	1,670	1,699	1,508	2,015	1,568	1,393
Number of branches – MFI	#	2,123	2,020	1,815	2,236	2,063	1,967	1,670	1,699	1,508	1,841	1,454	1,236
Number of field officers	#	16,583	15,378	11,883	14,470	13,583	13,190	8,900	9,748	8,539	11,867	11,509	9,309
Number of field officers – MFI	#	15,575	14,975	11,535	14,470	13,583	13,190	8,900	9,748	8,539	NA	NA	NA
AUM	₹ million	238,177.77	171,744.56	164,716.12	295,898.00	259,478.00	267,142.00	140,056.00	123,567.20	121,935.00	151,740.00	127,840.00	118,500.00
AUM - MFI	₹ million	210,932.22	149,020.66	144,378.72	295,898.00	259,478.00	267,142.00	140,056.00	123,567.20	121,935.00	125,220.00	109,950.00	104,750.00
AUM - Housing Finance	₹ million	27,245.55	22,723.90	20,337.40	NA	NA	NA	NA	NA	NA	12,670.00	9,200.00	7,560.00
AUM Growth	%	38.68	4.27	82.45	14.04	(2.87)	27.02	13.30	1.30	32.40	19.00	7.90	30.00
Disbursement	₹ million	202,419.85	131,916.90	97,298.76	248,594.00	200,422.00	231,337.00	94,184.00	88,725.00	106,616.12	125,140.00	106,630.00	105,490.00
Disbursement Growth	%	53.44	35.58	39.97	24.10	(13.40)	24.80	6.15	(16.78)	31.60	17.00	1.10	30.00
Gross Stage 3 Ratio	%	1.37	2.34	2.00	3.17	4.76	1.18	3.89	4.84	2.29	NA	NA	NA

Particulars	Unit	The Company			CreditAccess Grameen Limited			Muthoot Microfin Limited			Satin Creditcare Network Limited		
		As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31		
		2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024
Gross Stage 3 Ratio - MFI	%	1.19	2.24	1.99	3.17	4.76	1.18	3.89	4.84	2.29	3.12	3.70	2.49
Net Stage 3 Ratio	%	0.48	0.67	0.42	1.12	1.73	0.35	1.14	1.34	0.91	NA	NA	NA
Net Stage 3 Ratio - MFI	%	0.28	0.41	0.22	1.12	1.73	0.35	1.14	1.34	0.91	0.85	1.39	0.99
Total equity	₹ million	47,380.07	35,697.19	23,698.06	78,422.50	69,559.70	65,699.80	28,543.12	26,322.27	28,043.52	28,675.18	25,428.63	24,008.48
Interest Income	₹ million	37,425.17	31,609.51	22,098.02	57,626.40	55,467.60	49,001.10	21,389.77	23,694.79	19,735.78	24,625.52	22,795.40	18,817.64
Finance Cost	₹ million	12,460.36	12,406.27	9,670.73	18,990.80	19,475.60	17,324.40	8,744.64	9,301.05	8,660.42	10,980.00	10,270.00	9,010.00
Net Interest Income	₹ million	24,964.81	19,203.24	12,427.29	39,375.00	36,227.00	32,596.00	NA	NA	NA	NA	NA	NA
Net Total Income	₹ million	29,382.51	22,533.81	14,981.27	41,635.00	38,086.00	34,402.00	NA	NA	NA	NA	NA	NA
Operating Expense	₹ million	14,611.71	11,403.12	6,291.22	13,548.60	11,702.00	10,492.60	NA	NA	NA	9,210.00	7,990.00	6,080.00
Impairment on financial instruments	₹ million	6,227.54	5,279.13	4,159.65	17,754.00	19,295.10	4,517.70	4,393.10	10,423.24	1,725.39	4,949.46	5,204.38	1,507.95
Profit for the year after tax	₹ million	6,493.99	4,453.82	3,451.38	7,776.40	5,314.00	14,459.30	1,702.67	(2,225.23)	4,495.83	3,322.10	1,861.26	4,359.38
Portfolio Yield	%	20.70	21.64	19.71	20.60	20.60	20.90	NA	NA	NA	NA	NA	NA
Portfolio Yield – MFI	%	21.93	23.13	20.89	20.60	20.60	20.90	NA	NA	NA	NA	NA	NA
Cost of Borrowings	%	8.14	9.96	NA	9.50	9.80	9.80	10.27	11.02	11.20	9.38	8.51	8.60
Average Cost of Incremental Borrowings	%	8.27	9.25	9.60	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Interest Income as percentage of Average AUM	%	12.18	11.41	9.75	13.40	12.90	13.00	NA	NA	NA	NA	NA	NA

Particulars	Unit	The Company			CreditAccess Grameen Limited			Muthoot Microfin Limited			Satin Creditcare Network Limited		
		As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31		
		2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024
Net Total Income as percentage of Average AUM	%	14.34	13.39	11.75	NA	NA	NA	NA	NA	NA	NA	NA	NA
Operating expense as percentage of Average AUM	%	7.13	6.78	4.93	5.10	4.50	4.50	6.70	6.20	5.90	6.59	6.30	5.80
Cost to Income Ratio	%	49.73	50.60	41.99	32.50	30.70	30.50	57.00	47.50	45.70	49.80	50.72	45.36
Impairment on financial instruments as a percentage of Average AUM	%	3.04	3.14	3.26	6.74	7.68	2.06	3.50	9.40	1.61	3.55	4.21	1.42
Impairment on financial instruments as a percentage of Average AUM – MFI	%	3.39	3.51	3.72	6.74	7.68	2.06	3.50	9.40	1.61	3.82	4.59	1.44
Return on Average AUM	%	3.17	2.65	2.71	NA	NA	NA	1.34	(1.80)	4.19	NA	NA	NA
Return on Average AUM – MFI	%	3.57	2.90	2.97	NA	NA	NA	1.34	(1.80)	4.19	NA	NA	NA
Return on Average Equity	%	15.63	15.00	18.12	10.67	7.73	24.85	6.21	(8.19)	20.30	12.28	7.53	21.64
Return on Average Equity – MFI	%	15.00	13.66	15.74	10.67	7.73	24.85	6.21	(8.19)	20.30	10.12	7.86	18.46
Tier I CRAR – MFI	%	22.83	23.18	14.91	23.63	24.47	22.24	23.92	27.39	28.97	23.87	25.21	26.25
Tier I CRAR – Housing Finance	%	28.20	30.43	32.56	NA	NA	NA	NA	NA	NA	NA	NA	NA

Particulars	Unit	The Company			CreditAccess Grameen Limited			Muthoot Microfin Limited			Satin Creditcare Network Limited		
		As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31			As of/ For the Fiscal ended March 31		
		2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024
Total CRAR – MFI	%	23.12	26.33	19.25	24.40	25.43	23.13	23.92	27.85	28.97	25.39	25.85	27.66
Total CRAR – Housing Finance	%	29.11	31.93	34.76	NA	NA	NA	NA	NA	NA	53.80	52.20	49.20
Debt to Equity Ratio	# of times	3.93	3.36	5.45	3.00	2.90	3.30	3.34	3.01	3.00	3.86	3.49	3.33
Basic Earnings per Share	₹	9.17	8.18	7.21	48.63	33.32	90.88	10.16	(13.29)	30.92	30.20	16.92	44.34
Diluted Earnings per Share	₹	9.13	8.15	7.17	48.44	33.24	90.41	10.15	(13.07)	30.25	30.20	16.92	43.27
Net Asset Value per Equity Share	₹	58.82	50.27	40.65	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

- (1) NA - Comparative data with industry standard KPIs and/or calculations are not available
- (2) Source: All the information for the listed peers mentioned above is sourced from the audited financial statements, annual reports or investor presentations as submitted to the stock exchanges by respective listed peer
- (3) The MFI-related operating and financial KPIs are the same as the consolidated operating and financial KPIs, as the microfinance business constitutes a predominant portion of the Company's overall operations.

For CreditAccess Grameen Limited

- Active Borrowers as reported by the company in the annual report for the relevant fiscal year has been considered as Number of active borrowers
- Branches as reported by the company in the investor presentation for the relevant fiscal year has been considered as Number of branches
- Gross AUM and Loans disbursed as reported by the company in the annual report for the relevant fiscal year has been considered as AUM and Disbursement respectively
- Affordable housing loans as reported by the company in the annual report for the relevant fiscal year has been considered as AUM - Housing Finance respectively
- GNPA % and NNPA % as reported by the company in the investor presentation for the relevant fiscal year has been considered as Gross Stage 3 Ratio and Net Stage 3 Ratio respectively
- Interest expenses as reported by the company in the annual report for the relevant fiscal year has been considered as Finance cost
- The aggregate of fees and commission expense, Employee benefit expenses, Depreciation and amortisation expenses and other expenses as reported by the company in their annual report for the relevant fiscal year has been considered as Operating Expenses.
- Borrowings as reported by the company in their annual report for the relevant fiscal year has been considered as Total Borrowings
- Portfolio yield calculated by the company in the investor presentation as (Interest on loans – processing fees + Income from securitisation)/ Avg. quarterly on-book loans for the relevant fiscal year has been considered as Portfolio Yield
- NIM % as reported by the company in their investor presentation for the relevant fiscal year has been considered as Net Interest Income as a percentage of Average AUM
- Opex/AUM ratio calculated by the company in the annual report as Operating costs/ quarterly average Gross AUM for the relevant fiscal year has been considered as Operating expense as a percentage of Average AUM
- Cost/Income ratio calculated by the company in the investor presentation as Operating cost / Total Net Income for the relevant fiscal year has been considered as Cost to Income
- Credit cost % as reported by the company in the investor presentation for the relevant fiscal year has been considered as Impairment on Financial Instruments as a percentage of Average AUM
- Return on equity calculated by the company in the annual report as PAT / Quarterly Average Total Equity for the relevant fiscal year has been considered as Return on Average Equity
- D/E ratio as reported by the company in the investor presentation for the relevant fiscal year has been considered as Debt to Equity Ratio

For Muthoot Microfin Limited

- Borrowers as reported by the company in the investor presentation for the relevant fiscal year has been considered as Number of active borrowers
- Branches as reported by the company in the investor presentation for the relevant fiscal year has been considered as Number of branches
- Loan officers as reported by the company in the investor presentation for the relevant fiscal year has been considered as Number of field officers
- GNPA % and NNPA % as reported by the company in the investor presentation for the relevant fiscal year has been considered as Gross Stage 3 Ratio and Net Stage 3 Ratio respectively
- Cost of borrowing as reported by the company in the investor presentation defined as annually weighted average interest cost on borrowings, weights being annual average borrowings for the relevant fiscal year has been considered as Cost of borrowing
- Opex ratio calculated by the company in the investor presentation as the sum of operating expenses as % of average monthly gross outstanding loan portfolio for the relevant fiscal year has been considered as Operating expense as percentage of average AUM
- Cost to income ratio calculated by the company in the investor presentation as (fees and commission expenses + employee benefit expenses + operating expenses and depreciation and amortisation expense) / (total income net of finance cost) for the relevant fiscal year has been considered as Cost to Income
- Credit cost ratio calculated by the company in the investor presentation as impairment on financial instruments for the relevant period as a % of average monthly gross outstanding loan portfolio for the relevant fiscal year has been considered as Impairment on Financial Instruments as a percentage of average AUM
- Return on Assets (RoA) as reported by the company in their annual report for the relevant fiscal year has been considered as Return on average AUM
- Return on Equity (RoE) as reported by the company in their annual report for the relevant fiscal year has been considered as Return on average Equity
- Tier I Capital as reported by the company in their annual report for the relevant fiscal year has been considered as Tier I CRAR - MFI
- Capital to Risk Weighted Assets Ratio as reported by the company in their annual report for the relevant fiscal year has been considered as Total CRAR – MFI

For Satin Creditcare Network Limited

- Clients as reported by the company in the investor presentation for the relevant fiscal year has been considered as Number of active borrowers
- Branches as reported by the company in the investor presentation for the relevant fiscal year has been considered as Number of branches
- Loan officers as reported by the company in the investor presentation for the relevant fiscal year has been considered as Number of field officers
- Standalone GNPA % and NNPA % as reported by the company in the financial results for the relevant fiscal year has been considered as Gross Stage 3 Ratio - MFI and Net Stage 3 Ratio - MFI respectively
- Operating expense ratio calculated by the company in the investor presentation as Operating expense (expenses including depreciation but excluding credit cost and interest expense) to the Average AUM for the relevant fiscal year has been considered as Operating expense as a percentage of average AUM
- Loan loss ratio as reported by the company in the investor presentation for the relevant fiscal year has been considered as Impairment on Financial Instruments as a percentage of average AUM
- ROE calculated by the company in the investor presentation as PAT to the Average Equity for the relevant fiscal year has been considered as Return on average Equity
- Standalone Tier I CRAR and CRAR as reported by the company in their annual report for the relevant fiscal year has been considered as Tier I CRAR - MFI and Total CRAR - MFI respectively
- Housing Finance - CRAR as reported by the company in their investor presentation for the relevant fiscal year has been considered as Total CRAR - Housing Finance

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

The KPIs set out above are not standardised terms and accordingly a direct comparison of such KPIs between companies may not be possible. Other companies may calculate such KPIs differently from us.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see “*Our Business – Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Overview*” on pages 235 and 434, respectively.

L. Weighted average cost of acquisition (“WACA”), floor price and cap price

- (a) **Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Schemes) involving any of our Promoters, members of our Promoter Group, Selling Shareholders or other shareholders with the right to nominate directors on our Board during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)**

Date of allotment	Name of allottee	Number of securities allotted	Face Value (₹)	Nature of allotment	Nature of consideration	Total consideration (₹)	Issue price per specified security (₹)
March 23, 2026	Ananya Birla	5,442,565	10	Allotment pursuant to the Scheme*	Other than cash	NA	NA
March 23, 2026	Anil Chirania	865	10	Allotment pursuant to the Scheme*	Other than cash	NA	NA
March 23, 2026	Shriram Jagatiya	865	10	Allotment pursuant to the Scheme*	Other than cash	NA	NA
March 23, 2026	IGH Holdings Private Limited	210,115,385	10	Allotment pursuant to the Scheme*	Other than cash	NA	NA
March 31, 2026	Antimatter Media Private Limited	57,535,865	10	Rights issue	Cash	3,020,632,913	52.50
March 31, 2026	Violicina Limited	26,765,170	10	Rights issue	Cash	1,405,171,425	52.50
March 31, 2026	Multiples Private Equity Fund III	5,781,213	10	Rights issue	Cash	303,513,683	52.50
March 31, 2026	Multiples Private Equity Fund IV	2,493,890	10	Rights issue	Cash	130,929,225	52.50
March 31, 2026	Multiples Private Equity Gift Fund IV	2,665,405	10	Rights issue	Cash	139,933,763	52.50
Weighted average cost of acquisition							52.50

Note: As certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated August 13, 2026.

*The consideration and issue price per equity share for the allotment of Equity Shares to Ananya Birla, Anil Chirania, Shriram Jagatiya and IGH Holdings Private Limited pursuant to the merger of Svatantra Holdings Private Limited into our Company is taken as “NA” and hence, the same has not been considered for the calculation of weighted average cost of acquisition.

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

Date of transfer	Name of transferor	Name of transferee	Number of securities	Face value per security (in ₹)	Nature of consideration	Total consideration (in ₹)	Price per security (in ₹)
August 12, 2026	IGH Holdings Private Limited	Antimatter Media Private Limited	210,115,385	10	Cash	14,413,915,411	68.60
	Anil Chirania	Antimatter Media Private Limited	865	10	Cash	59,339	68.60
	Shriram	Antimatter Media Private Limited	865	10	Cash	59,339	68.60

Date of transfer	Name of transferor	Name of transferee	Number of securities	Face value per security (in ₹)	Nature of consideration	Total consideration (in ₹)	Price per security (in ₹)
	Jagetiya						
Weighted average cost of acquisition							68.60

Since there have been Primary Issuances by our Company and Secondary Transactions of Equity Shares during the eighteen months preceding the date of filing this Draft Red Herring Prospectus (as disclosed above), the requirement to disclose information based in the last five primary or secondary transactions, irrespective of the size of such transactions, involving our Promoters, members of the Promoter Group, Selling Shareholders, or shareholders having the right to nominate directors on our Board were a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus, is not applicable.

M. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by the Promoters, Selling Shareholders, Promoter Group or other shareholder(s) with the right to nominate directors on our Board are disclosed below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (in times)*	Cap Price (in times)*
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	52.50	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where the Promoters, Selling Shareholders, Promoter Group, or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	68.60	[●]	[●]

Note: As certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated August 13, 2026.

** To be updated at Prospectus stage*

Justification for Basis of Offer Price

Detailed explanation for Offer Price/Cap Price being [●] times of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) along with our Company's KPIs for Fiscals 2026, 2025 and 2024.

[●]*

** To be included on finalisation of Price Band*

Explanation for Offer Price/Cap Price being [●] times of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) in view of the external factors, if any, which may have influenced the pricing of the Offer.

[●]*

** To be included on finalisation of Price Band*

The Offer Price is [●] times of the face value of the Equity Shares

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

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Summary Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 28, 235, 339 and 434, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section “*Risk Factors*” on page 28 and any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS (UNDER DIRECT AND INDIRECT TAX LAWS) FOR THE COMPANY AND ITS SHAREHOLDERS

The Board of Directors,
Svatantra Microfin Limited (formerly, Svatantra Microfin Private Limited)
Sunshine Tower, Level 20
Senapati Bapat Marg, Dadar (West)
Mumbai – 400 013

Dear Sirs,

Re: Statement of Special Tax Benefits available to Svatantra Microfin Limited (formerly Svatantra Microfin Private Limited) (“Company”) and its shareholders under the Indian tax laws.

1. We hereby confirm that the enclosed Annexures 1 and 2 (together, the “Annexures”), prepared by the Company, provides the special tax benefits available to the Company and to its shareholders under:
 - a. the Income-tax Act, 2025 (the “Act”) applicable for the financial year 2026-27, read with rules, circulars, and notifications thereunder, as amended by the Finance Act, 2025, and presently in force in India (together, the “Direct Tax Laws”);
 - b. 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 and respective States Goods and Services Tax Act, 2017, as amended from time to time, the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2026 applicable for the financial year 2026-27, Foreign Trade Policy 2023-28 read with Foreign Trade – Handbook of Procedures, 2023, presently in force in India (together, the “Indirect Tax Laws”)

The Direct Tax Laws and the Indirect Tax Laws, as defined above, are collectively referred to as the “Relevant Laws”

2. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company, its shareholders or its material subsidiary may or may not choose to fulfil.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering (the “Proposed IPO”) of equity shares of the Company.
4. We do not express any opinion or provide any assurance as to whether:
 - i) the Company and its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
6. This Statement is issued solely in connection with the Proposed IPO of equity shares of face value Rs. 10 each of the Company and is not to be used, referred to or distributed for any other purpose.
7. We have no responsibility to update this Statement for events and circumstances occurring after the date of this Statement.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**
Partner
Membership Number: 123596

UDIN: 26123596ARZBYT6434
Place of Signature: Mumbai
Date: August 12, 2026

Annexure 1

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SVATANTRA MICROFIN LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS UNDER APPLICABLE DIRECT TAX LAWS IN INDIA.

Outlined below are the special direct tax benefits available to the Company and its shareholders under the Income Tax Act, 2025 as amended by the Finance Act, 2026 and Income-tax Rules, 2026 i.e. applicable for Tax Year 2026-27 (collectively hereafter referred to as the "Direct Tax Laws") presently in force in India, as per the Direct Tax Laws. These Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil. The Company does not have any material subsidiary, and accordingly, the details pertaining to subsidiaries have not been considered in this Annexure.

UNDER THE INCOME-TAX ACT, 2025 (the hereinafter referred to as 'Act')

Special Tax Benefits to the Company

1. Deductions from Gross Total Income - Section 146 of the Act - Deduction in respect of employment of new Employee

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 146 of the Act, of an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the tax year in which such employment is provided.

2. Section 148 - Deduction in respect of inter-corporate dividends

Section 148 provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 236(1) of the Act.

Where the Company receives any such dividend during a tax year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said tax year, it shall be entitled to the deduction under Section 148 of the Act.

Section 148 shall be applicable in cases where dividend is received by a domestic company from another domestic company or a foreign company or a business trust.

3. Lower corporate tax rate under Section 200 of the Act

Section 200 of the Act grants an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

- (i) Section 45(2) (expenditure on scientific research) or 47(1)(b) (expenditure on skill development project) of the Act; or 172
- (ii) Chapter VIII other than provisions of section 146 (deduction in respect of additional employee cost) or 148 (deduction in respect of certain inter-corporate dividends) of the Act; or
- (iii) Sections specified in section 205(1)(a) to (g) as below -
 - Section 33(8) (additional depreciation);
 - Section 45(3)(a) or (b) or (c) (expenditure on scientific research);
 - Section 46 (capital expenditure of specified business);
 - Section 47(1)(a) (expenditure on agricultural extension project);
 - Section 48 (deduction for deposits in tea development account, coffee development account and rubber development account) and
 - Section 49 (deduction for deposit to special account or site restoration fund); and
 - Section 144 (deduction for units in Special Economic Zone).
- without set off of any loss carried forward or depreciation from any earlier tax year, if such loss or depreciation is attributable to any of the deductions referred to in clause (a);
- without set off of any loss or allowance for unabsorbed depreciation deemed so under section 116, if such loss or depreciation is attributable to any of the deductions referred to in clause (a).

In case a company opts for section 200 of the Act, provisions of Minimum Alternate Tax (“MAT”) under section 206 of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off as clarified by the Central Board of Direct Taxes, through its circular no. 29/2019 dated 2 October 2019. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that they have opted to apply section 200 of the Act from tax year 2019-2020 onwards.

3. Deduction under section 31(1) of the Act

The Company is entitled to accelerated deduction in respect of provision for bad and doubtful debts up to the limit specified under **Table Sr. No. 2** of section 31(1) of the Act while computing its income under the head ‘Profits and gains of business or profession’, to the extent of five per cent (5%) of the gross total income, and subject to satisfaction of prescribed conditions. Further, gross total income considered for the said deduction shall be before considering any deduction under the aforesaid section and Chapter VIII of the Act.

As per clause (c)(i) of section 31(2) of the Act, where the Company has claimed deduction under section 31(1) of the Act, then subsequent claim of deduction of actual bad debts under section 31(2) of the Act would be reduced to the extent of deduction already claimed under section 31(1) of the Act.

4. Special provisions for taxability of income from certain prescribed bad debts

Section 56(1) and 56(2) of the Act provides, inter-alia, for special provision in case of income of deposit-taking Non-Banking Financial Companies (‘NBFCs’) and Systemically Important Non-Deposit taking NBFCs. Interest income in relation to certain categories of bad or doubtful debts received by such NBFCs is chargeable to tax in the tax year in which it is credited to its profit and loss account for that year or in which it is actually received, whichever is earlier.

Special Tax Benefits to the Shareholders-

Benefits available to resident shareholders

Section 148- Deduction in respect of inter-corporate dividends

With respect to a resident corporate shareholder, section 148 of the Act removes the cascading effect of taxes on inter-corporate dividends during tax year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year 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 this 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. The ‘due date’ means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 236 of the Act.

We understand that the shareholders have not received any dividend income from the Company in the tax year.

Separately, any dividend income received by resident shareholders would be subject to tax deduction at source by the Company as per Sl. No. 7 of the Table under section 393(1) of the Act @ 10%. However, in case of individual shareholders, this would apply only in case the dividend income exceeds INR 5,000. Further, dividend income is now taxable in the hands of resident shareholders.

1. Buy back tax on capital gains earned by shareholders

The Finance bill 2026 proposes that the consideration received by a shareholder on the buy-back of shares will now be chargeable to tax under the head ‘Capital Gains’ instead of being treated as ‘deemed dividend income’.

Thus, effectively, the taxation on buyback for non-promoter shareholders has been reduced to 12.5% for long-term capital gains (on listed and unlisted shares) and 20% for short-term capital gains on listed shares. Earlier, the entire buyback amount was taxable as deemed dividend income as per normal tax rates applicable to the shareholders.

However, for promoters, an ‘additional income tax’ shall be applicable on the capital gains arising from proceeds received from buy-back of shares undertaken in accordance with Section 68 of the Companies Act, 2013 as follows:

Sr. No.	Nature of income	Additional income tax rate where promoter is a domestic company	Additional income tax rate for any other promoter
1.	Short-Term Capital Gains	2%	10%
2.	Long-Term Capital Gains	9.5%	17.5%

** Definition of Promoter - In the case of a listed company, 'promoter' is defined by reference to the Regulation 2(k) of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. In the case of an unlisted company, a promoter is defined as per Section 2(69) of Companies Act 2013 or a person who holds, directly or indirectly, more than 10% of the shareholding in the company.*

We understand that the Company has not bought back its shares in the current tax year and hence, the provisions relating to buy back tax shall not be relevant for the shareholders of the Company in the current tax year.

Notes:

1. The above Annexure sets out the provisions of law 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.
2. The above Annexure covers the Direct Tax Laws benefits and does not cover any benefits under any other law.
3. The above Annexure of special tax benefits are as per the current direct tax laws relevant for the Tax year 2026-27. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax law.
4. The Annexure is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - the Company or its shareholders will continue to obtain these benefits in future; and
 - the conditions prescribed for availing the benefits have been/ would be met with
5. This Annexure is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
6. 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.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

For Svatanttra Microfin Limited

Vrushali Mahajan

Chief Financial Officer

Annexure 2

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE INDIRECT TAX LAWS

Outlined below are the special tax benefits available to the Company, and its shareholders under 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 and respective States Goods and Services Tax Act, 2017, as amended from time to time, the Customs Act, 1962 (“**Customs Act**”) and the Customs Tariff Act, 1975 (“**Tariff Act**”), as amended by the Finance Act 2026 applicable for the financial year 2026-27, Foreign Trade Policy 2023-28 read with Foreign Trade – Handbook of Procedures, 2023, presently in force in India (collectively referred to as “**Indirect tax laws**”) The Company does not have any material subsidiary, and accordingly, the details pertaining to subsidiaries have not been considered in this Annexure.

1. Special Tax Benefits available to the Company

There are no Special indirect tax Benefits available to the Company under the Indirect tax laws as mentioned above.

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

There are no Special Tax Benefits available to the Shareholders of the Company under the Indirect tax laws as mentioned above.

Notes:

- 1) This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Indirect Tax laws.
- 2) The above Annexure sets out the provisions of law 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 Annexure covers only certain relevant indirect tax benefits and does not cover any benefits under any other law.
- 4) This Annexure 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 his or her own tax consultant with respect to the specific tax implications arising out of their participation in the present matter.
- 5) These comments are based upon the provisions of the specified Indirect Tax Laws, and judicial interpretation thereof prevailing in India, as on the date of this Annexure.
- 6) 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.

For Svatantra Microfin Limited

Vrushali Mahajan

Chief Financial Officer

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “The microfinance industry in India” dated August 2026 (the “CRISIL Report”) prepared and issued by CRISIL MI&A, appointed by us pursuant to an engagement letter dated April 14, 2026 and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. The CRISIL Report will form part of the material documents for inspection and a copy of the CRISIL Report is available on the website of our Company at <https://svatantramicrofin.com/investor-relations/initial-public-offerings>. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing the report, CRISIL MI&A has also sourced information from publicly available sources, including our Company’s financial statements available publicly.

References to various segments in the CRISIL Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorization in the CRISIL Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments. For further information, see “- Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL MI&A, exclusively commissioned and paid for by us for such purpose and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 59.

Macroeconomic Scenario

Global economy showed resilience in CY2025

The International Monetary Fund’s (IMF) World Economic Outlook of April 2026 reports that the global economy showed remarkable resilience in calendar year 2025, with global real gross domestic product (GDP) growth reaching 3.4%. Despite initial uncertainties concerning tariffs imposed by the United States (US) and its potential impact on global growth, trade disruptions remained limited, given frontloading of imports in the first half of the year and swift reorganisation of supply chains to redirect trade flows.

The India-Europe free trade agreement finalised on January 27, 2026, aims to reshape trade, with the European Union dropping tariffs on 99.5% of Indian exports over 7 years, and India reducing tariffs on European luxury cars (from 110% to 10% over five years) and wines (from 150% to 75%). The deal serves as a strategic hedge to reduce dependency on China and the US. On the other hand, the FTA with New Zealand, signed in April 2026, aims to enhance exports, support MSMEs, attract investment, facilitate skills mobility, and promote broader economic cooperation. It grants immediate zero-duty access for 100% of Indian exports to New Zealand, subject to product-specific rules of origin, benefiting key sectors such as textiles, engineering, pharmaceuticals, marine products, and chemicals. This FTA further serves as a gateway to the wider Oceania and Pacific Island markets.

On February 6, 2026, the US and India reached an interim trade agreement that reduced the former’s reciprocal tariffs on Indian goods to 18% from 50%. However, the US Supreme Court invalidated these emergency tariffs. In response, President Trump issued a new executive order by imposing a 10% tariff on most imported goods. With reciprocal tariffs based on the US-India trade deal now invalidated, India will face a lower global tariff of 10% under the section instead of the negotiated 18%. This will result in a more favourable outcome despite the shift in the tariff framework.

The global geopolitical landscape is undergoing significant transformation, marked by rising conflicts in West Asia and a shift in traditional power dynamics. The IMF projects the World GDP growth to moderate to 3.1% in 2026 and recover to 3.2% in 2027. The private sector’s swift adaptation of supply chains and trade flows has mitigated immediate damage. However, a prolonged conflict could adversely impact commodity prices, inflation and financial conditions, potentially testing global and country-specific economic resilience. These challenges are particularly pronounced in countries that are not directly involved in the conflict but rely on West Asia for various needs.

Even as a major geopolitical risk has seemingly reduced, weather-related ones stemming from the manifestation of El Niño conditions have reared up. The monsoon season this time has begun on a weak note, with cumulative rainfall 42% below average as of June 21. The India Meteorological Department (IMD) has trimmed its rainfall forecast for the southwest monsoon season to 90% of the long-period average, which, if realised, would mark the weakest monsoon in a decade.

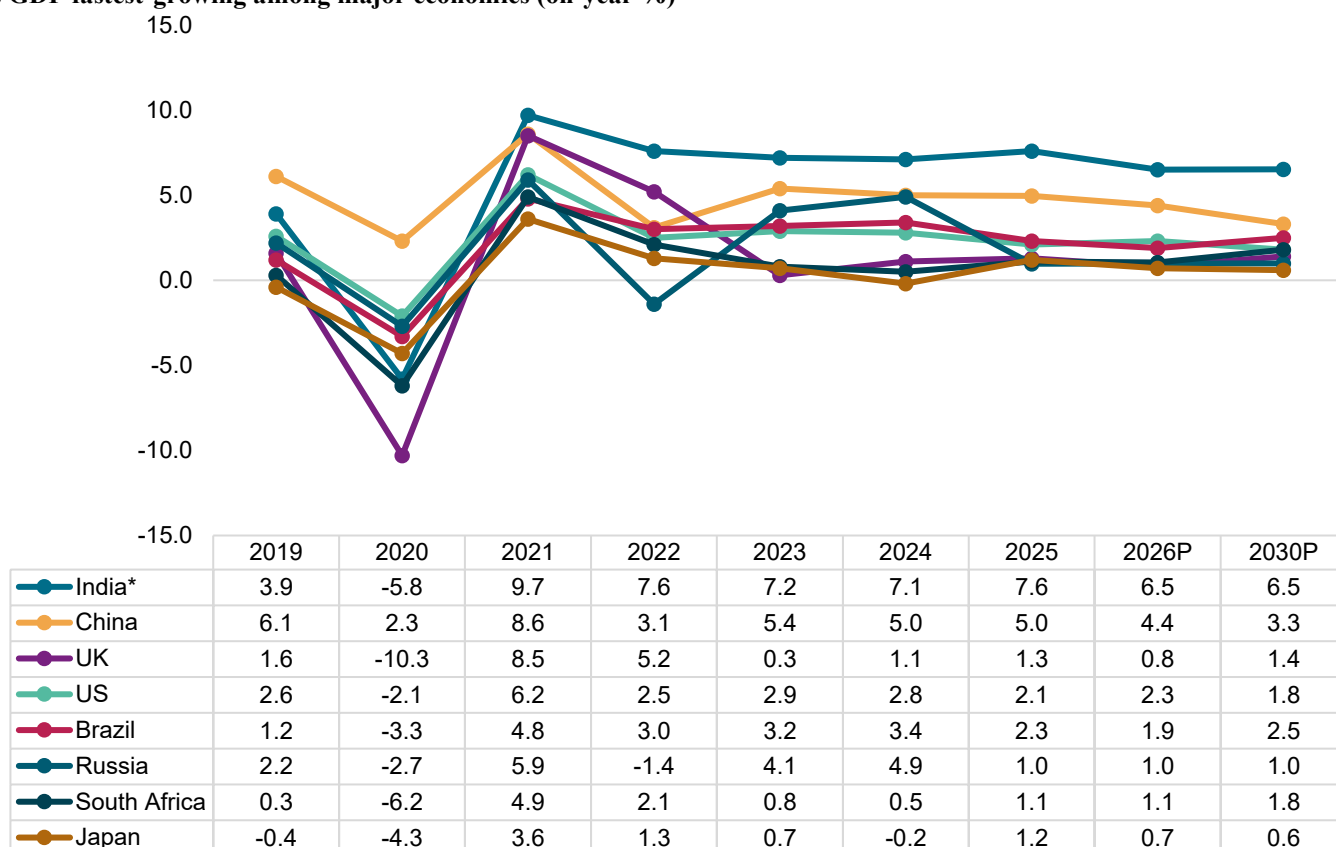
Global inflation is expected to increase to 4.4% in calendar year 2026, reflecting expected higher energy and food prices, before falling to 3.7% in 2027. Inflation in China is projected to rise from low levels, while India’s is expected to return to near-target levels after a significant decline in 2025, driven by subdued food prices.

India’s National Statistics Office (NSO) estimated Real GDP growth at 7.4% in fiscal 2026, driven by strong domestic demand, high infrastructure spending and improvements in manufacturing and services. India has mitigated external shocks, such as US

tariffs on account of diversified trade partnerships and robust foreign exchange reserves (\$726 billion as on February 13, 2026).

India to be the fastest growing major economy

India's GDP fastest-growing among major economies (on-year %)



Note: All forecasts refer to IMF's; GDP growth is based on constant prices; data for calendar years; * - data for fiscal years; E – Estimate, P – Projected. Source: IMF (World Economic Outlook – April 2026), Crisil Intelligence

Driven by strong domestic demand, robust consumption and improved financial conditions, India's growth is significantly outperforming other major economies and emerging markets. The country's real GDP growth is fuelled by high consumer spending and positive investment sentiment, allowing it to outpace China's real GDP growth, which is projected to be ~4.4% in calendar year 2026 and 4.0% in 2027.

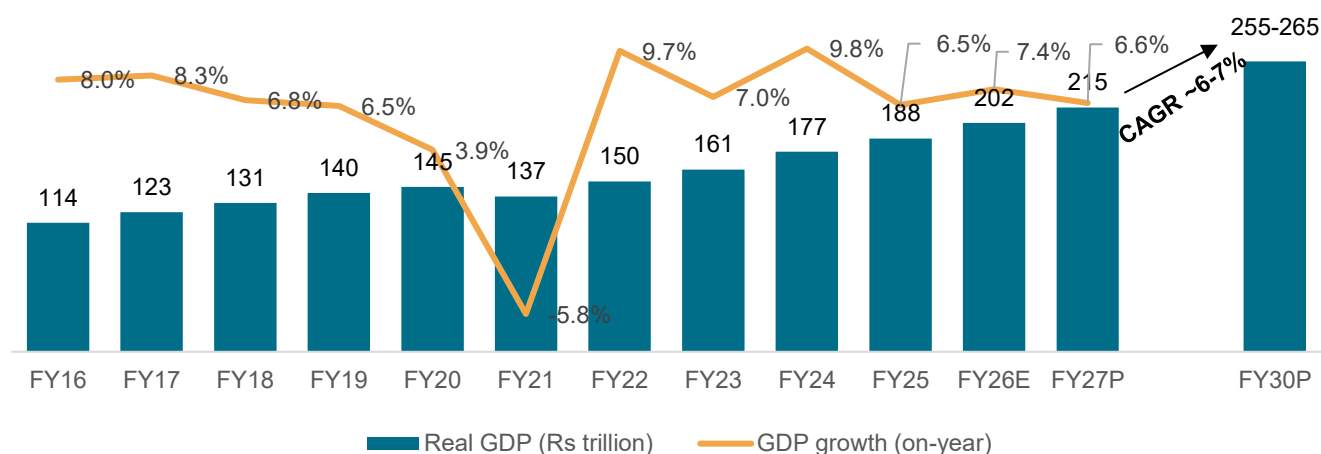
Crisil Intelligence expects inflation based on the Consumer Price Index (CPI) to rise to 5.1% on average in fiscal 2027 from an estimated 2.0% in the previous fiscal as food inflation is expected to normalise from the lows of the past year. This is based on the expectation that crude oil prices will average \$90-95 per barrel in fiscal 2027 compared with an estimated ~\$70 per barrel last fiscal. The forecast is in line with recent trends as CPI inflation rose to 3.4% in March 2026 from 3.2% in February 2026 but remained within the Reserve Bank of India's (RBI) target range of 2-6%. Given the uptick in inflation, we expect the RBI to maintain the current policy rates by keeping a close watch on the evolving inflation trajectory.

Past GDP growth and projections

GDP projected to grow at 6.6% in fiscal 2027

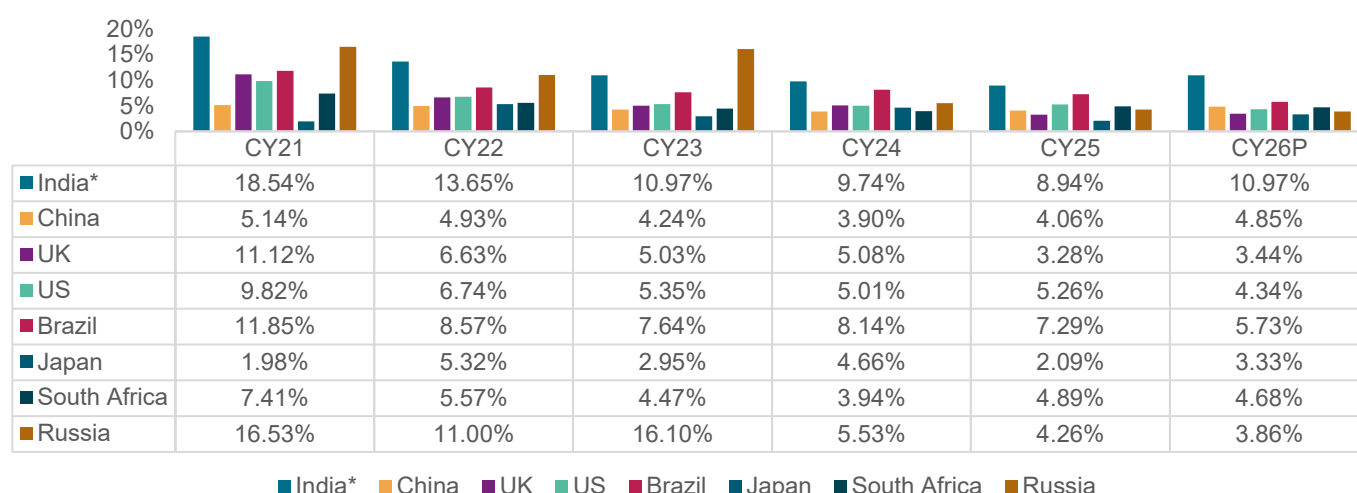
From fiscal 2024 to 2026, the economy has outpaced its global peers with faster growth. Crisil Intelligence forecasts the GDP growth to moderate at 6.6% in fiscal 2027, mainly due to an upward revision in average crude oil price outlook and its spillover effects, along with ongoing geopolitical uncertainties.

GDP to grow at a CAGR of 6.0-7.0% over the next 4 years



Note: E – Estimate, P – projected; GDP growth until fiscal FY24 is based on first revised estimate. GDP estimates for fiscal FY25 is based on provisional estimate and FY26 is based on first advance estimate as per NSO's estimates; GDP growth for fiscal 2026-30 is based on IMF estimate. Source: NSO, Crisil Intelligence

India's nominal GDP position is strengthening compared with other major economies (GDP growth, % on year)



Note: GDP growth is based on current prices in national currency for each country; * - data for fiscal years; CY26 is projected
Source: IMF (World Economic Outlook – April 2026), Crisil Intelligence

India's nominal GDP has been growing at a rapid pace, with an average annual growth rate of around 10% over the past decade. As per IMF, India's nominal GDP is estimated to have grown by 8.94% in FY25-26 and is further projected to grow by ~11% in FY26-27. This is one of the fastest growth rates among major economies, followed by Brazil with an annual growth rate of 7%.

Domestic growth resilience: GST rate cuts, government capex, and repo rate reduction mitigate external challenges

RBI held the repo rate unchanged at 5.25% in June 2026, maintaining neutral stance

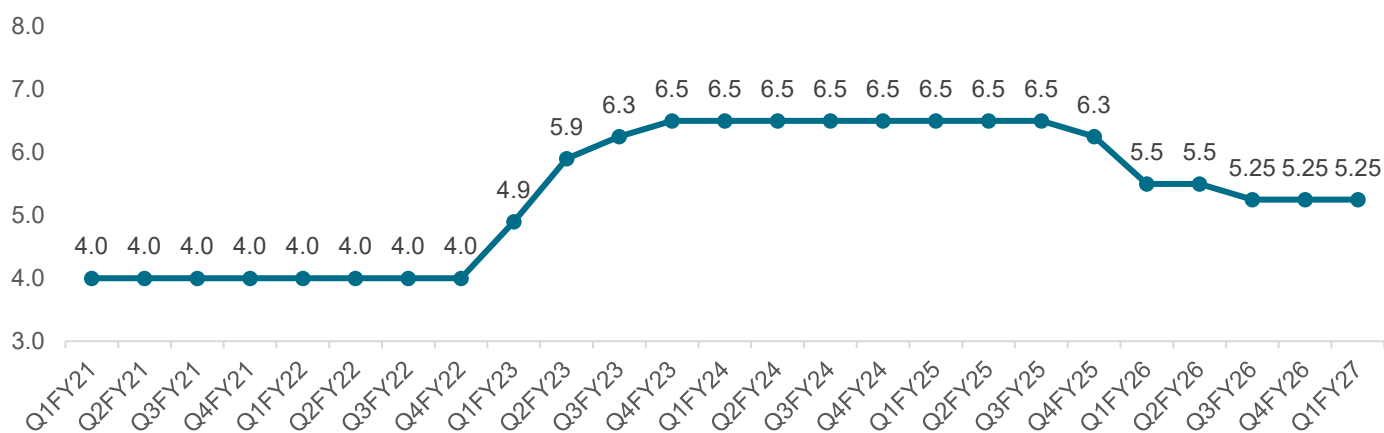
The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) initiated a monetary policy easing cycle in calendar year 2025 through calibrated repo rate cuts to support economic growth. This decision reflected low inflation risks owing to healthy monsoon in 2025, and goods and services tax (GST) rate rationalisation, as well as a growth outlook, allowing the RBI to offer support while remaining vigilant on inflation. Non-banking financial companies will benefit from lower funding costs and improved liquidity. This will enable them to offer cheaper credit and lower equated monthly instalments. The rate cut will spur loan demand and fuel economic activity. It will also benefit rural India with the help of MFIs by enabling them to offer cheaper credit, as lower funding costs and improved liquidity will allow MFIs to provide loans at reduced interest rates, thereby increasing access to credit for rural populations and stimulating economic activity in these areas.

The MPC kept the repo rate unchanged at 5.25% at its June 2026 meeting and maintained a 'neutral' stance, signalling continued confidence that India's economic growth will remain resilient, driven by a significant increase in capital expenditure outlined in the Union Budget 2026. The budget increased the capital expenditure outlay for fiscal 2027 to Rs 12.2 lakh crore, which accounts for 4.4% of the GDP. The MPC also cited sustained growth in private consumption and fixed capital formation as factors supporting

its optimistic outlook. That said, it warned that external risks persist, including the expected El Niño this year and the prolonged conflict in West Asia. Higher energy and other input costs arising from the conflict, along with disrupted supply chains, could weigh on overall economic activity.

While the conflict in West Asia and uncertainty surrounding US tariffs remain a risk to external demand, the RBI expects structural reforms, including GST rate rationalisation, to partly offset these headwinds. Additionally, the standing deposit facility rate remained 5.0%, while the marginal standing facility rate and bank rate stood at 5.50%, supporting financial system stability.

Repo rate movement (%)



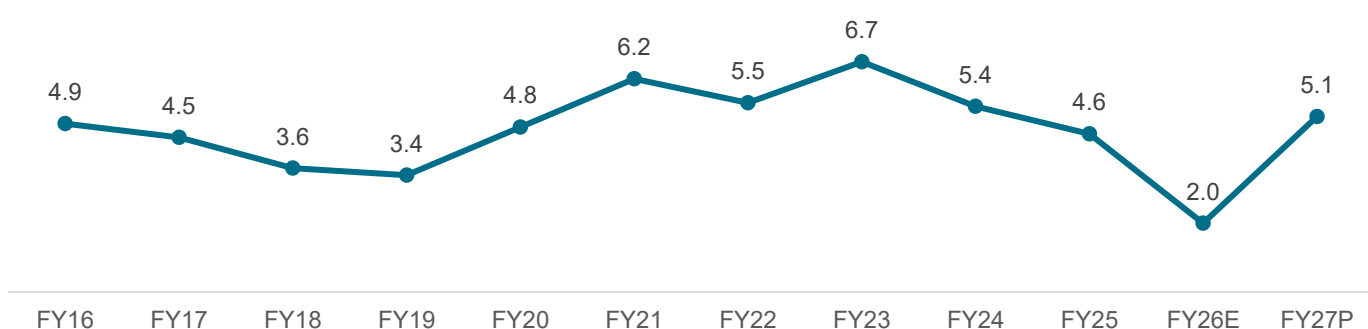
Source: RBI, Crisil Intelligence

CPI inflation to average at 5.1% in fiscal 2027 owing to the West-Asia conflict

Inflation based on the revised CPI series, with 2024 as the base year, rose to 3.48% in April 2026 from 3.40% in March 2026 as food inflation further normalised, driven by an uptick in food (4.8% in May 2026 vs 4.2% in April 2026) and fuel (0.8% in May vs 0.7% in April) inflation. Within the non-food category, fuel and transport inflation are the first to face pressures from higher oil and gas prices and supply shocks arising from the prolonged conflict in West Asia.

Crisil Intelligence projects CPI inflation to average 5.1% in fiscal 2027 compared with 2.0% in fiscal 2026 as the direct as well as indirect effects of higher transportation fuel prices reverberate through the economy. Additionally, the below-normal monsoon rainfall expected amid El Niño conditions and the ongoing heatwaves can hurt agricultural production and exert further pressure on food inflation.

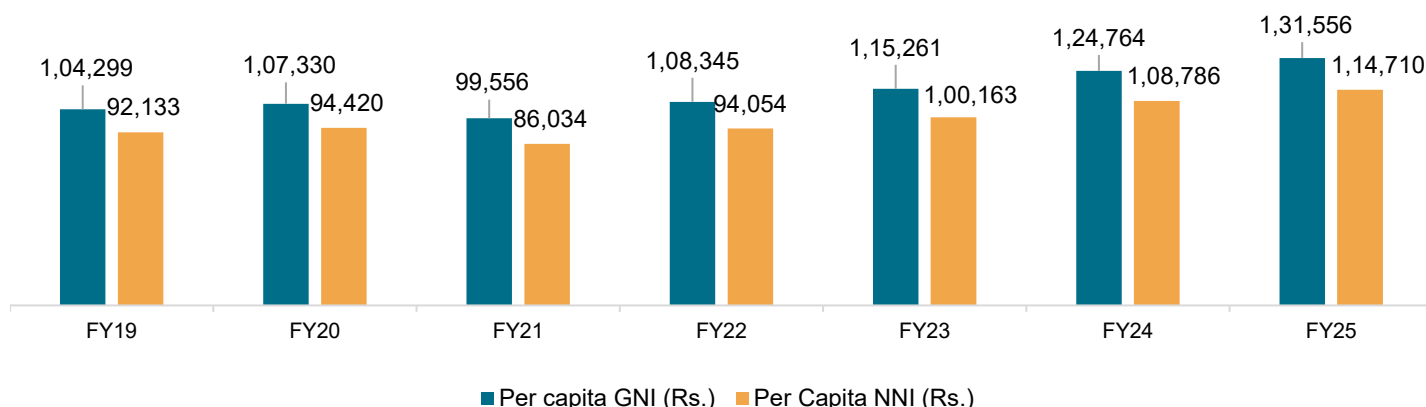
CPI general index trend (%)



Note: E – Estimate, P – Projected. Source: Crisil Intelligence

GDP growth drivers

Increasing per capita income



Note: Data is based on the RBI Handbook (August 2025). GNI: Gross National Income, NNI: Net National Income.

Source: RBI, PIB, Crisil Intelligence

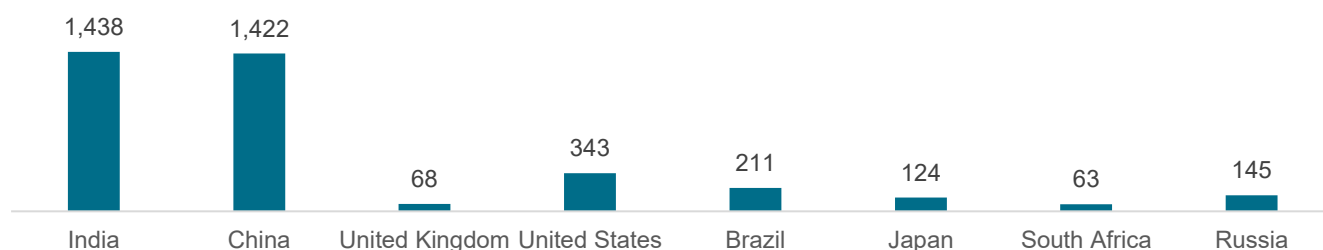
The increase in per capita income in recent years reflects the overall economic growth and improvement in living standards across various sectors. Higher income levels have resulted in greater purchasing power, enabling individuals to access better goods and services, including education, healthcare and technology. This upward trend also highlights the success of policy reforms, infrastructure development and financial inclusion efforts that have contributed to employment generation and wealth distribution. As per capita income continues to rise, it is expected to drive sustained economic momentum and elevate the quality of life for the broader population.

World's largest population

India's population grew at ~1.5% compound annual growth rate (CAGR) between 2001 and 2011, to ~1.26 billion, as per the 2011 Census (latest available data). Also, the number of households was ~187 million in 2011.

Population of India as compared to other major economies

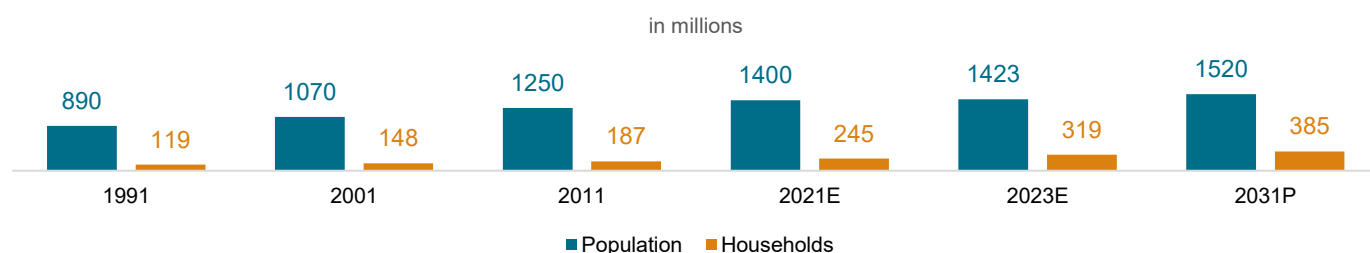
in mn



Source: Population as of July 2023, World Population Prospects 2024, Crisil Intelligence

While the 2027 Census is at an early stage, having commenced on April 1, 2026, based on the past growth rate, we project the country's population to reach ~1.52 billion by 2031, reflecting a CAGR of approximately 1% from 2011 to 2031. Additionally, the number of households is projected to increase to around 385 million from 245 million in 2021, with an expected CAGR of about 4.6% during the 2021-31 period.

India's population and number of households trajectory



Note: E – Estimate, P – Projected; Note: Numbers are as at the end of each fiscal. Source: United Nations Department of Economic and Social Affairs, (<https://population.un.org/wpp/>), Census India, Crisil Intelligence

The Government of India has initiated the 2027 Census using a phased approach. This will be the eighth census since Independence

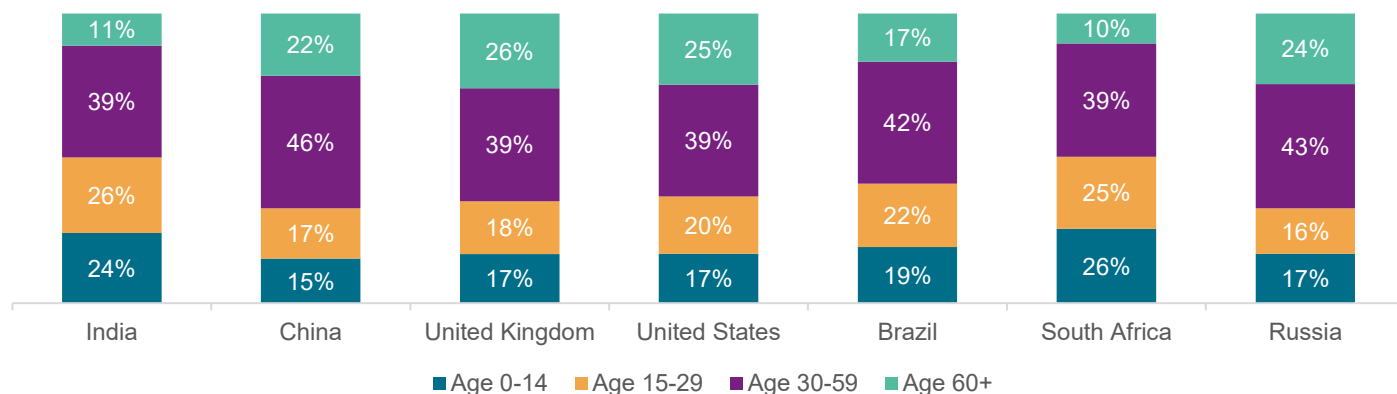
and the first to be conducted digitally.

Unlocking India's demographic dividend: A huge opportunity for microfinance

India has the largest youth population in the world, with a median age of 28 years. Also, ~90% of the population is below 60 years. In 2025, at 26%, India was estimated to have the highest share of young working population (15-29 years) among major developed and developing economies as well. We expect that this large working-age population, along with rapid urbanisation and rising affluence, will drive economic growth.

India's demographic strength is further reflected in its population of ~381.5 million aged 15-29 years. This segment represents a significant opportunity for Microfinance Institutions (MFIs) to tap into a large and growing market. This age group is likely to drive demand for financial services, including microloans, as they seek to establish their careers, start businesses, and achieve financial stability. By targeting this demographic, MFIs can benefit from a vast and underserved market, potentially leading to increased outreach and business growth.

India's youth to power economic growth of the country

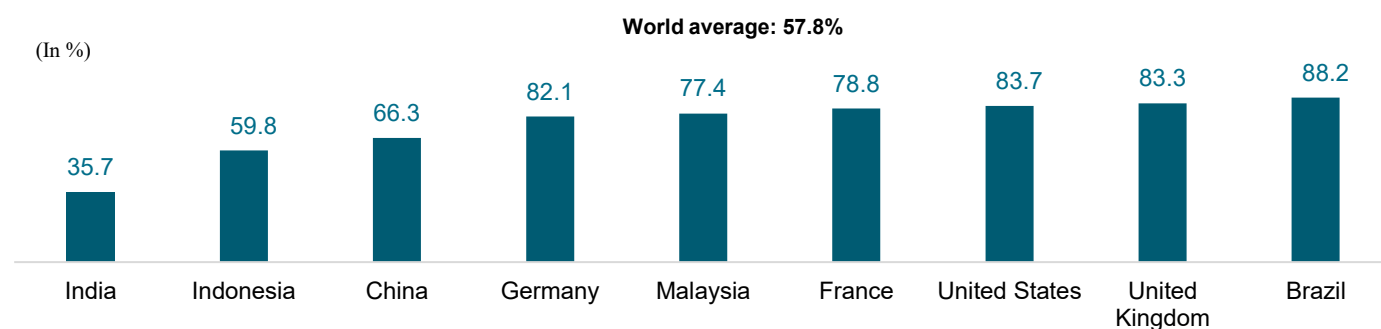


Source: 2024 Revision of World Population Prospects, Crisil Intelligence

Financial inclusion in rural India: a critical component of sustainable economic growth

Urbanisation is expected to also drive economic growth, investments in infrastructure and job creation. The share of urban population is estimated to have grown to 35.7% in fiscal 2025. Given that two-thirds of the population resides in rural areas, MFIs play a vital role in providing financial services to these underserved communities. By catering to the financial needs of rural populations, MFIs can help bridge the gap in access to credit and other financial services, ultimately supporting economic growth and development in these areas. This, in turn, presents a significant opportunity for MFI businesses to expand their reach and impact.

Urban population as a percentage of total population (calendar year 2025P) at the global level



Source: United Nations World Urbanisation Prospects 2025, Crisil Intelligence

Key structural reforms

- Pradhan Mantri Awas Yojana (PMAY) was introduced in calendar year 2014 to provide affordable housing for all by calendar year 2022. The scheme targeted the completion of sanctioned urban houses by December 31, 2025, and has now aimed at building 49.5 million houses in rural areas by 2029. Under the scheme, eligible families receive financial assistance, including Rs 0.25 million in urban areas and up to Rs 0.12 million in rural areas, along with concessional loans and additional support, such as toilet construction assistance and liquified petroleum gas connections, to facilitate housing construction and upgradation

- Pradhan Mantri Jan Dhan Yojana (PMJDY), introduced in 2015, aims at ensuring affordable access to financial services, including basic savings and deposit accounts, remittance, credit, insurance and pension. Under the scheme, a basic savings bank deposit account can be opened at any bank branch or business correspondent (bank Mitra) outlet.

Also, the GST regime is enhancing transparency and formalisation of business activities, ultimately supporting higher economic growth. The recent rationalisation of GST rates for a range of products and services is likely to reduce the cost burden on common citizens, especially rural India, thereby improving their purchasing power. This, in turn, could enable higher savings, investments and improvement in living standards.

India's digital leap: Internet and mobile penetration drive financial inclusion

India had ~1,162 million wireless subscribers at the end of fiscal 2026. The expanding reach of mobile networks, internet connectivity and electricity is extending subscriber access to remote areas, driving higher smartphone and internet penetration. MFI businesses can capitalize on this trend by offering innovative, digitally enabled financial services that cater to the growing demand for online and mobile-based transactions. This could lead to increased financial inclusion, improved customer engagement, and expanded business opportunities for MFIs.

Empowering rural India: The Viksit Bharat Guarantee for Rozgar and Aajeevika Mission

Year	Cumulative expenditure on unskilled wages (Rs billion)	Employment provided to (in million)	
		No. of households	No. of persons
FY15	196.85	41.26	62.03
FY20	462.76	54.79	78.81
FY25	717.59	57.82	78.79

Source: MGNREGA - Ministry of Rural Development, Crisil Intelligence

The MGNREGA scheme represents one of India's most significant anti-poverty interventions, delivering wage employment and income support to millions of rural workers since its launch in 2005 and up to it being superseded by the Guarantee for Rozgar and Aajeevika Mission (Gramin) Bill, 2025.

The most significant transformation introduced by the Bill is the expansion of the legal employment guarantee to 125 days annually, along with a reimagined governance model that emphasises panchayat-led planning, national digital convergence and measurable infrastructure outcomes. Recognising the seasonal dynamics of rural economies, the bill incorporates an agriculture-labour balancing mechanism that empowers state governments to pause the programme for up to 60 days in a fiscal during the peak sowing and harvesting seasons. This restructured approach positions rural employment not merely as a social safety net, but as a strategic lever for rural asset formation and climate resilience.

By guaranteeing enhanced employment opportunities and income security, the scheme is expected to significantly augment household incomes and improve the repayment capacity of rural borrowers, particularly those with microfinance institution loans. This, in turn, will enable them to service debt obligations more reliably and access additional credit for productive activities.

Financial Inclusion

Financial penetration to grow as awareness of financial products rises

As per a survey conducted by the National Statistical Office (NSO) from July 2022 to June 2023, literacy in India was 80.3%, a notch below the global average of 87.35%.

Yet only 27% of the country's population was financially literate defined as a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being according to the National Financial Literacy and Inclusion Survey 2019.

The wide gap in financial literacy indicates the financial services industry has considerable room to grow. Crisil Intelligence expects financial penetration to increase further as financial literacy grows.

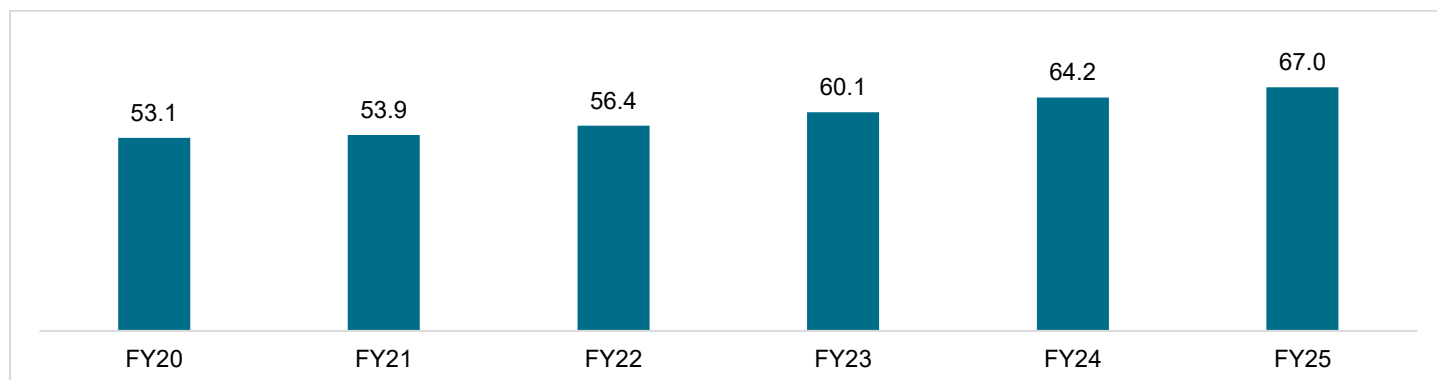
The remarkable progress can be attributed to the government's concerted efforts to promote financial inclusion through a range of initiatives, including the launch of PMJDY, the proliferation of mobile banking and digital payment systems, and the implementation of government subsidies and benefits such as the Direct Benefit Transfer (DBT) scheme. Advancements in financial technology have also contributed to a significant improvement in financial inclusion.

Financial Inclusion Index

The RBI's Financial Inclusion Index (FI-Index), developed to measure the extent of financial inclusion in the country, rose to 67.0 in fiscal 2025 from 64.2 in fiscal 2024.

The index is a composite measure that ranges from 0-100, wherein 0 represents complete financial exclusion and 100 indicates universal financial inclusion.

Financial inclusion has improved over the years (FI-Index)



Source: RBI, Crisil Intelligence

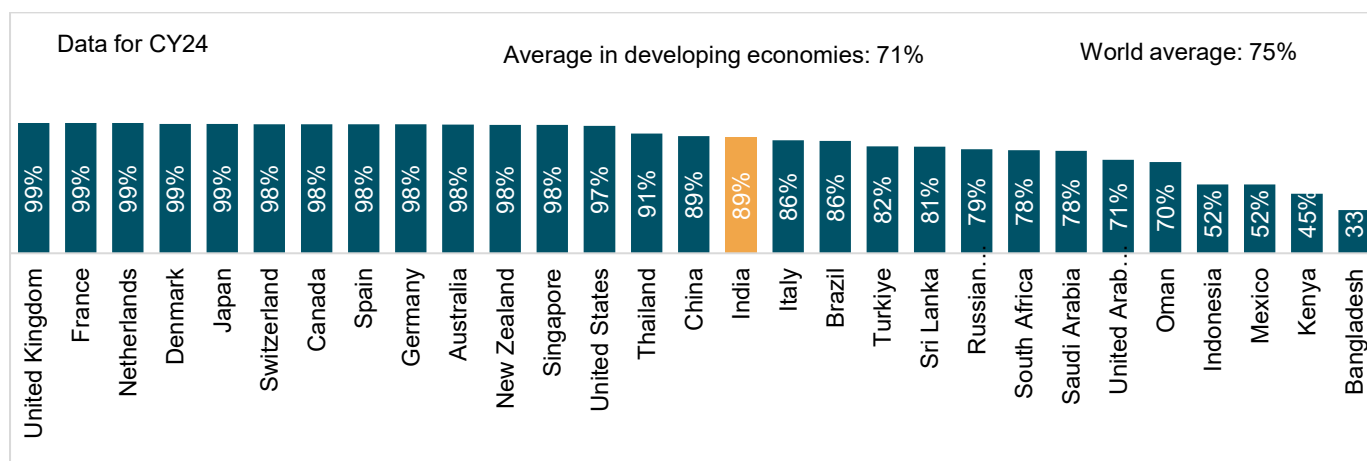
Adult population with a bank account: India vis-à-vis other countries

The Global Findex Database 2025 states that 1.3 billion adults do not have a financial account. Of this, 650 million (~50%) unbanked adults live in eight countries: India, Bangladesh, China, Indonesia, Egypt, Mexico, Nigeria and Pakistan.

According to the database, India's adult population with an account in a bank, financial institution or a mobile money provider has increased to 89% in 2024 from 53% in 2014. Globally, financial account ownership in calendar year 2024 was 75% of adults.

Despite India's high rate of account ownership, the sheer size of the population puts it among the countries with a high number of unbanked adults. The 2025 report (which used 2024 data) indicated that while 89% of Indian adults now own a financial account, 14% of the adults (representing a significant portion of the global unbanked population) still had inactive accounts, which provides immense opportunity for financial institutions to increase financial inclusion.

People with financial accounts (% of the population)



Notes:

1. Global Findex data for India excludes northeastern states, remote islands and selected districts

2. Account penetration is for the population in the age group of 15+

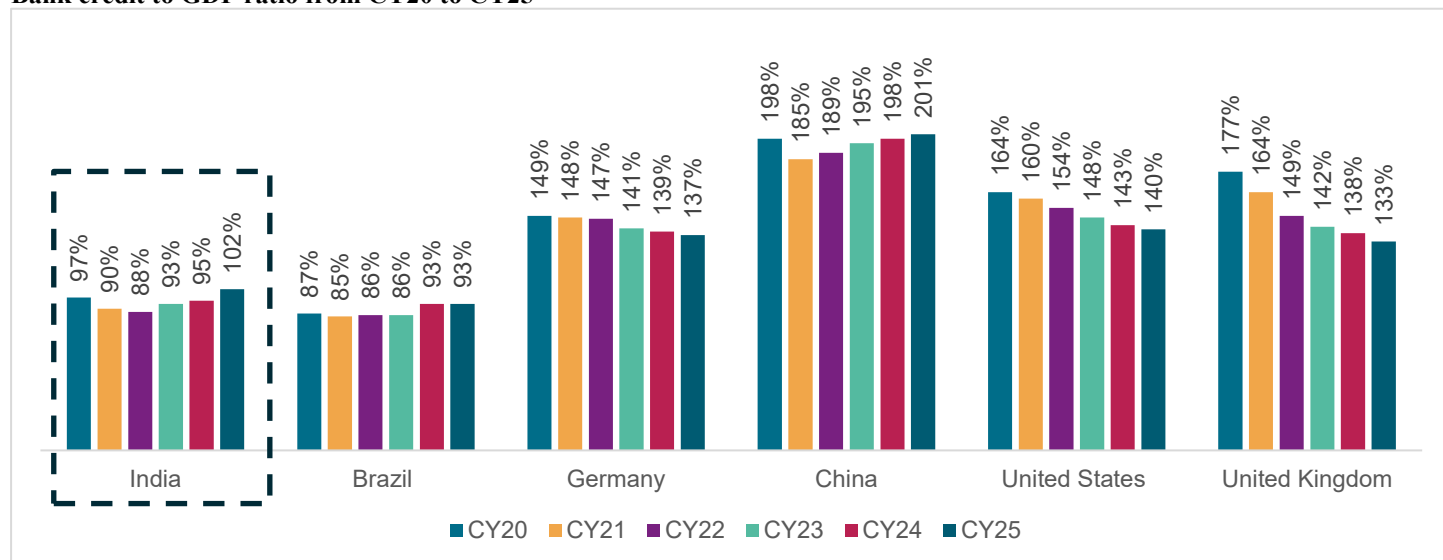
Source: World Bank–The Global Findex Database 2025, Crisil Intelligence

Under-penetration of the Indian banking sector provides opportunities

The number of commercial bank branches is lower in India. This provides immense growth opportunities for banks and financial institutions. For context, Italy and Japan had the highest number of commercial bank branches per 100,000 adults at 34, while India had 15.

To be sure, the number of bank branches per 100,000 adults in major economies has remained stable due to the digitalisation of banking services, with customers preferring online and mobile banking over physical visits.

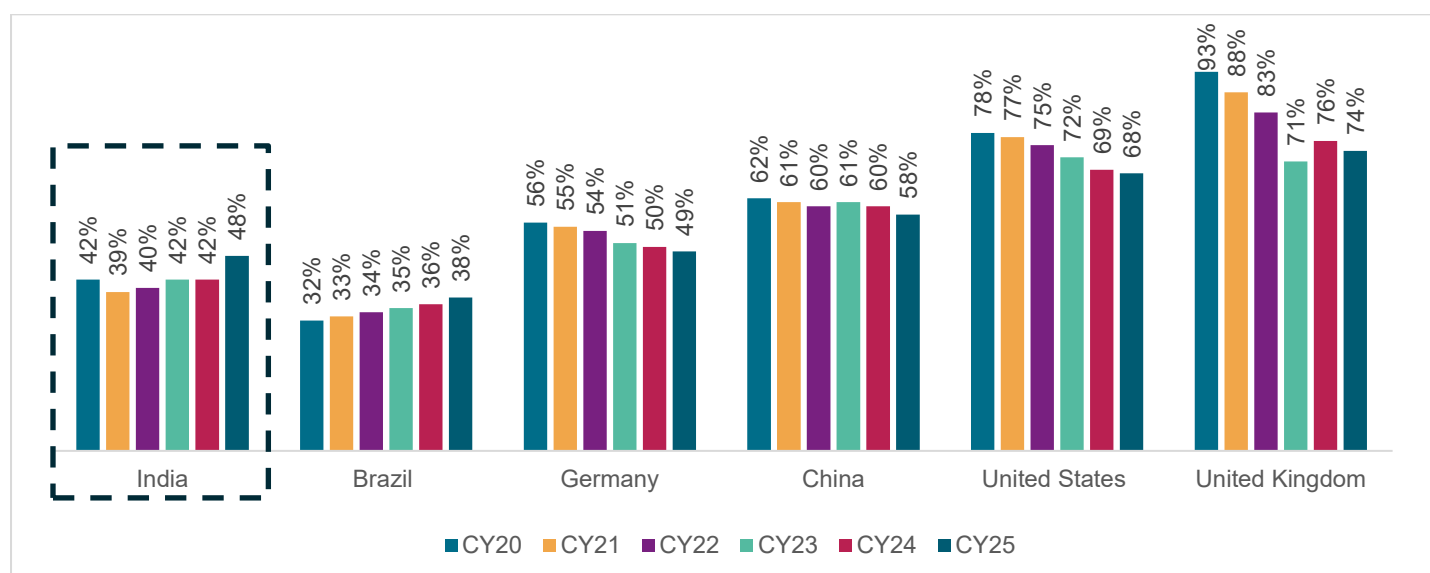
Bank credit to GDP ratio from CY20 to CY25



Source: Bank of International Settlements, Crisil Intelligence

In CY 2025, China has the highest bank credit-to-GDP ratio, at 201%, followed by United States (US), at 140%. The under-penetrated Indian banking sector has a bank credit-to-GDP ratio of 102%. India's low credit-to-GDP ratio compared to global peers indicates significant untapped potential for formal lending expansion.

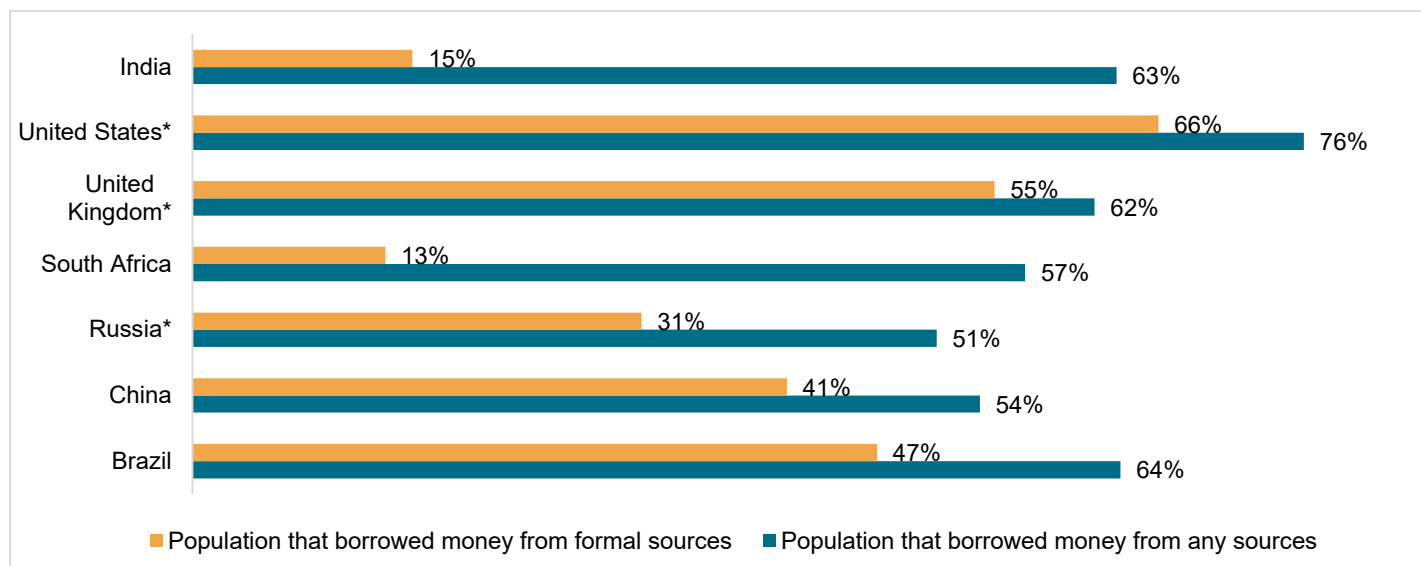
Household credit-to-GDP ratio from CY20 to CY25



Source: Bank of International Settlements, Crisil Intelligence

The UK had the highest household credit-to-GDP ratio of 74% among the major economies as of CY 2025, followed by US with 68%. India's ratio was 48%. India's low household credit-to-GDP ratio compared to global peers indicates significant untapped potential for formal lending expansion.

Only 15% of the population in India borrowed money from formal sources (CY24)



* Data is for calendar year 2021

Notes:

1. Global Findex data for India excludes northeastern states, remote islands and selected districts
2. Data is for the population in the age group of 15+ years
3. Money borrowed from formal sources includes money borrowed from banks, NBFCs and through credit cards

Source: World Bank – The Global Findex Database 2025, Crisil Intelligence

In the metric of borrowing from formal sources, India ranked poorly when compared with the major economies. While 66% of the population in the US and 55% in the UK borrowed money from formal sources in 2021, only 15% of the population in India borrowed from formal sources. A significant majority in the country relied on friends, family or unorganised lenders, among others. The key reason could be that a huge portion of the population may not have the necessary documents, such as proof of income or identity, to access formal credit.

Around 64% of the population in India stays in the rural parts of the country but accounts for only ~8% of the total banking credit

In value terms, bank credit and deposits are predominantly concentrated in the metropolitan and urban centres of the country, while these are considerably low in semi-urban and rural pockets. NBFCs catering to rural credit serve a large population that still does not have complete access to credit. Therefore, NBFCs have an important role to play, ensuring last mile credit delivery.

Region-wise share of banking credit (fiscal 2026)

Region and population group-wise credit (Rs trillion)					
Region	Metropolitan	Rural	Semi-urban	Urban	Total credit
Central	7.39	2.56	3.46	5.96	19.37
East	5.23	2.40	2.51	4.54	14.68
Northeast	-	0.54	0.68	1.06	2.27
North	24.23	2.94	4.56	9.27	41.01
South	27.19	6.24	13.94	12.22	59.59
West	60.59	1.82	4.33	4.70	71.44
Total credit	124.64	16.50	29.47	37.75	208.36

Notes:

1. Region and population group-wise credit according to place of sanction
2. Centre classification for opening of branches: Rural (population up to 10,000), semi-urban (population more than 10,000 up to 1,00,000), urban (population 1,00,000+ up to 10,00,000) and metropolitan (population 10,00,000+)
3. The Northeast includes Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura
4. Central includes Chhattisgarh, Madhya Pradesh, Uttar Pradesh and Uttarakhand
5. West includes Goa, Gujarat, Maharashtra, Dadra and Nagar Haveli, and Daman and Diu
6. East includes Bihar, Jharkhand, Odisha, Sikkim, West Bengal, and Andaman and Nicobar Islands
7. South includes Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Lakshadweep and Puducherry

8. North includes Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Chandigarh and Delhi

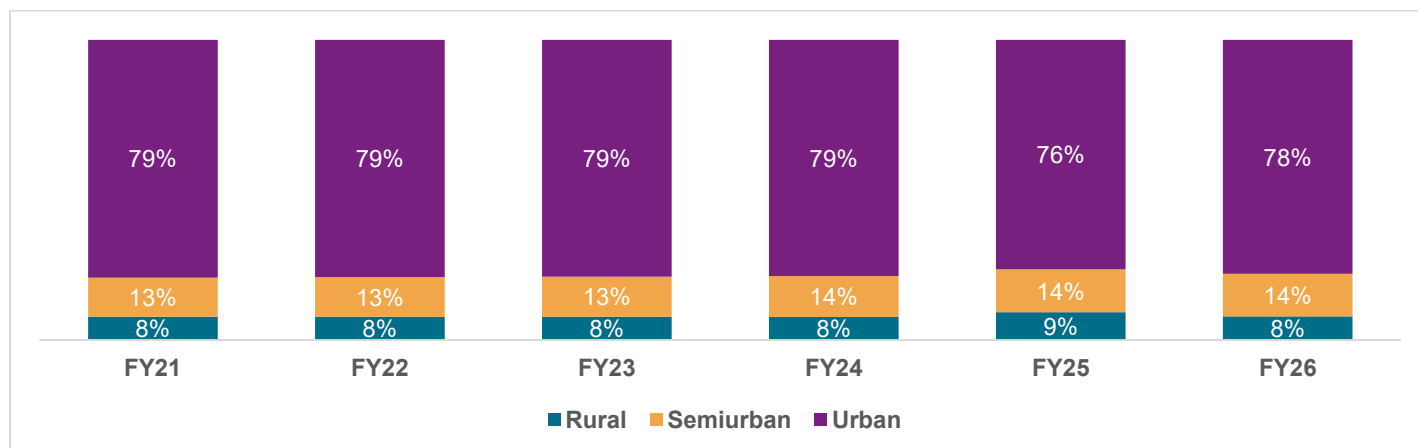
Source: RBI, Crisil Intelligence

About 64% of India's population resides in rural areas, according to World Bank estimates for calendar year 2024. As per the 2011 Census, India had over 0.64 million villages. Rural India's share in total bank deposits and credit remains low at about ~9.00% and ~8.00%, respectively, as of March 2026. Limited banking infrastructure, low financial literacy and investment awareness, and lack of formal identification are the key reasons for this low penetration.

Although most Indian households are in rural areas, the potential of banking infrastructure in these areas remains largely untapped. Hence, a gap exists between the supply of and demand for financial services in these regions, presenting pockets of opportunity for the NBFCs and MFIs to address these gaps.

Share of bank credit indicates low penetration in rural areas

Population group-wise share of credit



Note:

1. Urban includes data for both urban and metropolitan areas
2. The above data represents indicators for scheduled commercial banks in India
3. Total may not add up to 100% due to rounding off of decimals

Source: RBI, Crisil Intelligence

Financial inclusion is lower in rural areas than in urban areas, presenting significant growth opportunities in this segment. Initiatives such as the PMJDY and digital banking, along with an increased focus on financial literacy, have helped improve financial inclusion in rural areas.

Majority of Indian states have banking credit penetration of less than 100%

While Maharashtra, Tamil Nadu, Haryana, Delhi and Telangana exhibit credit to GDP ratios above 100%, reflecting mature financial sectors, most Indian states lag behind, indicating significant scope for credit expansion and deeper financial inclusion.

Additionally, the low share of credit extended to rural areas across states presents a vast untapped potential to drive economic expansion by improving last-mile credit access. Addressing this disparity by improving rural credit delivery through the reach of NBFCs, microfinance institutions and targeted government schemes will play a pivotal role in fostering inclusive growth, enabling broader participation in the formal financial system.

Bank credit penetration (fiscal 2026)

State/union territory	Gross state domestic product (GSDP) (constant price) (Rs in billion)	Total banking credit (Rs. in billion)	Banking credit penetration	% of overall credit for each state	% of credit in rural areas for each state
Maharashtra	28,826.99	59,409.08	206.09%	28.53%	6.12%
Tamil Nadu	19,198.04	19,710.34	102.67%	9.47%	15.29%
Gujarat	18,776.67	11,588.59	61.72%	5.57%	4.42%
Karnataka	17,230.06	13,893.11	80.63%	6.67%	7.68%

State/union territory	Gross state domestic product (GSDP) (constant price) (Rs in billion)	Total banking credit (Rs. in billion)	Banking credit penetration	% of overall credit for each state	% of credit in rural areas for each state
*Uttar Pradesh	16,349.24	10,156.71	62.12%	4.88%	9.23%
West Bengal	10,286.17	7,073.18	68.76%	3.40%	5.95%
Rajasthan	9,818.07	7,084.21	72.15%	3.40%	5.21%
Andhra Pradesh	9,522.61	8,466.93	88.91%	4.07%	8.62%
Telangana	8,895.82	10,568.82	118.81%	5.08%	5.15%
Madhya Pradesh	7,819.11	5,718.56	73.14%	2.75%	3.91%
*Kerala	6,852.83	6,686.23	97.57%	3.21%	0.90%
*Haryana	6,770.33	6,852.02	101.21%	3.29%	2.87%
#NCR of Delhi	6,698.63	19,881.42	296.80%	9.55%	0.28%
Bihar	5,766.45	2,916.81	50.58%	1.40%	3.36%
Odisha	5,743.50	2,968.81	51.69%	1.43%	3.53%
Other States	24,008.30	15,254.89	63.54%	7.33%	17.49%

Note:

1. Bank credit penetration is calculated as bank credit to the geography divided by the state's GSDP (at constant prices) as of fiscal 2026
2. GSDP is measured at constant prices, with 2011-2012 as the base year
3. *GSDP is taken for fiscal 2025, # GSDP is taken for fiscal 2024.

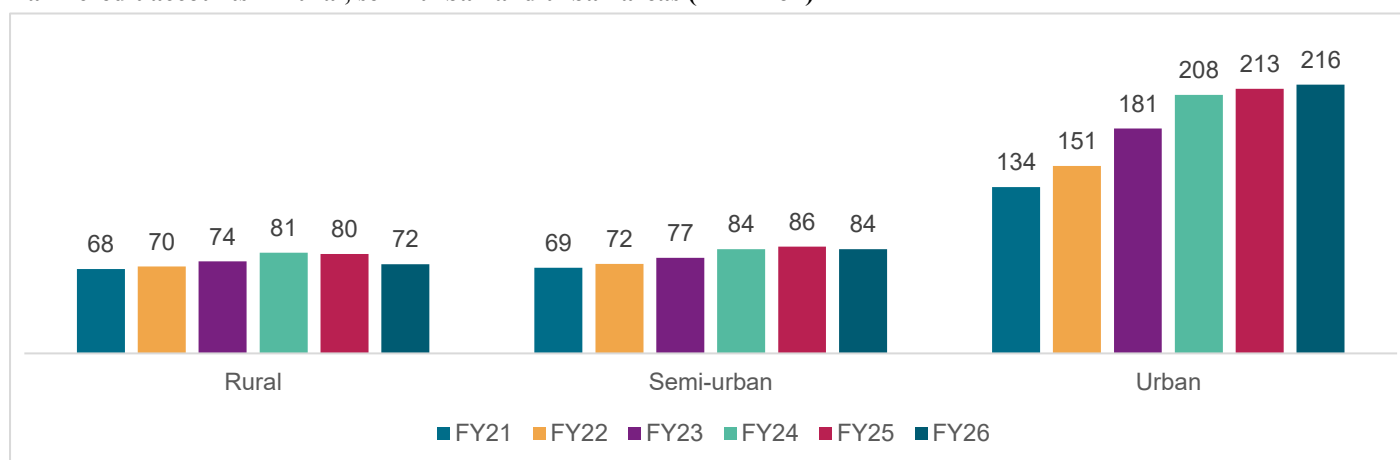
Source: RBI, Ministry of Statistics and Programme Implementation, Crisil Intelligence

Women empowerment

The transformative potential of self-help groups (SHGs), highlighted through their key role in the on-ground response to Covid-19, has served as the fulcrum of rural development through women's empowerment. As on January 31, 2025, about 100.50 million women were mobilised into 9.90 million SHGs. In addition, the rural female labour force participation rate rose steadily to 47.60% in fiscal 2024 from 24.60% in fiscal 2018 (female labour utilisation in India).

Additionally, Joint Liability Groups (JLGs) have played a significant role in women empowerment, especially in rural and semi-urban areas. By enabling women to collectively access credit without collateral, JLGs have facilitated financial inclusion and enhanced their entrepreneurial capabilities. This access to microfinance has allowed women to start or expand small businesses, contribute to household income, and gain financial independence. Moreover, the group-based model of JLGs fosters solidarity, confidence, and leadership skills among women, empowering them to participate actively in decision-making processes both within their families and communities.

Bank credit accounts in rural, semi-urban and urban areas (in million)



Note:

1. Urban includes data for urban and metropolitan areas
2. Numbers are as of the end of the fiscal year indicated
3. The above data represents only bank credit accounts and indicators for scheduled commercial banks in India

Untapped market presents growth opportunity for financiers

Share of bank credit to metropolitan areas has decreased over the past few years, declining from 66% as of March 31, 2019, to 60% as of March 31, 2026. During the period, credit share rose marginally in urban (15% in fiscal 2019 to 18% in fiscal 2026), rural (7% in fiscal 2019 to 8% in fiscal 2026) and semi-urban areas (12% to 14%). As on March 31, 2026, rural areas received just 8% of the overall banking credit according to the RBI's banking credit data, which shows the vast market opportunity for banks and NBFCs to lend in these areas. Further, usage of alternative data to underwrite customers is also expected to help banks and NBFCs to assess customers and cater to the informal sections of the society in the rural areas.

Rural areas and small towns (Tier 3 and 4) are becoming structurally resilient to shocks and are shifting towards digital adoption

According to the 2011 Census, India had about 640,000 villages with a population of 893 million. The rural and semi-urban economies are far more resilient today, supported by higher spending under schemes such as PM-KISAN, MGNREGA, 2005, and higher MSPs. In addition, initiatives such as DBT, PM Ujjwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare are supporting growth in rural and semi-urban areas.

The rural economy is largely driven by agriculture, which was less impacted by the Covid-19 lockdowns compared with urban sectors such as services and manufacturing. With farming activities continuing, rural households maintained some level of income stability, supported in part by government interventions such as the PM-KISAN scheme and increased funding under MGNREGA.

However, in banking and financial services, rural and semi-urban areas remain underpenetrated, with only a fraction of the population fully integrated into the formal financial system. Significant opportunities exist to expand access to credit, insurance and digital payments. Improvements in digital infrastructure, rising smartphone penetration and increasing internet connectivity are enabling fintech and banking players to reach previously untapped rural and semi-urban markets, particularly through initiatives such as PMJDY and the use of Aadhaar-enabled payment systems. Tier-3 and -4 towns have economies driven largely by micro, small, and medium enterprises (MSMEs), which have shown greater adaptability to disruptions. Moreover, many residents engage in entrepreneurial or informal work, providing flexibility during economic shocks.

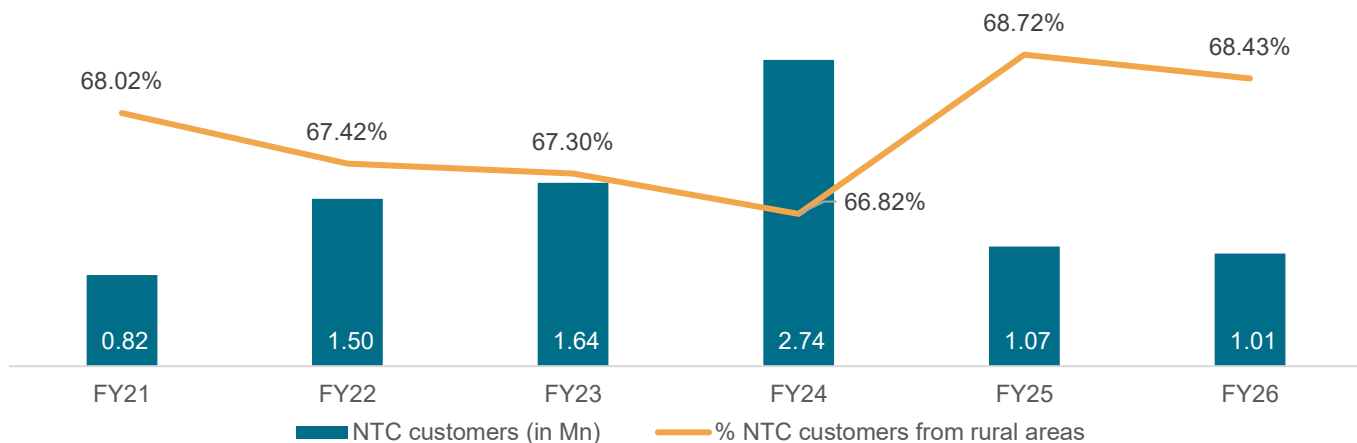
Digitization aided by technology to play pivotal role in growth of rural economy

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years. Among many initiatives by the government, the Unified Payments Interface (UPI) is playing a pivotal role towards financial inclusion. It provides a single-click digital interface across all systems for smartphones linked to bank accounts and facilitates easy transactions using a simple authentication method. The volume of digital transactions has also seen a surge in the past few years, driven by increased adoption of UPI. Apart from financial services industry, digitization in other industries like retail will also play an important role in the growth of rural economy.

Microfinance Institutions (MFIs) are acting as the primary contact for movement from informal credit to formal credit for first time borrowers

MFIs have emerged as one of the most effective last-mile channels for financial inclusion, consistently converting “credit-invisible” individuals into first-time formal borrowers, with a strong rural orientation. A key strength of MFI-led NTC onboarding is that the rural borrowers consistently form ~two-thirds of first-time credit customers highlighting MFIs ability to originate new credit relationships in under-penetrated geographies. This rural anchoring also appears resilient: even as NTC volumes normalized after the fiscal 2024 peak the rural share improved to 68.72%, indicating MFIs continued to prioritize core inclusion segments despite the slowdown. By continuously adding first-credit borrowers predominantly in rural India, MFIs expand the base of customers by creating formal credit histories and scorable profiles, which strengthens long-term borrower growth for the financial system and supports a structural rise in India's overall credit penetration over time.

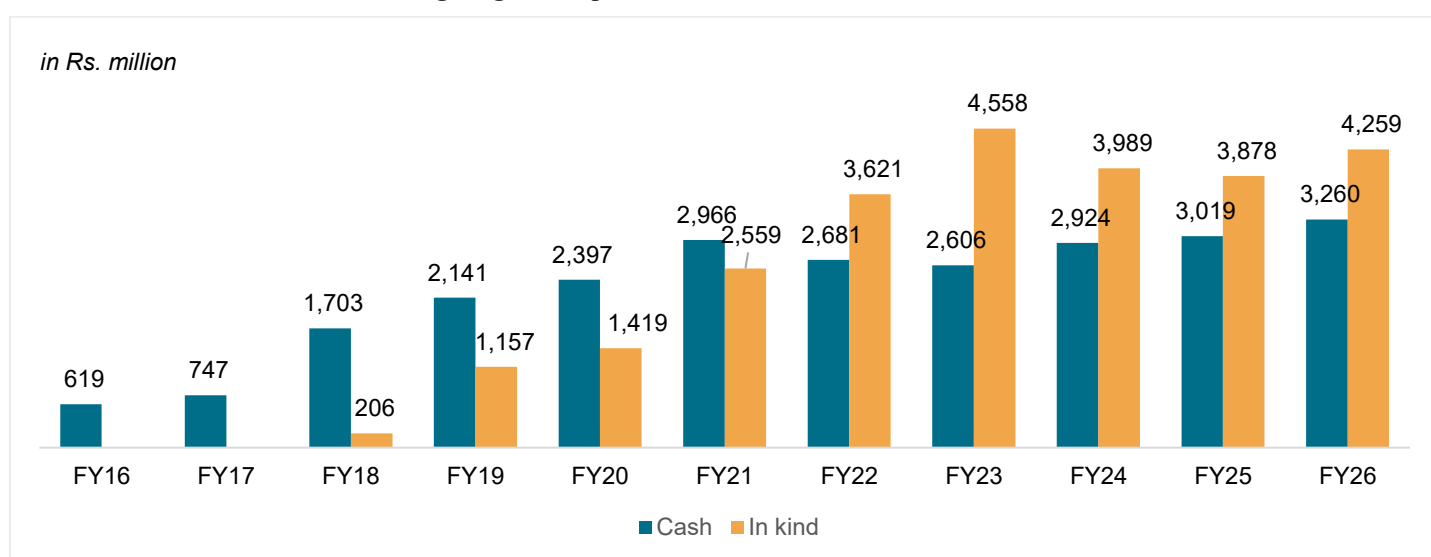
Cumulatively 8.78 Mn New to Credit (NTC) customers have been given first time loans through formal channels by MFIs



Source: CRIF Highmark, Crisil Intelligence

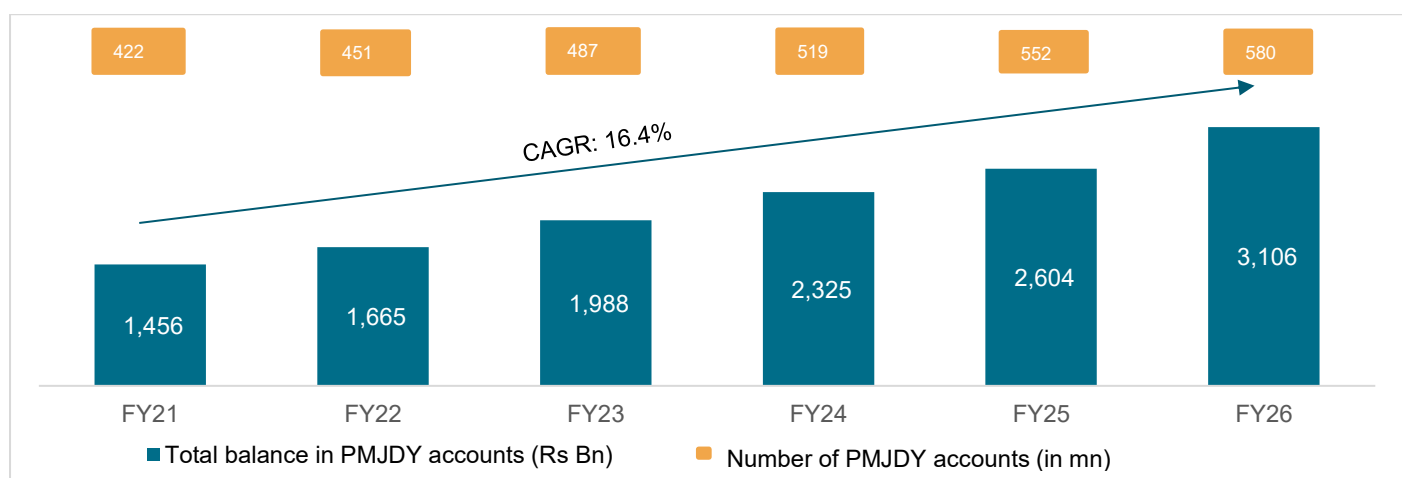
Government measures to improve financial inclusion and digital adoption

Government schemes delivered through digital adoption – fund transfer



Source: Direct Benefit Transfer, Crisil Intelligence

Number of PMJDY accounts and total balance



Source: PMJDY; Crisil Intelligence

Priority sector lending

Priority sector lending (PSL) is an important policy tool used by the RBI to promote financial inclusion in India. The PSL requirement mandates banks to allocate a specified percentage of their lending portfolio to priority sectors, such as agriculture, micro, small and medium-sized enterprises (MSMEs), education, housing and other weaker sections of society. Lending to such

priority sectors not only increases the credit access to underserved sectors but also leads to higher economic growth and promotes inclusive development. It also encourages banks to develop innovative products and services specifically for priority sectors. As of March 2026, bank credit to PSL stood at Rs 95.28 trillion, up from Rs 78.32 trillion in March 2025.

Overview of Systemic Credit and NBFC sector in India

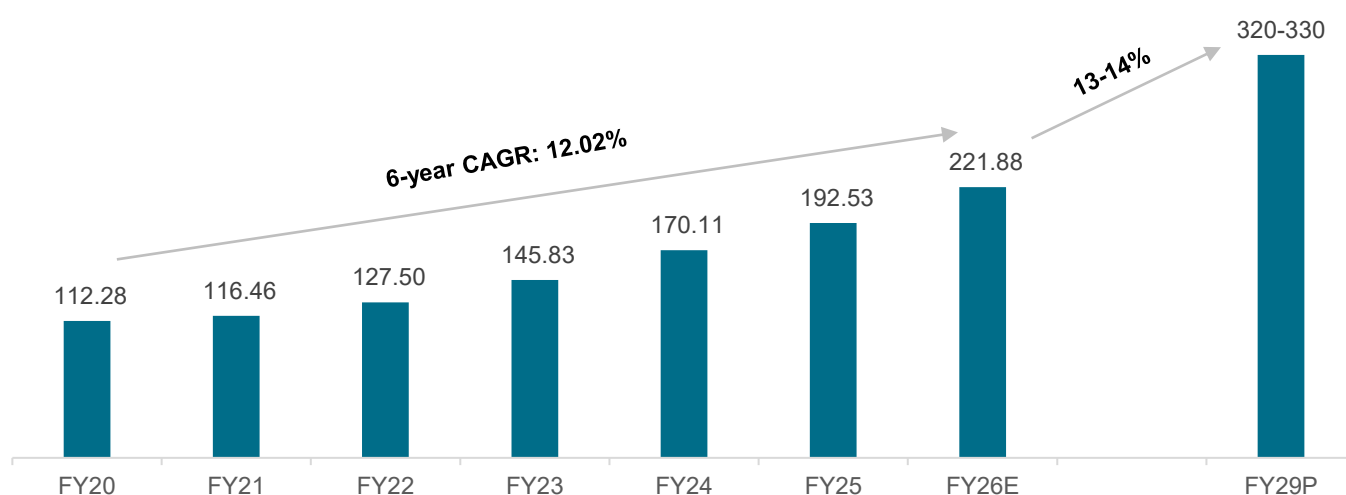
India's impressive credit expansion over the past few years has been driven by parallel structural reforms and technological innovations across both banks and non-banking financial companies (NBFCs), creating a comprehensive ecosystem conducive for sustained credit growth.

Notably, NBFCs have demonstrated remarkable agility in adopting new technologies, using digital platforms to tap previously unbanked or underbanked segments in retail, microfinance and micro, small and medium enterprises (MSME) lending.

The formalisation of the co-lending model between banks and NBFCs has amplified credit delivery by combining banks' capital strength and risk-sharing capabilities with NBFCs' digital reach and specialised underwriting expertise. Digital platforms, neobanks and financial technology (FinTech) applications have reduced customer acquisition costs and turnaround times while democratising consumption credit across demographic segments.

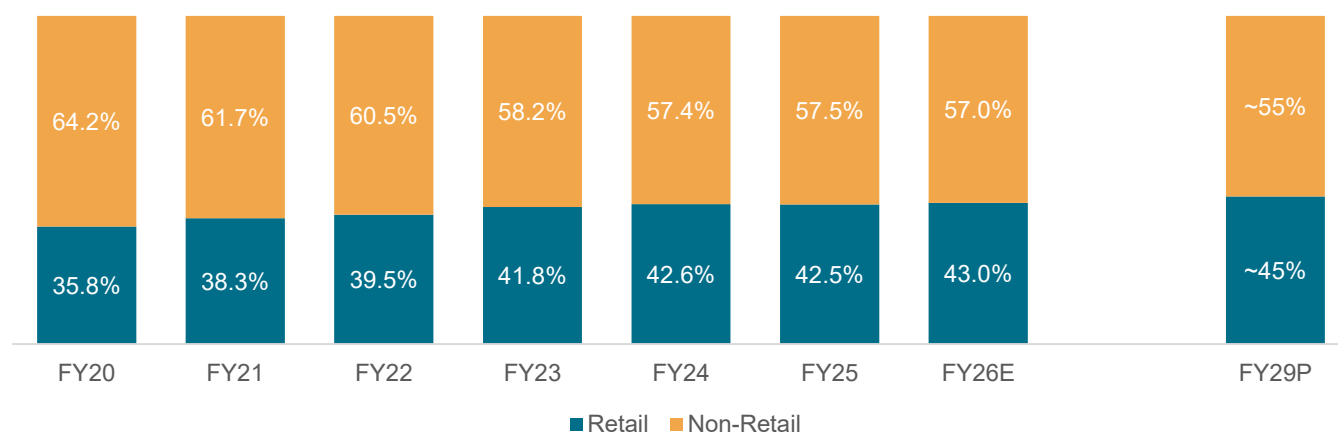
Technology has not only enhanced operational efficiency but has also expanded the credit market itself by making previously "uncreditworthy" borrowers bankable through advanced risk evaluation and dramatically lower operational costs. Consequently, the systemic credit in India clocked a CAGR of 12.02%, reaching ~Rs 221.88 trillion in fiscal 2026 from Rs 112.28 trillion in fiscal 2020. The credit market is expected to sustain a CAGR of 13-14% and reach Rs 320-330 trillion by the end of fiscal 2029.

Systemic credit to grow 13-14% between fiscals 2026 and 2029



Note: E: Estimate, P: Projected; This excludes credit from Banks to NBFCs, food credit & credit to agriculture and allied activities.
Source: RBI, company reports, Crisil Intelligence

Rising retail credit share in the systemic lending landscape

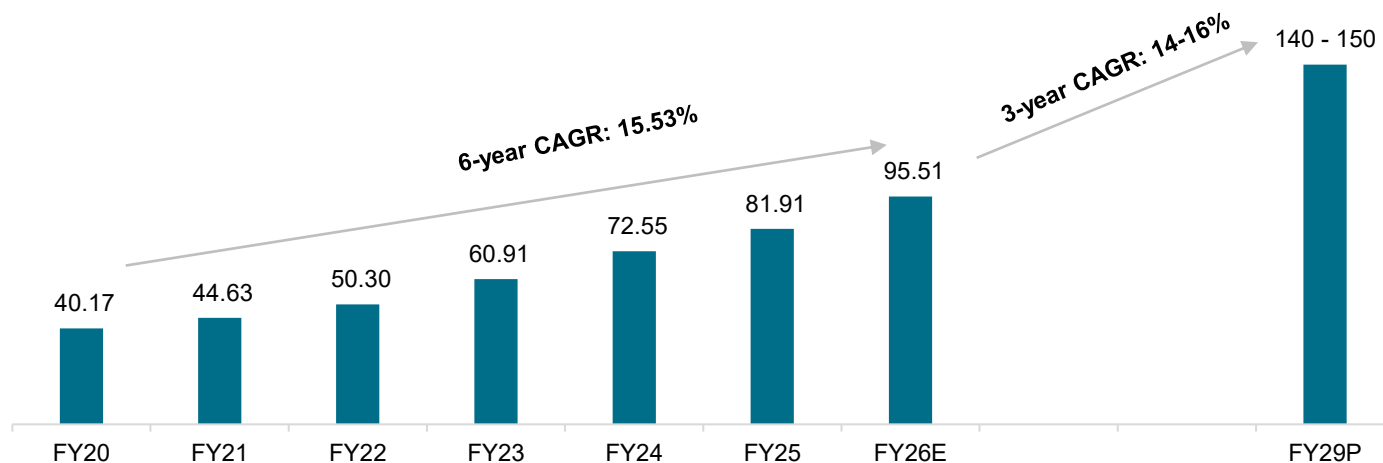


Note: E: Estimate, P: Projected. Source: RBI, company reports, Crisil Intelligence

Retail credit continued to lead the systemic credit growth in fiscal 2026, supported by the focused approach of banks and NBFCs in expanding the retail portfolio. The retail credit portfolio continues to outpace non-retail credit. This shift across the financial sector indicates a fundamental reassessment of risk-return profiles and market opportunities. We project systemic retail credit to have a share of ~45% by fiscal 2029.

Systemic retail credit growth is projected to outpace the overall credit growth between fiscals 2026 and 2029

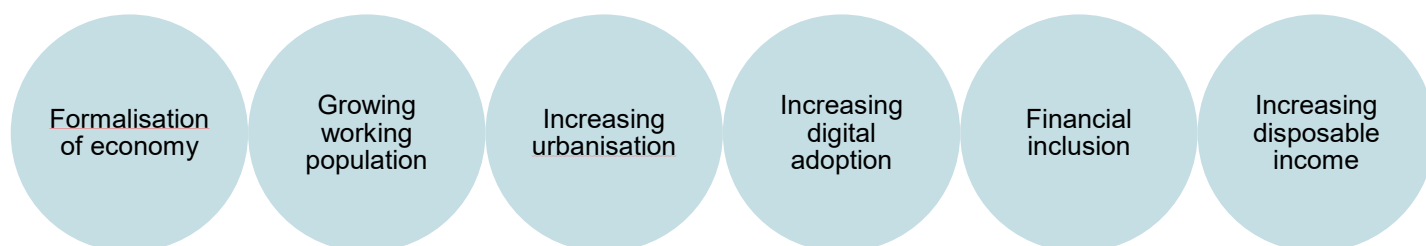
Rs trillion



Note: E-Estimate, P-Projected. Source: RBI, Crisil Intelligence

The Indian retail credit market, encompassing asset classes such as housing, microfinance, vehicle financing and personal loans, stood at ~Rs 95.51 trillion in fiscal 2026, clocking a 6 year-CAGR of 15.53% from Rs 40.17 trillion in fiscal 2020. Furthermore, the market is expected to exhibit a projected growth rate of 14-16% between fiscal 2026 and fiscal 2029 to reach Rs 140-150 trillion.

Factors that will support retail credit growth



Source: Crisil Intelligence

The Indian retail credit market is poised for significant growth, driven by increasing disposable incomes, changing lifestyles and a shift towards discretionary spending. This trend is evident in both rural and urban India, with the share of discretionary items in the consumption basket growing between fiscals 2012 and 2024 as per Household Consumption Expenditure Survey (HCES) 2023-24 by Ministry of Statistics and Programme Implementation (MoSPI). For instance, rural average monthly per-capita expenditure (MPCE) increased from Rs. 1,430 in FY12 to Rs. 2,079 by FY24. On the other hand, the urban average MPCE increased from Rs. 2,630 in FY12 to Rs. 3,632 by FY24. With improving financial health, consumers are seeking credit to finance purchases, such as vehicles and homes, creating a sizable market for lenders.

Government initiatives to promote digitalisation and financial inclusion have improved access to credit for underserved segments such as MSMEs and low-income households. Despite rapid growth, retail credit penetration remains low, presenting an opportunity for lenders to expand their customer base and increase market share. India's demographic dividend, with a large working-age population, is expected to drive consumption and credit demand, fuelling the growth of the retail credit market. The young population's aspirations for a better lifestyle and increased access to credit are expected to contribute to a sustained growth trajectory, offering lenders opportunities.

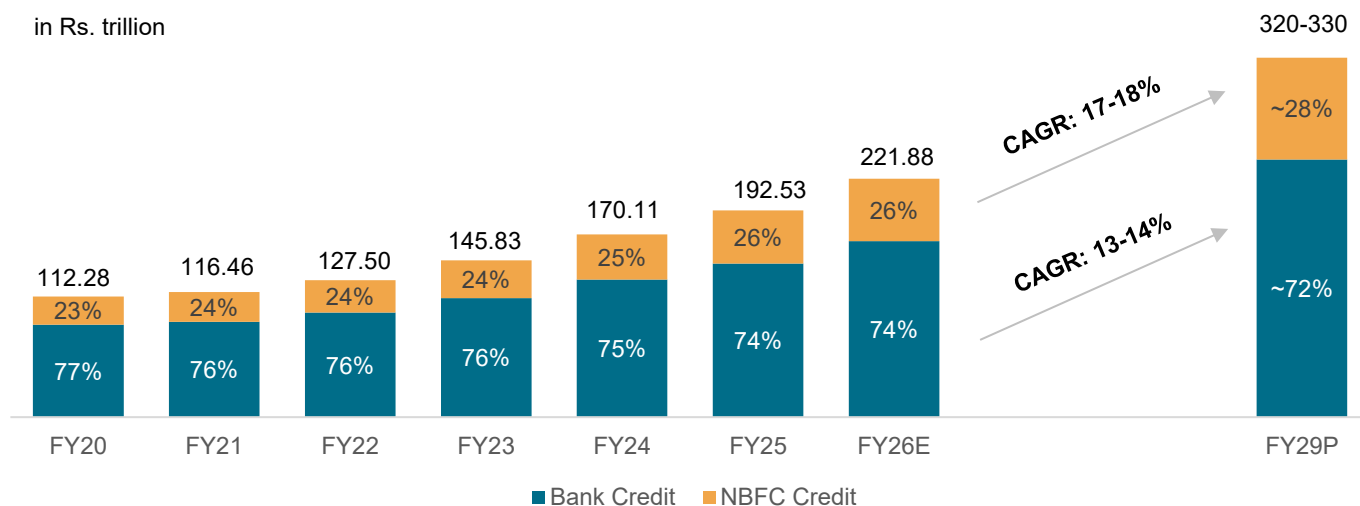
NBFC credit is expected to clock higher growth (17-18%) than bank credit (13-14%) between fiscals 2026 and 2029

The credit growth of NBFCs has consistently outpaced India's gross domestic product (GDP) growth, and this trend is expected to persist, with NBFCs poised to continue growing at a faster pace. NBFCs have shown remarkable resilience and have emerged as a vital component of the financial ecosystem. Their assets under management (AUM) expanded from less than Rs 2 trillion in 2000

to ~Rs 58 trillion by the end of fiscal 2026.

The traditional banking system had many limitations for certain sections of society with lower gross state domestic product (GSDP) and no credit score. NBFCs were able to bridge this gap by opening branches in rural and semi-urban areas and providing credit and other financial services due to their flexibility in assessing customers with low or no credit scores. Unlike banks, they could provide customised services to retail and institutional customers and introduce newer credit products. NBFCs have niche and differentiated skills to serve the customer segment underserved by banks, offering flexibility of products, faster turnaround time and the ability to assess credit in the absence of a complete set of formal documentation.

Overall NBFC credit constitutes ~26% of the overall systemic credit in fiscal 2026



Note: E - Estimate, P - Projected. Source: RBI, Company reports, Crisil Intelligence

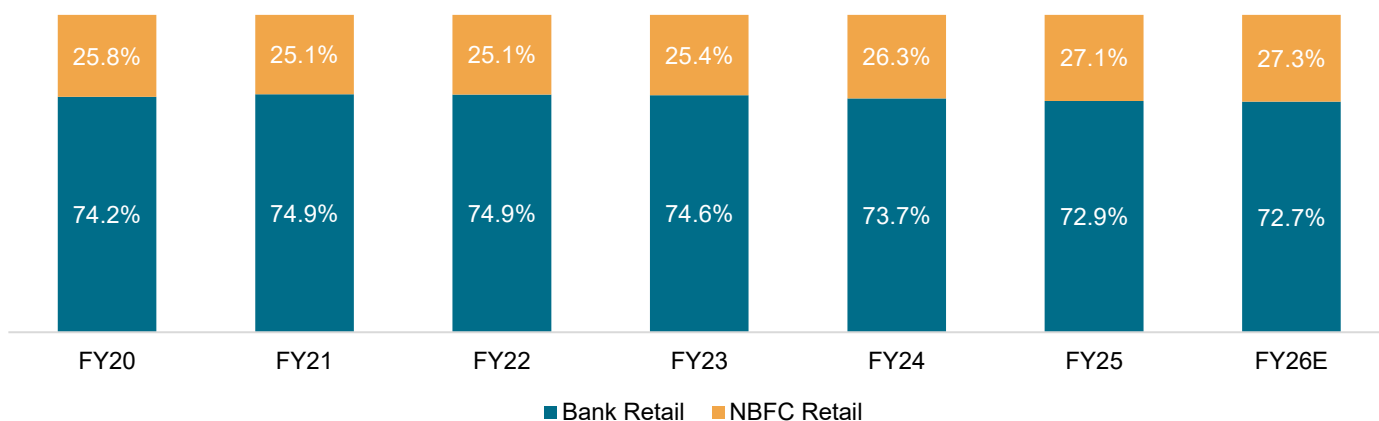
The share of NBFCs in systemic credit is expected to have increased to 26% in fiscal 2026 from 23% in fiscal 2020 and is likely to be marginally higher at 28% in fiscal 2029. During the fiscal 2026-29 period, NBFCs are projected to outpace banks in credit deployment due to their higher growth potential, greater flexibility in lending to underserved segments, and focus on niche markets.

We believe that NBFCs will remain a force to reckon with in the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments not conventionally targeted by the banks. NBFCs are expected to continue to gain market share over banks due to their ability to provide flexible lending solutions and tailored services, focused approach to tap underserved and niche customer segments, ability to penetrate deeper into geographies, leveraging technology to reimagine the lending process, strong origination skills and shorter turnaround time.

NBFCs drive financial inclusion

NBFC credit to the retail segment formed approx. 45% of its portfolio in fiscal 2026 as compared to Banks' 42%, indicating greater focus on retail customers, with rural and semi-urban areas presenting vast market opportunity for NBFCs. Their stronger presence in rural and semi-urban areas where MSMEs are prominent helps them to serve the under-penetrated segments. NBFCs bridge this gap by offering customised solutions.

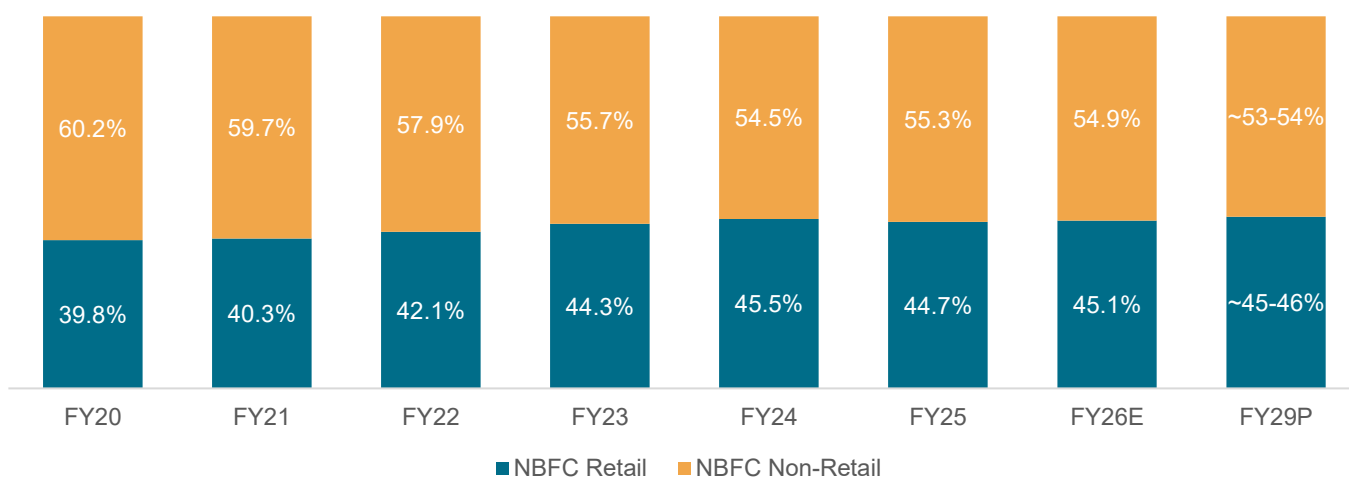
NBFC retail credit has grown at faster pace



Note: E = Estimate. Source: RBI, Company reports, Crisil Intelligence

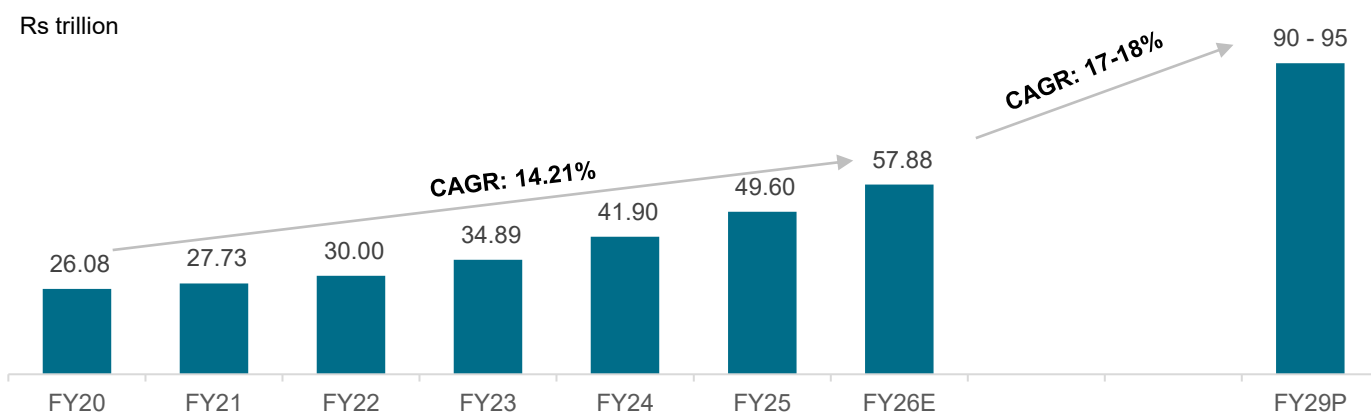
The retail credit sector has witnessed steady growth, with both banks and NBFCs experiencing an upward trend. Notably, NBFCs have been growing at a faster rate, increasing their significance in the retail credit market. Their extensive penetration in tier 2 and tier 3 cities, where banks have limited presence, has enabled them to serve MSMEs and first-time retail borrowers.

Share of NBFC retail credit stood at ~45% of overall NBFC credit in FY26



Note: E = Estimate, P = Projected. Source: RBI, Company reports, Crisil Intelligence

NBFCs' AUM growth is expected to outpace banks' and overall systemic credit growth from fiscal 2026 to 2029



Note: E - Estimate, P - Projected. Source: RBI, Company reports, Crisil Intelligence

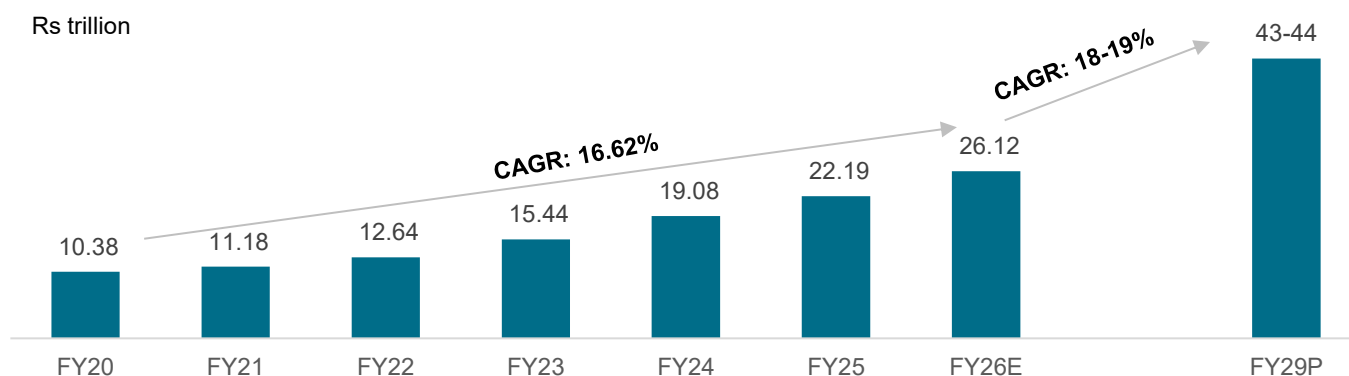
The NBFC sector has evolved considerably over the years in terms of size, operations, technological sophistication, and entry into

newer areas of financial services and products. NBFC credit is estimated to have clocked a CAGR of 14.21% between fiscals 2020 and 2026, driven by the retail segment, which is estimated to have witnessed a CAGR of ~16.62%, while non-retail credit is estimated to have witnessed a growth of ~12.47% during the same period.

The unsecured segment within the retail portfolio grew rapidly over the past five fiscals, raising concerns about potential risks. In response, the RBI issued a circular in November 2023 mandating higher capital buffers for such exposures. This resulted in a slowdown of credit growth in the latter half of fiscal 2024, which persisted into fiscal 2025. Consequently, NBFCs reduced unsecured loan exposure in 2025 to maintain asset quality and began gradually expanding again in fiscal 2026.

Going forward, the NBFC retail segment is expected to see an 18-19% growth from fiscal 2026 to fiscal 2029, which will support overall NBFC credit growth, with continued focus on the retail segment.

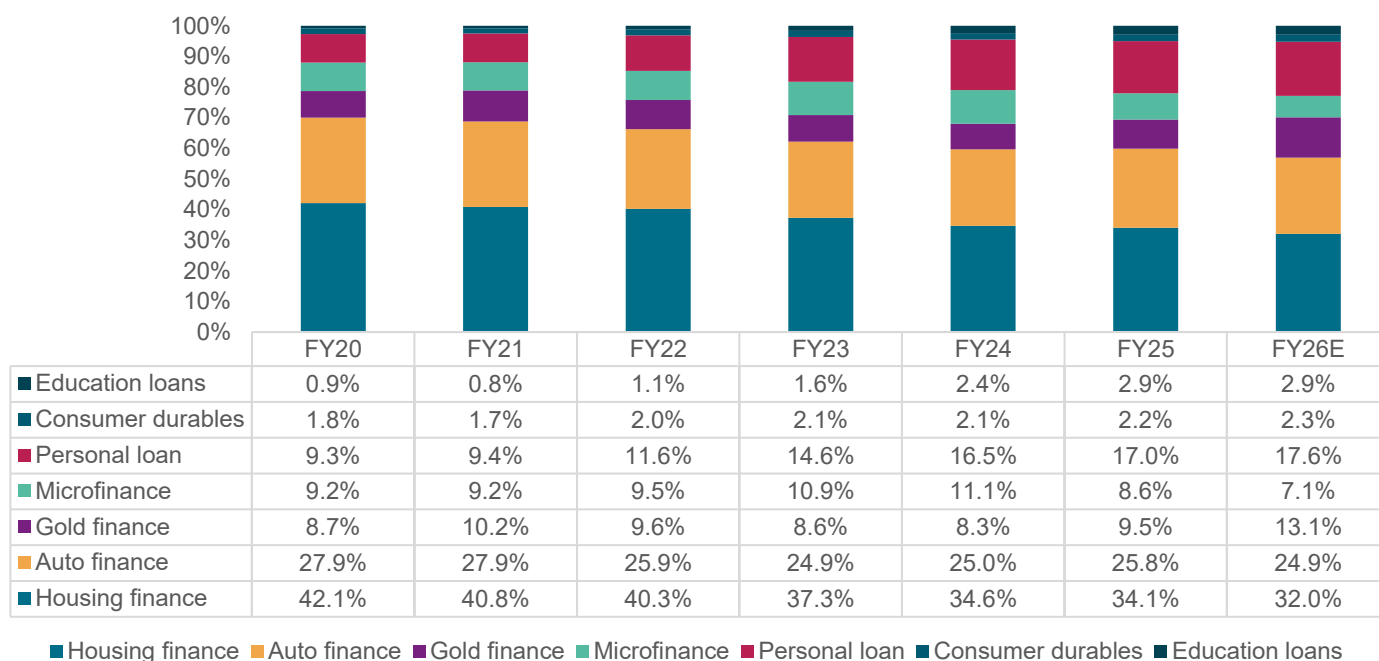
NBFC retail credit trend



Note: E: Estimate, P: Projected. Source: RBI, company reports, Crisil Intelligence

The NBFC's retail credit market is expected to grow by 18-19% during fiscal 2026-29, surpassing its overall credit growth of 17-18%. This expansion is driven by steady increases in NBFC lending, highlighting ongoing demand for retail financing led by housing, auto, gold and personal loans.

Trend in asset-wise share of NBFC's retail credit book



Note: E – Estimate. Source: RBI, Company reports, Crisil Intelligence

The microfinance book experienced steady growth from FY20 through FY24, after which it declined due to a sharp decrease in disbursements, elevated GNPA levels, and the implementation of strict MFIN guardrails aimed at promoting sustainable growth and reducing overleveraging risks. In contrast, the housing credit segment nearly doubled over the past six years, supported by lower repo rates, government initiatives under PMAY, and increasing disposable incomes, which helped sustain its momentum.

Asset quality and profitability

Profitability of NBFCs

Profitability of NBFCs (fiscal 2021-27P)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27P
Interest on loans	11.99%	11.30%	11.68%	12.46%	12.62%	12.77%	12.70-12.80%
Interest expense	6.48%	5.64%	5.68%	6.27%	6.41%	6.33%	6.20-6.30%
NIMs	5.51%	5.65%	6.00%	6.19%	6.21%	6.44%	6.45-6.55%
Opex	2.07%	2.45%	2.79%	2.83%	2.86%	2.78%	2.70-2.80%
Credit costs	2.53%	1.70%	1.03%	1.01%	1.51%	1.23%	1.10-1.20%
Tax	0.52%	0.69%	0.88%	1.04%	0.77%	0.94%	0.90-1.00%
Post-tax return on assets (ROA)	1.57%	1.99%	2.71%	2.87%	2.50%	2.90%	2.90-3.00%

Note: E – Estimate, P: Projected; The above analysis, data of 100 NBFCs were considered for fiscal 2021 to fiscal 2025. The trends for fiscal 2026 was estimated basis bottom up analysis of key NBFC segments such as, housing, microfinance, auto finance, gold finance, and education loans. Source: Crisil Intelligence

Over fiscal 2021 to fiscal 2025, the yield on advances rose from 11.99% to 12.62% on the back of RBI's decision to raise the repo rate to 6.50% in February 2023. Although the repo rate has been gradually reducing since February 2025, the transmission of these rate cuts is expected to moderate the growth of yield on advances. Consequently, in fiscal 2026, the yield on advances is estimated to be around 12.77% mark and is projected to remain so through fiscal 2027.

However, operating expenses have demonstrated an upward trajectory, increasing from 2.07% in fiscal 2021 to 2.86% in fiscal 2025, owing to the expansion of branch networks and investments in technology by NBFCs. It is further estimated to stay above 2.70% mark in fiscal 2026 and 2027.

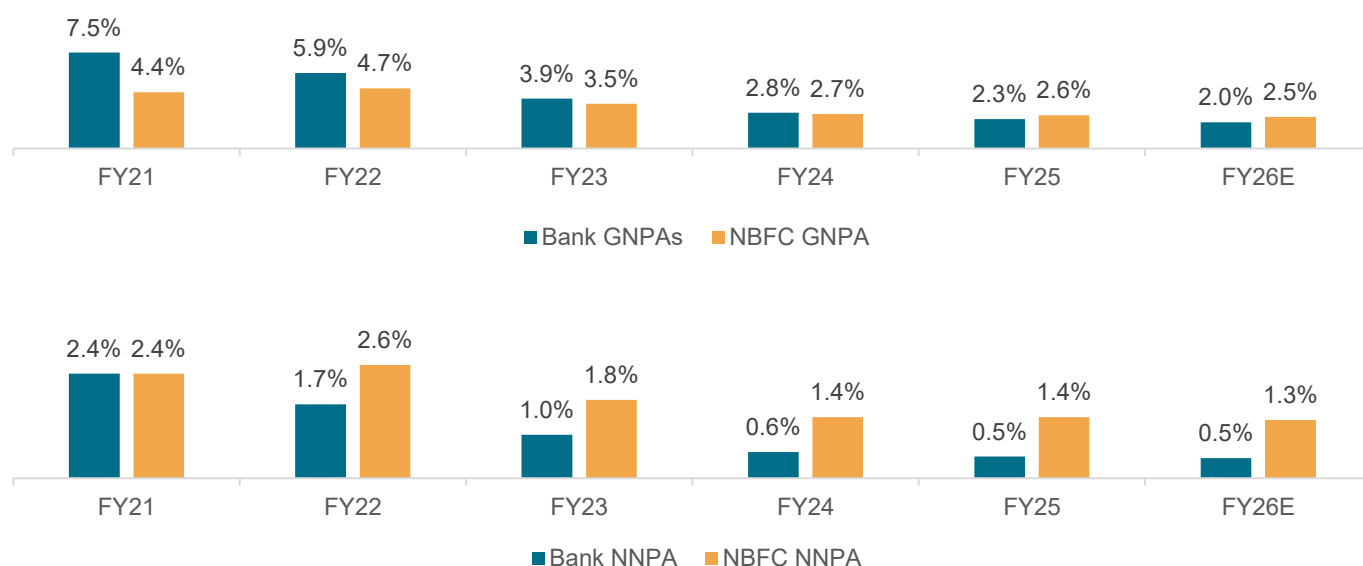
Notably, credit costs have decreased significantly from 2.53% in fiscal 2021 to 1.01% in fiscal 2024, mitigating the impact of the Covid-19 pandemic. However, a 50 bps increase in credit costs was observed in fiscal 2025 over previous fiscal, due to underwriting concerns and over-leveraging issues in the unsecured loan segment. The same is estimated to have been reduced to 1.23% in fiscal 2026 and is expected to further moderate in fiscal 2027.

The overall return on assets of the key 100 NBFCs has demonstrated a marked improvement, increasing from 1.57% in fiscal 2021 to 2.50% in fiscal 2025. In fiscal 2026, it is further estimated to have improved to 2.90%.

Asset quality of NBFCs

The asset quality of NBFCs improved marginally in fiscal 2026, with gross non-performing assets (GNPAs) at 2.47% vs 2.60% in fiscal 2025, despite challenges in the unsecured lending space where personal loans and microfinance faced asset quality concerns due to borrower overleveraging. Intensified collection efforts and monitoring, especially in the case of early delinquencies (+1 days past due), along with higher provisions, supported the boost in overall asset quality. Also, the GNPA of secured retail assets, such as housing and vehicle loans, improved, owing to effective collection and provisioning.

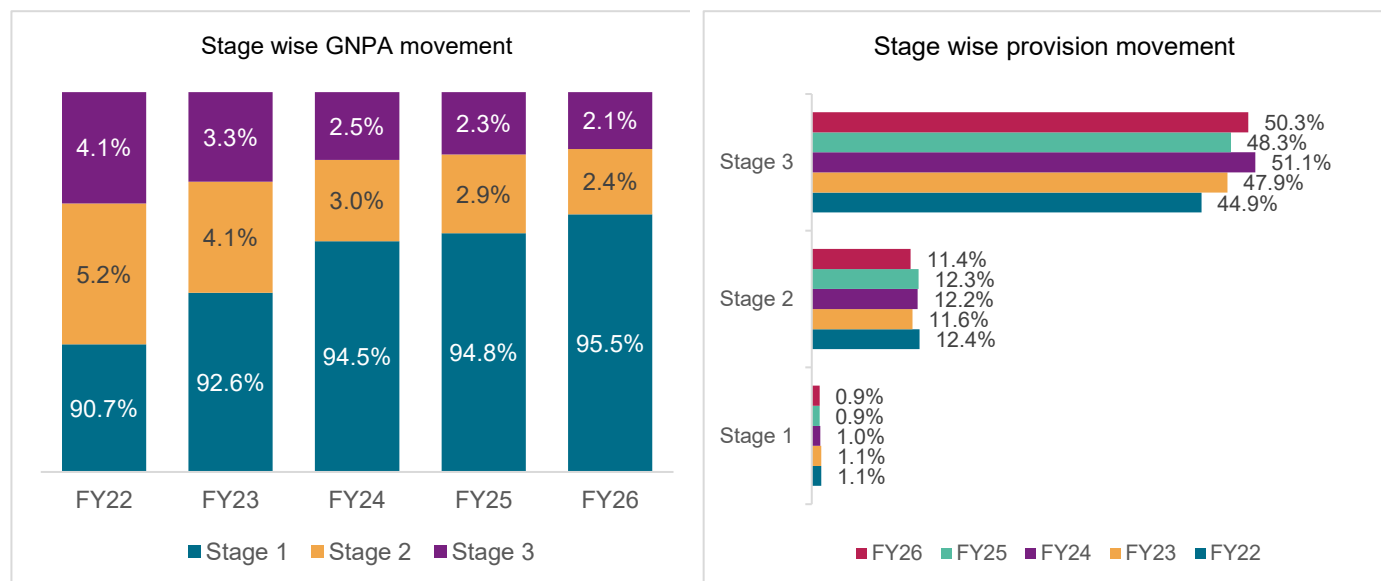
Asset quality improved in fiscal 2026 despite stress in unsecured loans



Note: E: Estimate; The analysis is based on data from over 100 NBFCs, including HFCs, which collectively accounted for loans and advances of Rs 30,600 billion as on March 31, 2025. These NBFCs comprise over 80% of the total loans and advances outstanding in the overall NBFC sector. The set excludes Power Finance Corporation (PFC) and Rural Electrification Corporation (REC). Source: RBI, company reports, Crisil Intelligence

In fiscal 2026, GNPA stress in the unsecured segment likely persisted despite regulatory measures, and this trend is expected to continue in fiscal 2027 as retail borrowers increase their unsecured lending exposure. The gold loan GNPA ratio may slightly rise in 2027 due to borrower leverage from multiple gold loans and gold price volatility, which could pressure LTV ratios and lead to higher slippages. Additionally, vehicle loan GNPA may see a marginal increase in the near term due to risks from potential El Niño, inflation, oil price fluctuations, and ongoing geopolitical tensions that could impact borrowers' repayment capacity. Additionally, the personal loan segment is expected to maintain elevated GNPA levels in fiscal 2027, due to ongoing high write-offs since fiscal 2026.

Decline in Stage 2 and 3 assets, along with higher provisioning, instilled optimism among NBFCs



Note: The above analysis is basis aggregate data for 30 NBFCs / HFCs that collectively account for a gross exposure of Rs 25 trillion as on March 31, 2026. PFC and REC Limited are excluded

Source: Company reports, Crisil Intelligence

The asset quality of NBFCs is showing improvement, as evidenced by the decline in Stage 2 and Stage 3 GNPA from 5.20% and 4.10% in FY22 to 2.40% and 2.10% in FY26, respectively, highlighting an improvement in the asset quality and financial health of NBFCs.

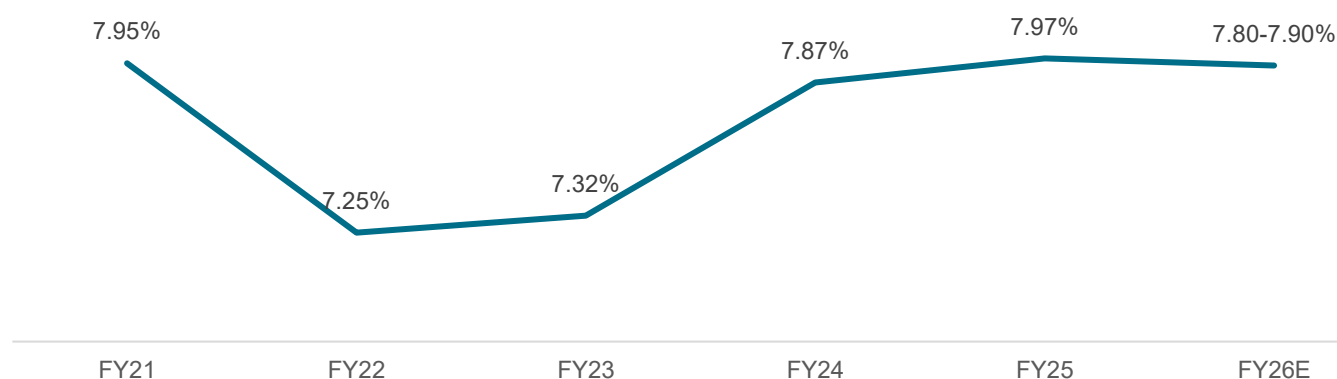
Borrowing mix and cost of funds for NBFCs

The share of bank borrowings by NBFCs reduced in fiscal 2025, as dynamic management of liquidity in the system increased lending rates among banks. Owing to the rise in unsecured lending by NBFCs, the RBI issued a circular on risk weights in November 2023, to deter the increase of such loans. The risk weights on bank lending to NBFCs were increased by 25 percentage points, further compounding the slowdown in offtake by NBFCs. The central bank raised the risk weights for all consumer loans extended by banks and NBFCs.

Consumer credit exposures for banks and NBFCs attracted a risk weight of 125%, up from 100%, excluding housing, vehicle, education and gold loans. Also, the risk weight on banks' exposure to NBFCs, where the extant risk weight of the NBFC was below 100%, was also increased. However, we believe that the recent reversal of the 25-percentage-point increase in risk weights on banks' exposure to NBFCs effective April 01, 2025, along with the normalisation of rates in the capital markets and a reduction in asset quality stress, are expected to boost lending by banks to NBFCs.

In March 2026, the Government of India introduced the Credit Guarantee Scheme for Microfinance Institutions-2.0 (CGSMFI-2.0). Under this scheme, the National Credit Guarantee Trustee Company Limited (NCGTC) provides guarantee cover to banks and financial institutions against expected losses on financial assistance extended to NBFC-MFIs and other MFIs for lending to small borrowers. By reducing the credit risk for lenders, the scheme is expected to improve credit flow to the microfinance sector. It is expected to support lending by NBFC-MFIs and MFIs to nearly 3.6 million small borrowers. This will benefit NBFC-MFIs by improving their access to bank funding, reducing lenders' risk perception, and potentially lowering their borrowing costs, thereby enabling them to expand credit outreach more effectively.

Borrowing cost for NBFCs also rose to highest level in five years



Note: E – Estimate; The analysis is based on data from over 100 NBFCs, including HFCs, which collectively accounted for loans and advances of Rs 30,600 billion as on March 31, 2025. These NBFCs comprise over 80% of the total loans and advances outstanding in the overall NBFC sector. Source: Company reports, Crisil Intelligence

The rise in the borrowing cost for NBFCs drove demand for securitisation and co-lending. NBFCs also needed to maintain adequate capital buffers. Consequently, many NBFCs, particularly large and high-rated ones, resorted to overseas and capital market borrowings, reducing their dependence on bank funding.

Borrowing mix of NBFCs

	Term Loans from banks/FI	Bonds and NCDs	Deposits	ECBs	Commercial Paper	Others*
FY21	42.68%	36.58%	7.09%	4.65%	4.27%	4.74%
FY22	45.09%	35.57%	7.20%	4.60%	3.46%	4.08%
FY23	49.80%	32.07%	6.72%	3.22%	3.93%	4.27%
FY24	51.68%	30.14%	6.63%	2.71%	4.46%	4.38%
FY25	48.48%	30.30%	6.47%	6.37%	4.42%	3.96%
FY26E	49.48%	29.20%	6.67%	5.37%	4.82%	4.46%

*Note: The analysis is based on data from over 100 NBFCs, including HFCs, which collectively accounted for loans and advances of Rs 30,600 billion as on March 31, 2025. These NBFCs comprise over 80% of the total loans and advances outstanding in the overall NBFC sector. The set excludes PFC and REC. *others include refinance from NHB, subordinated debt, securitization, inter corporate deposits and working capital loans. Source: Company reports, Crisil Intelligence*

Overview of Microfinance industry

Overview of the global microfinance industry

The global microfinance industry has evolved into a critical financial inclusion ecosystem, enabling formal credit access for underserved and underbanked populations across emerging markets. The global microfinance market size stood at USD ~124 billion in 2018 and is estimated to have crossed USD 250 billion in 2025, with the long-term industry compound annual growth rate (CAGR) projected at around 10-12%.

The sector has undergone significant institutionalisation, driven by increasing financial inclusion, digital lending adoption, women entrepreneurship and formalisation of micro, small and medium enterprises (MSMEs). This has been supported by stronger regulatory frameworks, technology-enabled underwriting and expanding participation from formal financial institutions.

Globally, Asia-Pacific remains the largest microfinance market (50-55%), led by India, Bangladesh and Indonesia, and supported by large, underpenetrated borrower segments and increasing digital financial infrastructure. The industry has demonstrated resilience across economic cycles, with regulatory reforms and improved risk management practices strengthening long-term sustainability and institutional credibility.

Regional distribution of global microfinance industry

Region	Estimated share in global microfinance	Key countries	Some of the key drivers
Asia-Pacific	50-55%	India, Bangladesh, Indonesia, Philippines	Financial inclusion, women borrowers, MSME finance, digital lending

Region	Estimated share in global microfinance	Key countries	Some of the key drivers
Latin America	18-20%	Peru, Mexico, Brazil, Colombia	SME financing, fintech lending, digital payments
Africa and Middle East	12-15%	Kenya, Nigeria, Ghana, Egypt	Mobile-money ecosystem, underbanked population
Europe and North America	10-12%	Eastern Europe, community lenders in the United States	Small business finance, social lending
Others	~5%	Emerging markets	Government-led inclusion programmes

Source: World Bank Global Findex, IMF FAS 2024, CGAP, World Bank (Data as per latest available source as of 2024)

India (with an estimated 71 million borrowers as of December 2025) has emerged as one of the largest and fastest-growing microfinance markets globally. The expansion is supported by rising formal credit penetration, strong policy focus on financial inclusion, expanding digital infrastructure and increasing demand for small-ticket credit across rural and semi-urban geographies.

Country-wise microfinance borrowers

Country	Date as of	Asset under Management (AUM) (\$ billion)	Estimated borrowers (million)
India	Dec-25	34.88 Bn	71
Bangladesh	Dec-24	~18–20 Bn	~32+
Indonesia	Dec-24	~15 Bn+	~20–25

Source: RBI 2025, Bangladesh MRA 2024, Mix Market 2024, Bank Indonesia, ADB 2024, IMF FAS 2024, World Bank, 1 USD – Rs. 92

Overview of the Microfinance industry in India

Historical growth and development of the Indian microfinance industry

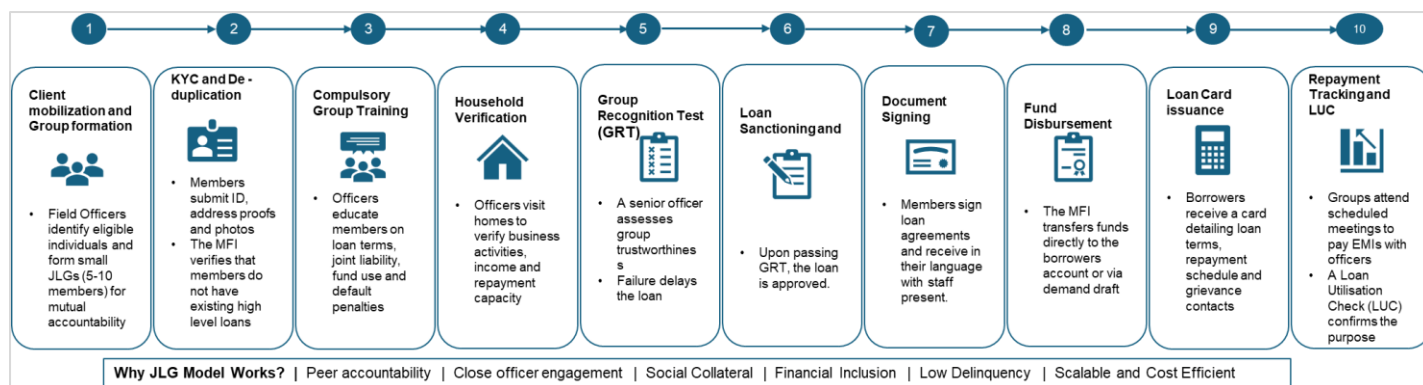
The Indian microfinance industry is a vital component of the country's financial inclusion efforts, providing formal credit access to underserved and underbanked segments, particularly low-income households, women borrowers, micro-entrepreneurs and rural communities. Over the past decade, the industry has evolved from a fragmented lending ecosystem into a more regulated, institutionalised and technology-enabled sector, supported by enhanced regulatory oversight, increasing credit bureau integration, digital financial infrastructure, and improved underwriting practices.

Business models in the microfinance sphere

MFIs focus on the JLG model for lending to borrowers as it is easier to form such groups, while banks have a dominant presence in the SHG model through their self-help group-bank linkage programme (SHG-BLP).

JLG lending: Under the JLG lending model, the primary task is to identify a prospective village, based on parameters such as total population, total income and population of poor individuals. Subsequently, potential members (usually women) are identified, based on factors such as total household income and number of members in the household. These candidates are then organised into groups of 5 to 10 members each, with three to five such groups coming together to form a centre. The amount is lent to an individual borrower. If an individual borrower defaults, the concept of social collateral comes into play, and the other group members repay the dues. In case of a default, the group is blacklisted and deemed ineligible for other loans from any MFI. This model ensures that an individual borrower is subject to constant peer pressure to make timely repayments.

Operating model for JLG in the microfinance business



Source: Crisil Intelligence

Advantages of JLG lending model

- **Reduced risk:** Since the group is collectively responsible for loan repayment, peer pressure and mutual accountability reduce the likelihood of default. Members tend to support and monitor each other, ensuring timely repayments. NBFC-MFIs undertake household-level assessments at the time of underwriting for deeper understanding of the borrower and his background
- **Easier access to credit:** The JLG model gives individuals without traditional collateral or a strong credit history access to loans. The collective responsibility of the group acts as a social collateral, making it easier for microfinance institutions to lend to the underserved population
- **Lower transaction costs:** MFIs save on administrative costs by dealing with groups rather than individuals. Processing loans for multiple people at once reduces paperwork, time and efforts, allowing MFIs to extend their reach more efficiently
- **Empowerment and social capital:** The JLG model fosters a sense of community and cooperation among members. It promotes financial discipline, trust and collaborations, which can lead to improved social and economic outcomes. In many cases, women, in particular, benefit from the collective approach, gaining confidence and decision-making power within their households and communities
- **Increased loan repayment rates:** Due to the social dynamics within the group, default rates tend to be lower in JLGs. Group members do not want to be held liable for others' defaults, which encourages both individual and group accountability

SHGs lending model: SHGs are typically formed at the grassroot level, comprising individuals from similar socioeconomic backgrounds. Members pool their savings and contribute to a fund for common goal by supporting each other. MFIs provide capacity building support to their SHGs, offering training and guidance on financial literacy, entrepreneurship, and other relevant skills to empower members and enhance their financial management capabilities.

An SHG is a financial intermediary, formed by 15-20 local members (mostly women). These members contribute small amounts on a regular basis for a few months to build the base capital in the group and subsequently commence lending activities. Once a group's credit history is in place, the SHG gets linked to a bank and becomes a channel for microfinance. MFIs extend loans to the groups, which are collectively responsible for the repayment. This fosters a sense of accountability and peer pressure from the group members encouraging timely repayments.

Advantages of SHG lending model

- **Financial inclusion with low risk:** SHGs utilise peer pressure and joint liability to ensure low default rates, making them an attractive, low-risk option for banks to extend financial services to rural populations.
- **Savings and self-reliance:** Unlike pure credit-based MFI loans, SHGs prioritise saving. Members pool their resources into a common fund, reducing reliance on external credit and creating a financial cushion for emergencies.
- **Digital integration and future directions:** The latest developments in SHG models focus on digitising SHG accounts. This digital integration aims to facilitate faster and more transparent transactions and improve the monitoring of financial health, further enhancing the efficiency and effectiveness of SHGs in promoting financial inclusion and empowerment.

The increasing participation of banks and formal financial institutions has significantly strengthened the microfinance ecosystem. This has improved access to low-cost funding, enhanced governance standards and integrated microfinance into the broader financial system. The shift from a fragmented structure to a more institutionalised framework reduces systemic risks and supports scalable, long-term growth.

Comparison of different participants in the microfinance lending business

	Scheduled commercial banks	SFBs	NBFC-MFIs
Priority sector lending			
Targeted lending to sectors	40% for priority sector lending (PSL) of their adjusted net bank credit (ANBC) or equivalent off-balance-sheet exposure (whichever is higher). i. Agriculture: 18% of ANBC or credit equivalent of off-balance sheet exposure (CEOBE) ii. Micro enterprise: 7.5% of ANBC or CEOBE iii. Weaker sections: 12% of ANBC or CEOBE	60% for priority sector lending of their ANBC within it: i. 40% must continue to be allocated to various sub-sectors under PSL as per existing prescriptions. ii. The remaining 20% can be deployed towards any PSL sub-sector(s) based on the SFB's strategic or competitive advantage	60% of total assets should be microfinance assets
Prudential norms			
Capital adequacy and liquidity framework	Minimum Tier 1 capital: 7% Minimum capital adequacy ratio: 9% Minimum Common Equity Tier: 5.5% Minimum Capital Conservation Buffer: 2.5% Maintenance of CRR/SLR mandatory	Minimum Tier 1 capital: 7.5% Minimum capital adequacy ratio: 15% Maintenance of CRR/SLR mandatory	Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025
Leverage ratio	Minimum leverage ratio of 4%	Minimum leverage ratio of 4%	No such requirement
Liquidity coverage ratio/net stable funding ratio (NSFR)	Mandatory requirement to maintain the liquidity coverage ratio.	Minimum liquidity coverage ratio of 100% by January 1, 2021. NSFR will be applicable to SFBs on par with scheduled commercial banks as and when finalised. The minimum NSFR requirement is also 100%.	Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025
Funding			
Deposits	Primarily rely on deposits for funding requirements	Primarily rely on deposits for funding requirements Deposit ramp-up will take time	Cannot accept deposits
Bank loans/market funding	Access to broader array of market borrowings	Access to broader array of market borrowings	Diversified funding sources, including bank loans, short- and long-term market borrowings; funding from NABARD and MUDRA loans
Products			
Products offered	Full spectrum of banking, savings, investment and insurance products	Can offer savings and investment products apart from credit products and loans Can act as corporate agent to offer insurance products Cannot act as business correspondent to other banks	Can act as a business correspondent to another bank and offer savings, deposits credit and investment products Can act as a corporate agent to offer insurance products

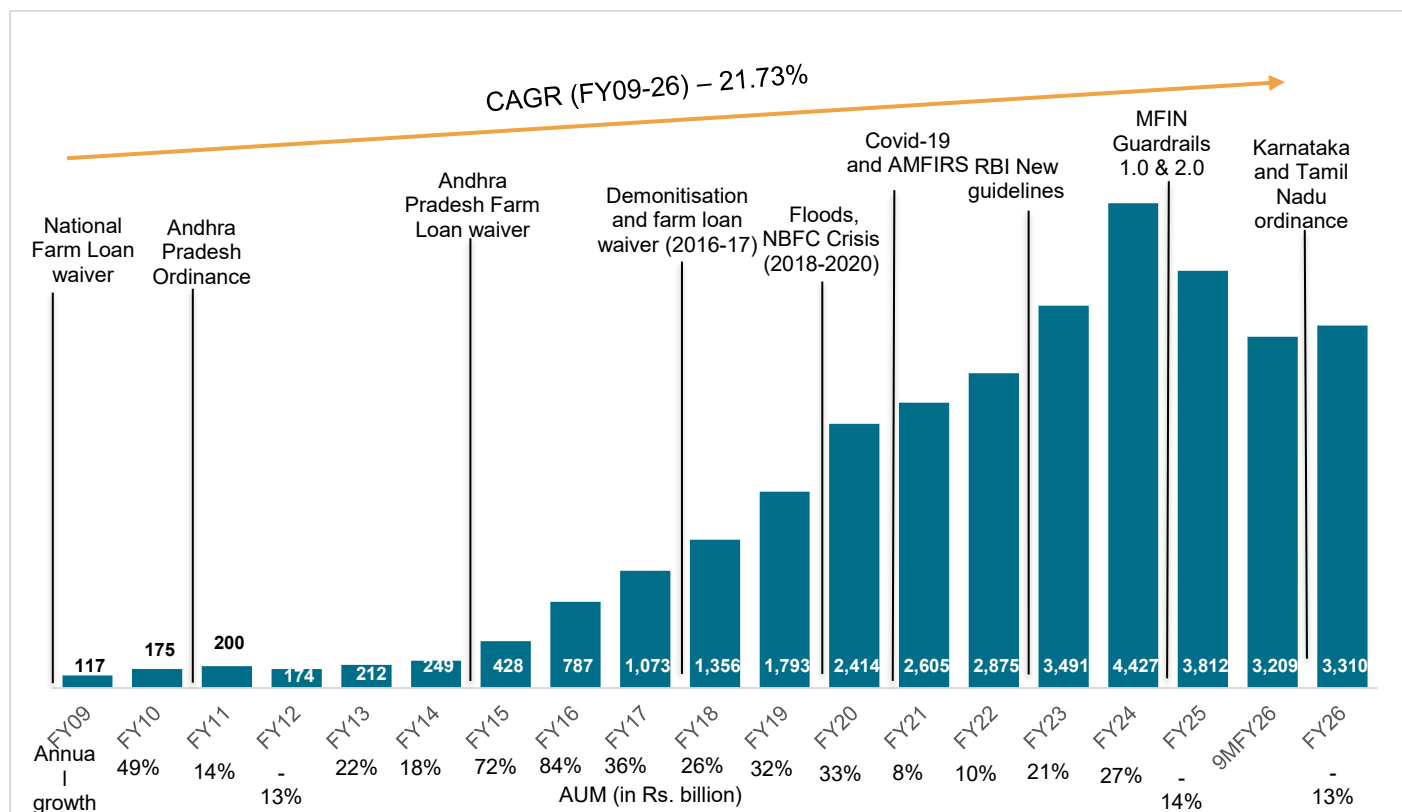
Source: Crisil Intelligence

Industry emerges resilient from a slew of challenges

The overall MFI industry AUM has increased from Rs. 117 billion in fiscal 2009 to Rs. 3,310 billion in fiscal 2026 recording a compounded growth rate of 21.73%. Between this period, the industry has navigated several high-impact events, including the Andhra Pradesh microfinance crisis (2010), demonetisation (2016), farm loan waivers across multiple states (2016-2017), the non-banking financial company (NBFC) liquidity crisis (2018), the Covid-19 pandemic (2020-2021), the Assam Microfinance Incentive

and Relief Scheme (AMFIRS), the Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Ordinance, 2025 and Tamil Nadu Money Lending Entities (Prevention of Coercive Actions) Act, 2025. Each of these events had a temporary adverse impact on disbursements, collections, and asset quality. The sector, however, has consistently demonstrated its ability to stabilise operations, restore portfolio quality and resume growth trajectories within a relatively short period. Recovery is noted in the last quarter of fiscal 2026 where AUM has grown to Rs. 3,310 billion from Rs. 3,209 billion as of December 2025.

MFI industry: Resilience across business cycles and events



Note: The chart includes data on bank lending through joint liability groups (JLGs), small finance banks (SFBs), NBFC-MFIs, other NBFCs and non-profit MFIs; it excludes data on banks' lending through self-help groups (SHGs). The amounts are as at the end of fiscal; Source: MFIN, CRIF Highmark, Crisil Intelligence

Impact of key events

Event	Impact on Microfinance
National Farm Loan Waivers (2009)	Waived ~₹525 Bn loans for ~40 million farmers; full relief for small/marginal borrowers and partial settlement for others.
Andhra Pradesh Ordinance (2010)	Caused major disruption to collections and disbursements, but ultimately strengthened regulation via credit bureaus, borrower protections, and better governance.
Demonetisation (2016)	Temporarily disrupted collections/disbursements for cash-dependent borrowers, but collections recovered and digital payments accelerated, improving resilience and digitisation.
Farm Loan Waiver (2016–17)	Raised expectations of relief in some geographies, weakening repayment initially; borrower education improved collections after March 2017.
Floods in key states (2018–2020)	Reduced collection efficiency and increased delinquencies/PAR; relief measures plus restructuring/moratoriums supported gradual recovery.
NBFC liquidity crisis (2018)	Tightened funding and increased risk aversion after IL&FS; impact was moderated by diversified funding and better liability management, boosting balance-sheet strengthening.
Covid-19 pandemic (2020–2021)	Disrupted incomes, field operations, and collections; mitigated by moratoriums/restructuring/liquidity support and credit guarantees, with faster-than-expected recovery.
Assam Microfinance Relief Scheme (AMFIRS) (2021)	Phased borrower incentives and relief (for vulnerable borrowers) helped restore repayment discipline and stabilized portfolios.

Event	Impact on Microfinance
Karnataka Micro Loan Ordinance (2025)	Enhanced oversight, disclosure, and recovery compliance; likely caused short-term operational/collection disruption but expected to improve transparency and customer confidence.
Tamil Nadu Money Lending Entities Act (2025)	Tightened registration and transparency and banned coercive recovery may disrupt collections/disbursements short-term but support more formal, ethical growth.

Regulatory framework

RBI guidelines issued in December 2011

MFIs were largely unregulated until 2010, when the Andhra Pradesh (AP) Ordinance came into effect. Subsequently, in 2011, the RBI released guidelines that defined NBFC-MFIs and provided an operating and regulatory framework for MFIs in India.

In November 2010, the RBI set up a sub-committee under the chairmanship of YH Malegam to address issues concerning the microfinance industry. This was in light of the heightened risk towards the sector after the enactment of the AP ordinance. Based on the committee's recommendations, the NBFC-MFI directions issued by the RBI came into effect in December 2011. These guidelines were last updated in July 2022. The guidelines defined an NBFC-MFI as a non-deposit taking NBFC, with the following parameters:

NBFC-MFI – regulatory guidelines

Parameter	Provision
Minimum net owned funds (NOF)	Current NOF – Rs 50 million (Rs 20 million in the northeast region) NOF by March 31, 2025 – Rs 70 million (Rs 50 million in northeast) NOF by March 31, 2027 – Rs 100 million
Qualifying assets*	A minimum of 60% of an NBFC-MFI's total assets (netted off by intangible assets) must be in the form of 'qualifying assets' (microfinance loans) on an ongoing basis
Capital adequacy	Capital adequacy ratio, consisting of Tier I and II capital, should not be less than 15% of aggregate risk-weighted assets
Loan repayment obligations	A maximum of 50% of monthly household income. The computation of loan repayment obligations, including principal and interest, for all existing (collateral-free as well as collateralised) loans and loans under consideration shall be capped at 50% of monthly household income

*Qualifying assets

Parameter	Provision
Total monthly repayment obligations of the borrower should not exceed	50% of monthly household income
Household annual income	Up to Rs 300,000
Collateral	None

Breakup of qualifying and non-qualifying assets from fiscal 2023 to nine months of fiscal 2026

Category	FY23	FY24	FY25	9MFY26
Qualifying assets	77%	76%	74%	64%
Non-qualifying assets	23%	24%	26%	36%

Source: MFIN, Crisil Intelligence

The new regulatory regime ensures a level playing field (April 2022)

In its master directions on microfinance loans released in March 2022, the RBI did away with the interest rate cap on loans provided by NBFC-MFIs. Entities providing microfinance loans will have to put in place a Board-approved policy for the pricing of loans. The policy should include the interest rate model, the range of spread of each component for various categories of borrowers and the interest rate ceiling, along with all the other charges on MFI loans. With microfinance loans provided by NBFC-MFIs and banks/SFBs now subject to the same rules, the RBI has ensured a level playing field for all entities.

The increase in the annual household income cap for microfinance borrowers to Rs 300,000 in both urban and rural areas, the removal of the two-lender norm for lending by NBFC-MFIs, and the greater flexibility to offer non-MFI loans (MFI loans should account for 60% of total assets for NBFC-MFIs as per a notification dated June 6, 2025) will enable NBFC-MFIs to achieve a more

balanced portfolio.

Following the RBI's revised regulations for MFI loans, effective October 1, 2022, some MFIs have increased interest rates for borrowers by 150-200 bps, especially for those who are new to credit.

The key changes in the regulatory framework and their potential impact on NBFC-MFIs are as follows:

Area of regulation	Earlier regulations		New regulations (effective April 1, 2022)
	For NBFC-MFIs	For banks and SFBs	For all regulated entities*
Loan pricing	Margin cap at 10% for large MFIs (loan portfolios more than Rs 1 billion) 12% for small MFIs (loan portfolios less than Rs 1 billion)	No restrictions for banks and SFBs	No pricing cap. Underwriting of loans to be based on a risk-based analysis, and a risk premium to be charged based on the borrower. A Board-approved policy for pricing of loans to be put in place. The policy should include the interest rate model, the spread of each component for various categories of borrowers and the interest rate ceiling, along with all the other charges on MFI loans. Entities to exercise regulatory freedom responsibly and ensure fair, reasonable and transparent pricing, especially for small value loans. The Board will review interest rates to pass on efficiency gains to clients and restrict deductions from loan amounts to only processing fees and credit life insurance.
Processing fees	Not more than 1% of the gross loan amount		
Qualifying criteria	85% of loans unsecured	Must meet the target set for priority sector loans	The minimum requirement of microfinance loans is revised to 60% (as per the June 6, 2025, notification) of an NBFC-MFI's total assets. The maximum limit on microfinance loans for NBFCs, other than NBFC-MFIs, stands revised to 25% of total assets from 10%.
Household income	Rural areas: Rs 125,000 per annum Urban areas: Rs 200,000 per annum	No restrictions for banks and SFBs	Annual household income: Up to Rs 300,000 for urban and rural areas (higher than the amount stated in the consultation paper issued in June 2021—up to Rs 125,000 for rural areas and Rs 200,000 for urban and semi-urban areas). Board-approved policy for the assessment of household income.
Ticket size of loans	Rs 75,000 in the first cycle and Rs 125,000 in subsequent cycles		
Tenure of loans	Not less than 24 months for loan amount exceeding Rs 30,000		
Lending to the same borrower	No more than two lenders allowed per borrower	More than two banks can lend to the same borrower	Limit on maximum loan repayment obligation of a household towards all loans: 50% of monthly household income. This requirement is mandated by the RBI. Members of the MFIN on August 1, 2024, also agreed to the following guardrails: - Restricting the number of microfinance lenders to a borrower to a maximum of four - Limiting total microfinance indebtedness to Rs 200,000, with nearly 80% of loans having a tenure of 1.5 years (18 months) or more Additionally, the MFIN introduced another set of guardrails from April 2025: - Restricting the number of microfinance lenders to a microfinance client to three instead of four - Capping total indebtedness of a microfinance client, including unsecured retail loans, to Rs 200,000 - No lending to a delinquent client who is overdue for over 60 days with an outstanding amount exceeding Rs 3,000
Overall borrower indebtedness	Should not exceed Rs 125,000	No restrictions for banks and SFBs	

* Regulated entities include all commercial banks (including SFBs, local area banks and regional rural banks), excluding payments banks; all primary (urban) co-operative banks, state co-operative banks and district central co-operative banks; and all

NBFCs (including MFIs and housing finance companies).

Source: RBI, Crisil Intelligence

Role of Self-Regulatory Organisations (SRO)

The MFIN was recognised as an SRO for NBFC-MFIs in India in June 2014, becoming the first network in India and Asia to attain such recognition, with authority from the RBI to regulate and ensure compliance with industry standards. In September 2017, it released its Mutually Agreed Code of Conduct (MACC), which prohibits lending to borrowers who have already taken loans from three microcredit lenders. As an SRO, the MFIN also undertakes research, training, and submits financials of MFIs to the RBI, with over 50 NBFC-MFIs as members.

Sa-Dhan is the second association granted SRO status by the RBI, tasked with engaging policymakers, monitoring the microfinance segment and submitting annual reports. Post-demonetisation, both organisations played proactive roles in raising awareness and managing socio-political disturbances through local engagement and workshops.

MFIN Guardrails Reinforce Lending Discipline in Microfinance

In 2024, MFIN introduced industry-wide guardrails to address rising borrower over-indebtedness and asset-quality stress in the microfinance sector. The framework limits the number of active lenders per borrower, caps total unsecured and microfinance debt at Rs 2 lakh, mandates credit bureau checks before every disbursement, and restricts fresh lending to borrowers with overdue loans beyond 60 days.

These measures were implemented to reduce multiple lending, prevent debt build-up beyond household repayment capacity, and curb evergreening of stressed accounts. While the guardrails have led to some moderation in disbursements and credit growth, they have strengthened lending discipline, supported portfolio clean-up, and improved the sector's foundation for sustainable growth.

MFIN guardrails to protect borrowers from over-leveraging

The MFIN has been collaborating with its members to ensure that flexibility is used responsibly, ultimately benefiting borrowers. To achieve this, the MFIN has taken proactive measures such as streamlining guidelines to reduce interest rates and implementing safeguards to prevent borrowers from over-leveraging and defaulting on repayments.

Guardrail 1.0 (August 2024)

On August 1, 2024, the MFIN announced measures to protect customers and provide guardrails against over-indebtedness. The self-regulatory body suggested a range of underwriting standards, which the industry has started to implement. These included:

- Restricting the number of microfinance lenders to a borrower to four
- Limiting microfinance indebtedness to Rs 200,000, with nearly 80% of loans having a tenure of 18 months or more

Guardrail 2.0 (April 2025)

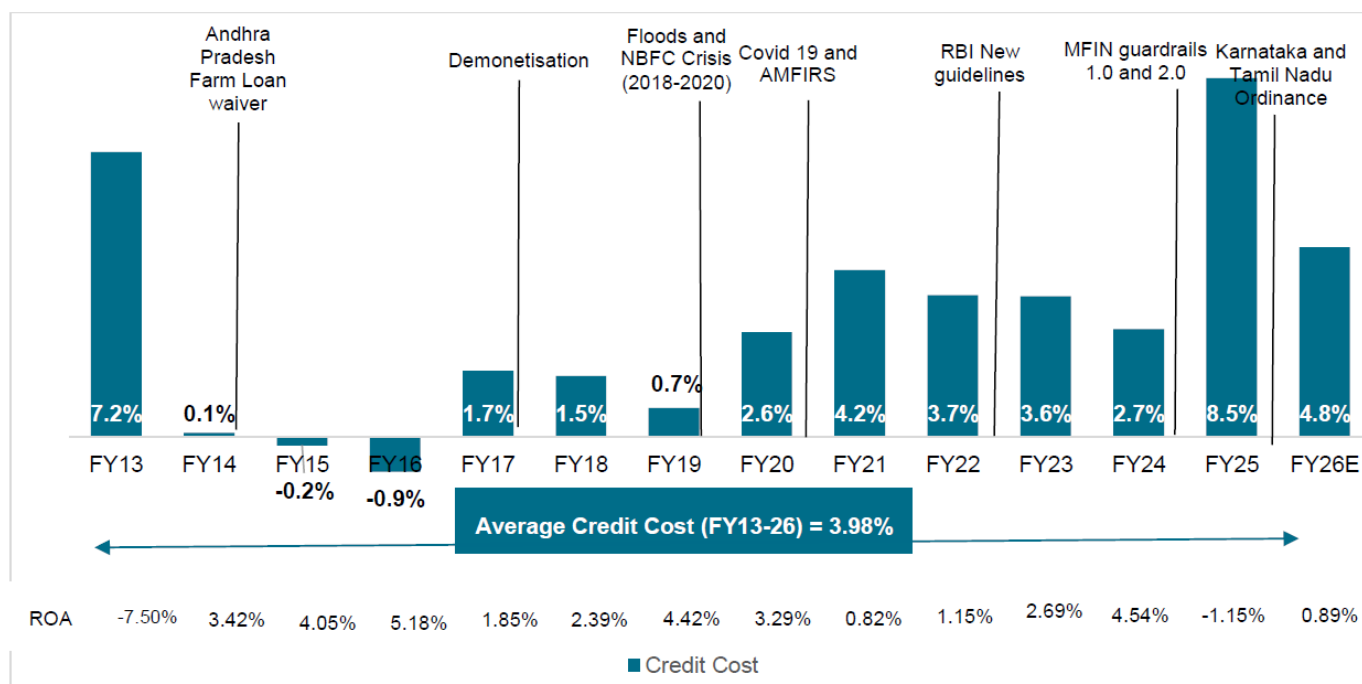
Considering the rising stress, the MFIN introduced new norms on November 25, 2024, effective April 1, 2025. These included:

- Restricting the number of microfinance lenders per borrower to three instead of four
- Capping total indebtedness of a microfinance client, including unsecured retail loans, to Rs 200,000
- No lending to a delinquent client who is overdue for more than 60 days with an outstanding amount exceeding Rs 3,000
- Board members must monitor interest rates closely. Further, deduction of any charges from the sanctioned amount other than processing fee and credit life insurance is not permitted

The revised norms aim to promote credit discipline; the industry has experienced short-term impacts, including moderated disbursements and slower credit growth. While these rules promote responsible lending, they have also contributed to tighter liquidity and a temporary credit squeeze, with stress visible in deeper days-past-due buckets. At the same time, accelerated write-offs have helped lenders manage reported portfolio stress. These developments are enabling lenders to clean up their portfolios, identify disciplined borrowers, and build a stronger foundation for sustainable growth in the segment.

At a broader level, while these interventions have at times resulted in short-term operational disruptions, these may reflect a broader trend of progressive regulatory tightening and sectoral formalisation. The sector has been able to bounce back from all the economic shocks and deliver profit in long run. Barring few short-term disruptions, the sector has been able to curb the credit cost and return to normalcy quickly.

Trend in credit cost and return on assets across business cycles for the overall microfinance industry



Note: Data includes information for Spandana Sphoorty, CreditAccess Grameen, Asirvad Microfinance, Muthoot Microfin, Satin Creditcare Network, Annapurna Finance, Fusion Finance, IIFL Samasta Finance, Svantra Microfin, Belstar Microfinance, Arohan Financial Services, Chaitanya India Fin Credit Private Limited, Repco Micro Finance Limited; Source: Crisil Intelligence

The chart highlights the microfinance industry's cyclical profitability pattern, where RoA moves inversely with credit costs across business cycles. During stress periods such as the Andhra Pradesh crisis in fiscal 2013, Covid-19 in fiscal 2021, and the expected credit-cost spike in fiscal 2025, higher credit costs sharply weaken profitability, while stable operating and regulatory phases support stronger returns. The credit cost turned negative in fiscals 2015 and 2016 at -0.2% and -0.9% due to excessive provisions and write offs due to stress in prior years. The same was reversed as credit costs were lower than expected. The peak RoA of 4.5% reflects the benefit of improved discipline under MFIN guardrails, whereas fiscal 2025 shows that policy disruptions, such as state-level ordinances, can pressure RoA even when credit costs are exceptionally high. Overall, the trend underscores that credit quality and regulatory stability remain key drivers of profitability for the microfinance industry.

Trends in the microfinance industry

India's microfinance sector has transitioned from a phase of rapid growth to one of recalibration, with aggregate portfolios declining in fiscal 2025 and fiscal 2026 after strong expansion through fiscal 2024. This slowdown was driven by rising borrower leverage, multiple-lender exposure, tighter underwriting norms, and deliberate portfolio rationalisation by lenders. Asset quality weakened after fiscal 2024, particularly among highly leveraged borrower segments, prompting lenders to strengthen bureau-led underwriting, reduce high-risk exposure, and intensify collection efforts. These corrective measures, supported by regulatory and industry guardrails, are expected to improve portfolio stability and support gradual asset-quality recovery.

Strong growth until fiscal 2024 followed by a calibrated slowdown up to fiscal 2026

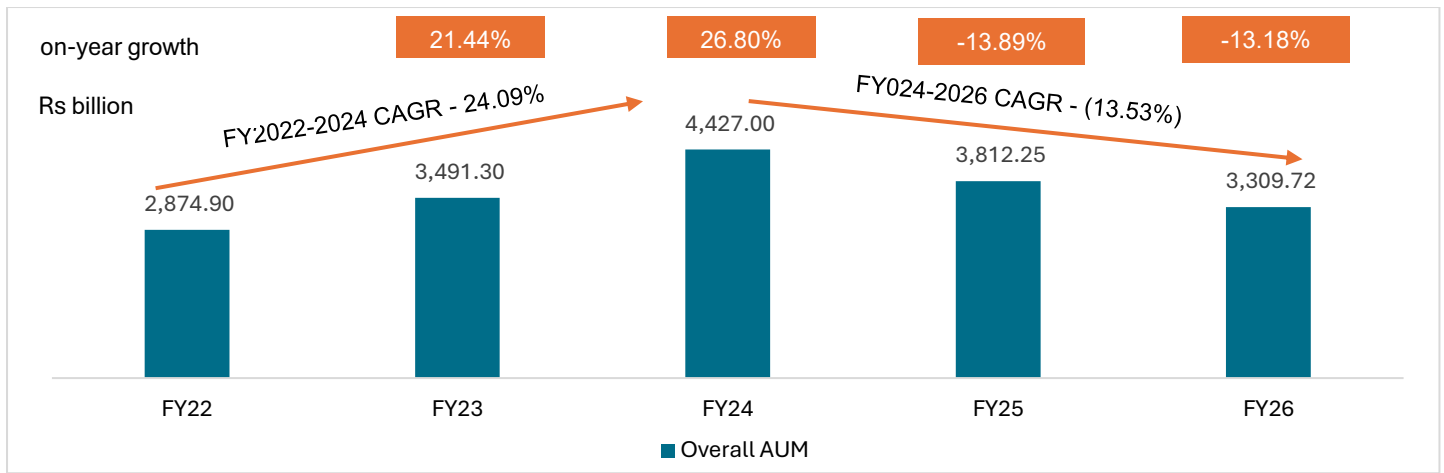
The Indian microfinance industry posted a strong growth between fiscals 2022 and 2024, driven by post-pandemic normalisation, improved rural economic activity, rising borrower confidence and deepening penetration of formal credit across underserved markets.

The industry's aggregate portfolio increased to Rs 4,427.00 billion in fiscal 2024 from Rs 2,874.90 billion in fiscal 2022, on the back of sharp on-year growths of 21.44% and 26.80% in fiscals 2023 and 2024, respectively.

The rapid expansion phase was supported by strong disbursement momentum, revival in collection efficiencies, increasing participation of new-to-credit (NTC) borrowers and broader adoption of harmonised RBI microfinance regulations effective from April 2022, which enhanced standardisation across lending practices and improved the scalability of operations.

However, the industry entered a recalibration phase in fiscals 2025 and 2026, with aggregate portfolios declining 13.89% on-year and 13.18% on-year, respectively, primarily attributable to rising borrower leverage resulting in increased delinquencies, tighter underwriting practices, reduced incremental lending to highly leveraged borrowers and industry-wide portfolio rationalisation measures. Lenders increasingly adopted a calibrated strategy that focused on preserving portfolio quality, improving collection efficiency and reducing exposure to borrowers with elevated multi-lender obligations.

Trend in microfinance industry AUM



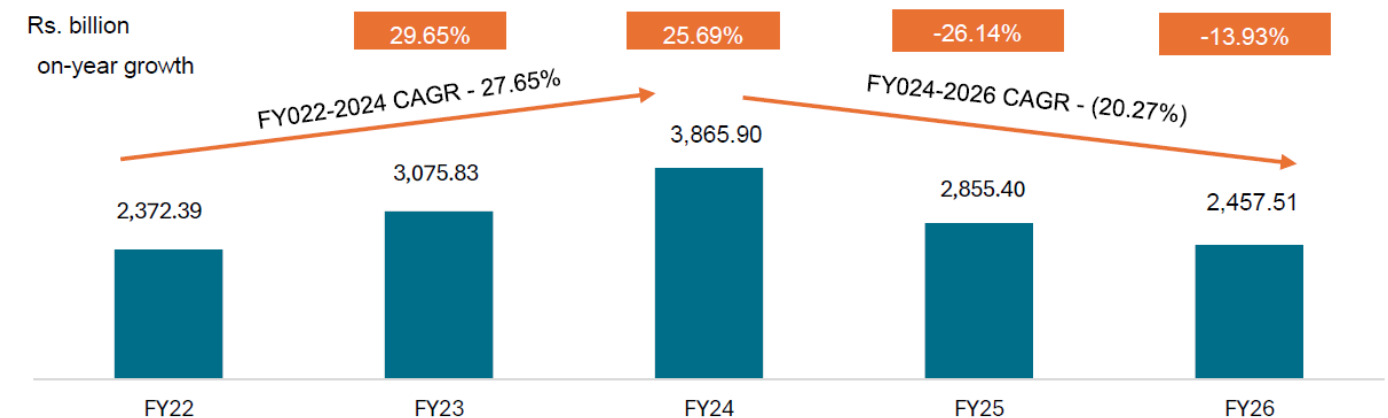
Source: CRIF Highmark, Crisil Intelligence

Disbursements peaked in fiscal 2024 before shifting towards sustainable growth

Industry disbursements rose sharply between fiscals 2022 and 2024, supported by a strong post-pandemic recovery, improved borrower repayment capacity and expansion into underpenetrated geographies. Disbursement volumes peaked in fiscal 2024, reflecting elevated borrower demand and aggressive lender expansion strategies.

Following the rapid growth phase, the industry saw a moderation in disbursement volume over fiscals 2025- 2026, as lenders prioritised portfolio quality over portfolio growth.

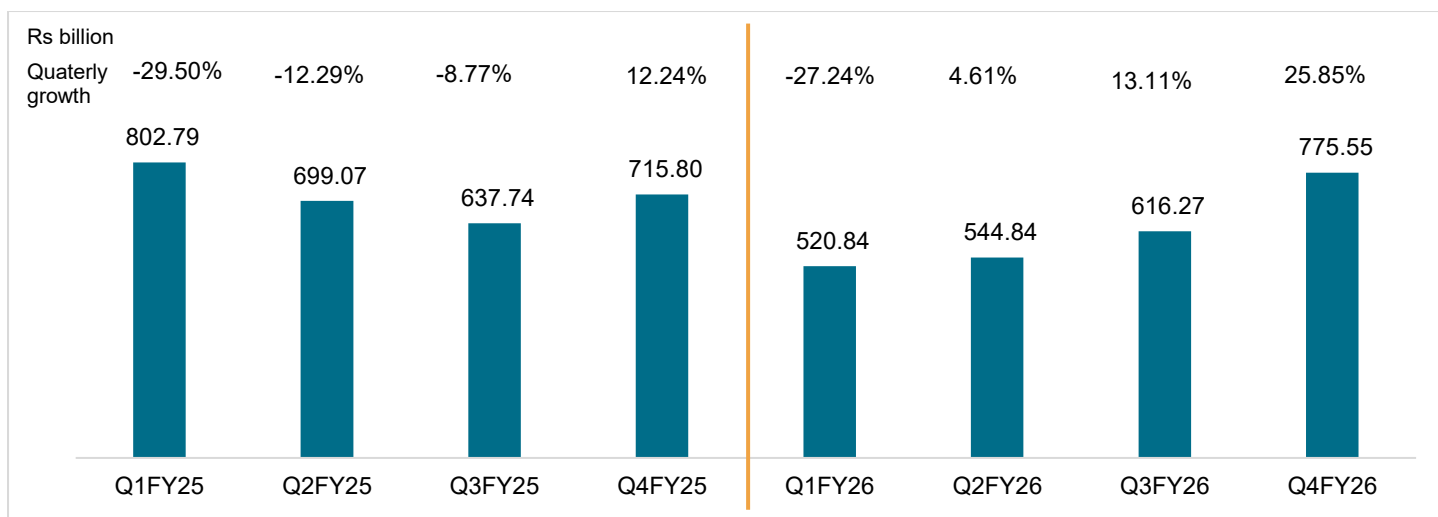
Trend in yearly disbursements



Source: CRIF Highmark, Crisil Intelligence

Disbursement trends in fiscal 2026, though, indicated early signs of stabilisation and gradual recovery, with on-quarter growth improving sequentially through the fiscal. The improving trajectory reflected calibrated lender confidence, normalisation in borrower quality and a gradual revival in credit demand from financially resilient customer segments.

Quarterly disbursement trajectory



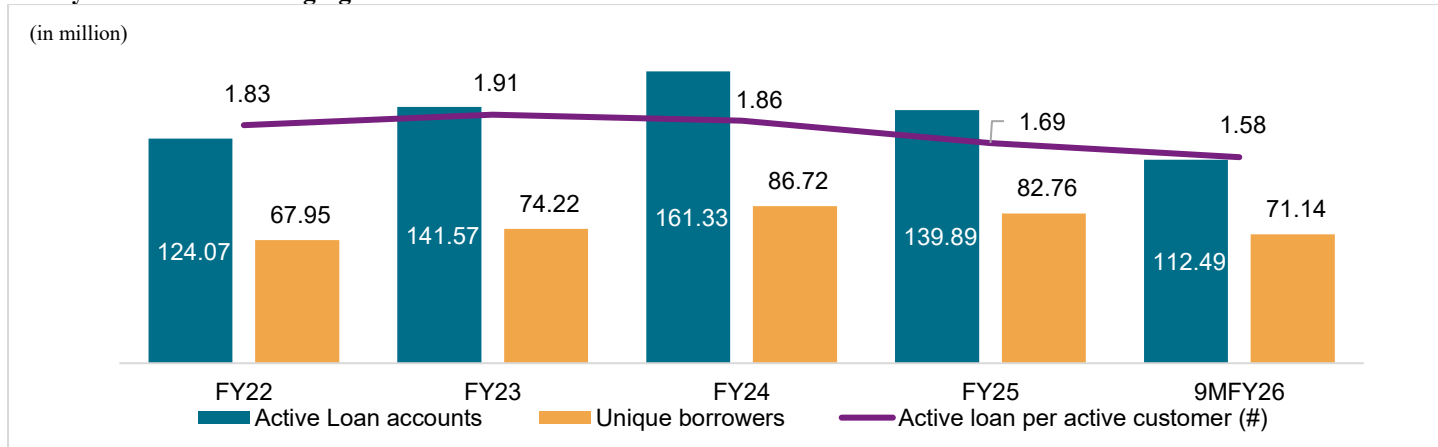
Source: CRIF Highmark, Crisil Intelligence

Active borrower leverage moderates on shift towards disciplined underwriting

The industry saw a sharp rise in active loan accounts and unique borrowers between fiscals 2022 and 2024, reflecting deeper credit penetration and stronger customer acquisition across rural and semi-urban geographies. Active loan accounts increased to 161.33 million in fiscal 2024 from 124.07 million in fiscal 2022, whereas unique borrowers rose to 86.72 million from 67.95 million during the period. Resultantly, the ratio of active loan accounts per customer peaked during fiscals 2023 and 2024, indicating rising borrower leverage and increasing exposure to multiple lenders during the industry's rapid growth phase.

Subsequently, RBI introduced Guardrails 1.0 and 2.0 to address over leveraging by limiting the number of lenders per borrower to 3. Thereafter, lenders adopted stricter bureau-led underwriting frameworks, tighter customer selection criteria and enhanced leverage assessment mechanisms, resulting in moderation in borrower indebtedness levels during fiscals 2025 and 2026. By nine months-ended fiscal 2026, active loan accounts per borrower had reduced to 1.58 compared with 1.91 in fiscal 2023, reflecting the impact of guardrail-based lending frameworks and stronger portfolio discipline across the industry.

Steady borrower deleveraging between fiscals 2025 and 2026



Note: #- count; Source: CRIF Highmark, Crisil Intelligence

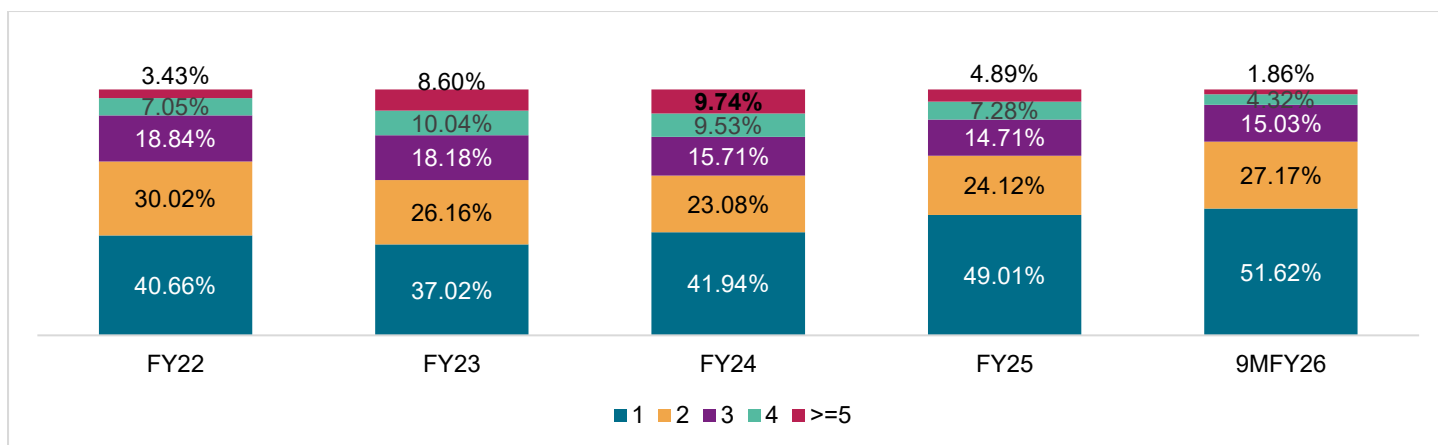
Active lenders per borrower declining post fiscal 2024 owing to MFIN guardrails

The trend shows that the mix of overall MFI portfolio against one active lender has increased to 51.62% in the first nine months of fiscal 2026 from 40.66% in fiscal 2022. Conversely, the share of portfolio against two active lenders has reduced to 27.17% from 30.02% during the same period.

Portfolio mix of four active lenders increased to 9.53% in fiscal 2024 and fell to 4.32% in the first nine months of fiscal 2026. Similarly, portfolio mix for more than five active lenders rose to 9.74% and subsequently fell to 1.86% during the same period.

Increasing share of portfolio with higher number of active lenders during fiscal 2024 is marked by the aggressive growth phase. However, increasing share of lower active lenders (one and two) is marked by introduction of MFIN guardrails, where upper limit on the number of lenders is 3.

Portfolio outstanding mix according to the number of lenders



Source: CRIF Highmark, Crisil Intelligence

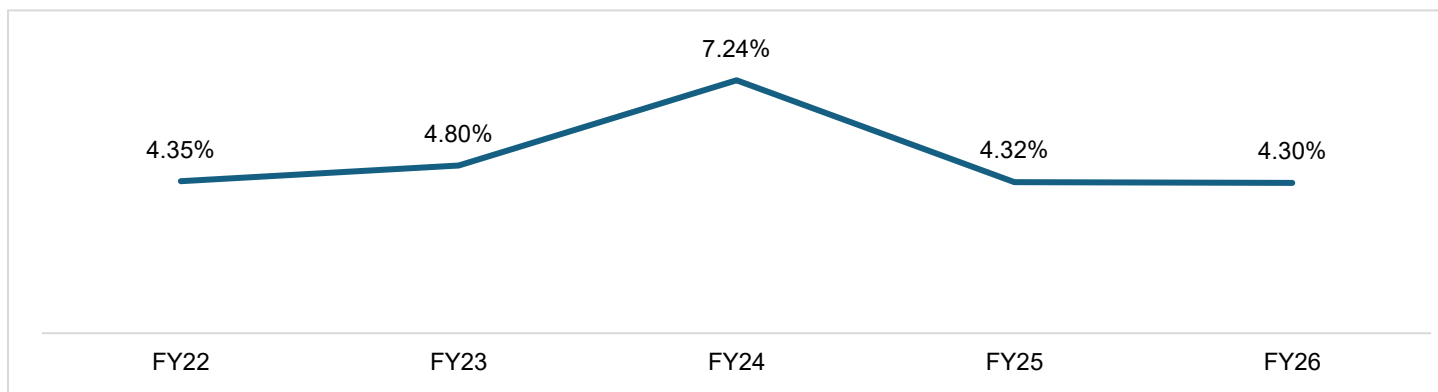
New-to-credit customers buoyed growth but also led to portfolio seasoning risks

The share of NTC borrowers increased meaningfully in fiscal 2024, contributing significantly towards industry-wide disbursement growth and deeper financial inclusion, increasing penetration into previously underserved borrower segments, and enabling lenders to expand market reach and improve rural credit access.

However, as these relatively new borrower cohorts matured over subsequent periods, portions of the industry experienced elevated asset quality pressures, particularly in geographies witnessing rapid portfolio expansion and higher borrower leverage. This led to increased credit costs, higher provisioning requirements and moderation in profitability across certain lenders.

In fiscals 2025 and 2026, the industry adopted a more calibrated customer acquisition strategies that focused on bureau-backed underwriting, repayment behaviour monitoring and controlled borrower onboarding. The shift reflects the industry's transition towards more sustainable and risk-aware growth practices.

Share of NTC customers in terms of disbursement value



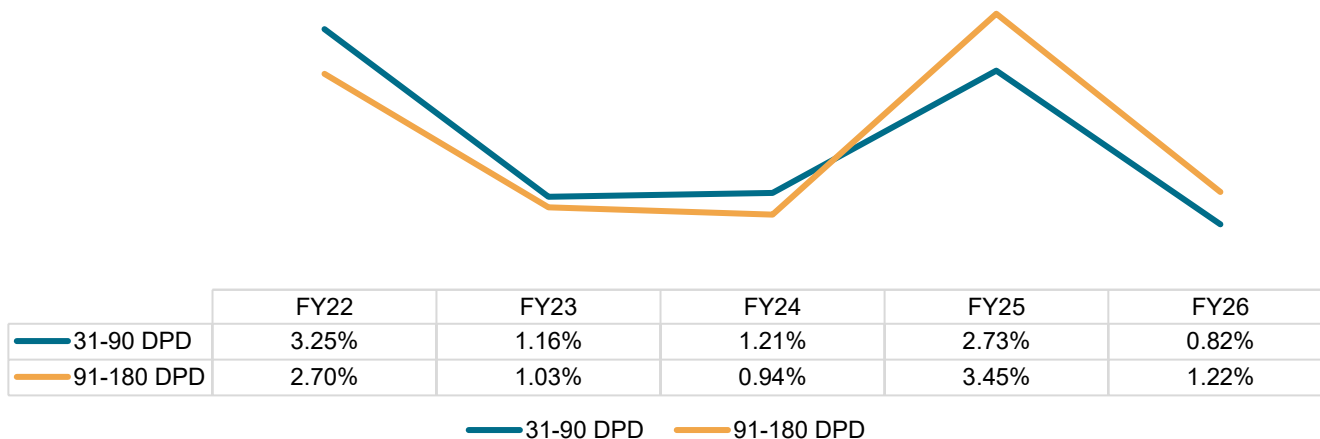
Source: CRIF Highmark, Crisil Intelligence

Asset quality pressures rose post fiscal 2024 due to borrower over-leveraging and macroeconomic stress followed by early signs of improvement in fiscal 2026

Industry asset quality indicators remained relatively stable through fiscal 2024 before witnessing stress during fiscals 2025 and 2026. PAR 90-180 DPD levels increased meaningfully during this period as aggressive credit expansion, rising borrower over leveraging due to excessive indebtedness and multiple lender exposure affected repayment behaviour across certain borrower cohorts. PAR 31-90 increased to 1.21% in fiscal 2024 and further increased to 2.73% in fiscal 2025. Fiscal 2026 saw improvement in this bucket at 0.82%. PAR 91-180 stood at 0.94%, 3.45% and 1.22% in fiscals 2024, 2025 and 2026 respectively.

Further, macroeconomic pressures affecting rural borrower cash flows, including inflationary trends, climatic disruptions, seasonal income volatility and localised collection-related challenges in select states amplified the stress. Certain regulatory interventions and state-level developments also affected collection efficiencies and borrower repayment discipline in sections of the industry.

Asset quality deteriorated between fiscals 2024 and 2025; witnessed improvement in fiscal 2026



Source: CRIF Highmark, Crisil Intelligence

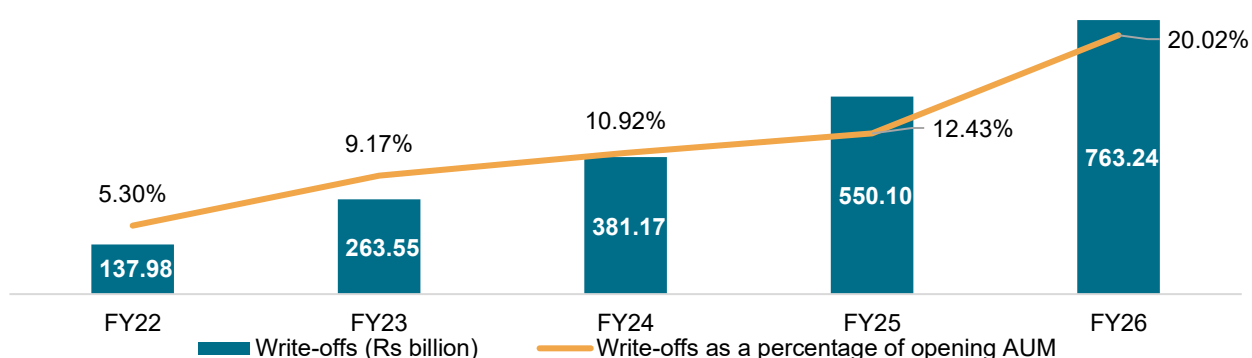
In response, lenders strengthened their underwriting discipline, cut exposure to high-risk borrower segments, intensified collection efforts and enhanced bureau integration frameworks to improve portfolio visibility and early warning sign detection. As a result, asset quality has shown improvements in the second half of fiscal 2026 where PAR 31-90 and PAR 91-180 have declined considerably as compared to fiscal 2025.

Strategic clean-up and write-offs strengthened long-term portfolio quality

The industry undertook accelerated write-off and portfolio clean-up exercises during fiscals 2025 and 2026 to address legacy stress induced by aggressive growth. Industry write-offs increased materially during this period as lenders proactively recognised stressed accounts and expedited balance sheet normalisation.

The clean-up exercise was aimed at improving long-term collection efficiency, reducing vintage stress and enabling lenders to rebuild healthier portfolios through disciplined underwriting and stronger operational controls. Increased write-offs also reflected the industry's focus on transparency, prudential provisioning and proactive stress recognition. The portfolio rationalisation undertaken by lenders is expected to bring about stronger operating metrics and improved portfolio quality over the medium term.

Write offs done / undertaken as a % of opening AUM



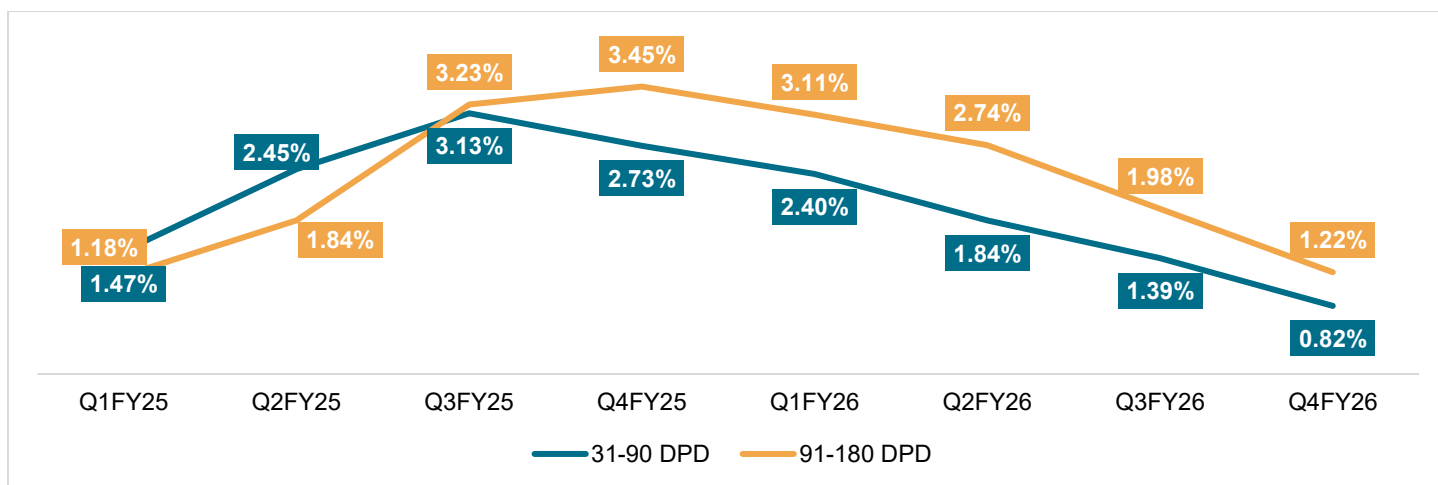
Source: CRIF Highmark, Crisil Intelligence

Early signs of recovery in the microfinance industry

DPD buckets 31-90 and 91-180 have shown improvement in fiscal 2026

The delinquencies had peaked in Q4 of fiscal 2025 where PAR 91-180 was at 3.45%. The quarterly trends in fiscal 2026 show improvement in the DPD buckets (31-90 and 91-180), suggesting lower slippages and how the asset quality improved in the industry post implementation of guardrails and portfolio sanitisation. PAR 31-90 has improved from 2.40% in the first quarter of fiscal 2026 to 0.82% in the fourth quarter of the same year. Similarly, PAR 91-180 improved to 1.22% from 3.11% in the same period.

Quarterly trends in PAR 31-90 and PAR 91-180 for fiscals 2025 and 2026



Source: CRIF Highmark; Crisil Intelligence

Borrowers with higher active lenders fall under higher DPD buckets

Borrowers with more lenders fall in higher DPD buckets. Borrowers with one to two active lenders have a higher share of portfolio in the current bucket (0 DPD). Borrowers with four to five active lenders fall under various DPD buckets.

The table below shows the portfolio shift between fiscals 2022 and 2026 in various DPD buckets. The share in the current bucket has remained rangebound for borrowers with one active lender (76-78%) and has increased for two and three active lenders showcasing improved collection mechanism. It remained stable for four active lenders and reduced for over five active lenders. This indicates slippages for borrowers with more lenders.

Further, improvement can be seen across all DPD buckets (excluding PAR>180). This signifies how slippages have been curbed by identifying early warning signs and taking corrective measures. This also indicates the improved asset quality in the fiscal 2026 portfolio after the churn amid an industry-wide crisis.

However, the DPD bucket of PAR>180 has seen a significant rise in fiscal 2026. This is because the quality of legacy loans turned out to be poor, especially in the case of four to five active lenders.

Worst DPD of borrowers as per active lenders

FY26	Active Lenders				
Worst DPD	1	2	3	4	>=5
CURRENT	76.2%	74.1%	70.3%	48.7%	23.6%
1_30	1.0%	2.0%	3.1%	4.6%	4.4%
31_60	0.6%	1.3%	2.5%	5.2%	6.2%
61_90	0.7%	1.4%	2.5%	5.0%	8.3%
91_180	1.6%	1.9%	2.5%	3.7%	4.1%
>180	19.2%	18.7%	18.8%	32.6%	53.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Active lenders are for MFI loans and no other retail loans. Worst DPD illustrates the highest DPD bucket of borrower among all the active lenders

Source: CRIF Highmark, Crisil Intelligence

FY22	Active Lenders				
Worst DPD	1	2	3	4	>=5
CURRENT	77.9%	66.1%	58.3%	48.6%	36.1%
1_30	2.7%	5.4%	7.7%	10.0%	12.3%
31_60	1.6%	3.9%	6.0%	8.4%	11.3%
61_90	1.4%	3.6%	5.9%	8.7%	12.9%
91_180	2.2%	3.8%	4.4%	5.0%	5.8%
>180	13.0%	16.2%	17.2%	18.8%	21.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Active lenders are for MFI loans and no other retail loans. Worst DPD illustrates the highest DPD bucket of borrower among all the active lenders

Source: CRIF Highmark, Crisil Intelligence

Collection efficiency has improved between fiscals 2024 and 2026

The horizontal DPD buckets (in green) reflect the month of March of the respective year. The vertical DPD buckets (in blue) reflect the month of February of the respective year. The percentage reflects the collection efficiency in each DPD bucket. The yellow cells mean the roll forward rates, while the green cells mean roll back rates. The blue cells mean the stabilised collection efficiency for the same bucket.

The collection efficiency improved from fiscal 2024 to fiscal 2026 visible from decrease in roll forward rates. This is mainly due to asset quality issues faced by the industry in fiscal 2024 where collection efficiency was hit resulting in delinquencies.

The collection rate for 0 DPD bucket has improved from 90.53% in fiscal 2024 to 96.08% in fiscal 2025 and further to 96.42% in fiscal 2026. Similarly, roll forward rates to higher DPD buckets have improved during same period. Stage 1 roll forward rates (1-30 DPD buckets) was at 0.70% in fiscal 2024 which increased to 1.58% in fiscal 2025 and subsequently came down to 0.90% in fiscal 2026 highlighting recovery post the stress period in fiscal 2025.

Early in the recent stress phase, the microfinance sector saw roll forward rates rise, which explains the subsequent uptick in delinquencies, gross non-performing assets (GNPA) and credit costs. Importantly, these indicators also proved their value as reliable early warning signs, enabling lenders to act quickly and prevent broader and more persistent deterioration.

Supported by guidance from the Microfinance Institutions Network (MFIN) and aligned with the RBI's prudential approach, MFIs responded decisively by tightening underwriting standards, calibrating disbursements and strengthening collection intensity. These actions have led to improvements in roll back rates and clear early signs of portfolio stabilisation in fiscal 2026.

Average monthly collection efficiency for fiscal 2024

Fiscal 2024	0	1-30	31-60	61-90	91-120	121-150	151-180	Over 180	Closed	DDD	W/Off
0	90.53%	0.70%	0.10%	0.07%	0.05%	0.06%	0.06%	0.21%	1.65%	6.52%	0.05%
1-30	24.22%	29.01%	31.56%	2.22%	0.07%	0.07%	0.08%	1.62%	2.52%	8.03%	0.61%
31-60	2.22%	3.04%	18.99%	56.23%	3.44%	0.17%	0.06%	2.14%	2.60%	10.20%	0.92%
61-90	1.49%	0.66%	2.12%	31.93%	45.79%	3.23%	0.10%	2.44%	2.17%	9.24%	0.84%
91-120	1.39%	0.42%	0.27%	1.78%	12.08%	65.00%	5.21%	2.41%	1.35%	7.97%	2.12%
121-150	0.85%	0.20%	0.09%	0.24%	0.70%	8.32%	71.12%	8.36%	1.25%	7.50%	1.37%
151-180	0.34%	0.09%	0.04%	0.08%	0.13%	0.65%	14.31%	72.24%	0.94%	7.21%	3.97%
Over 180	0.26%	0.02%	0.04%	0.01%	0.01%	0.01%	0.02%	90.35%	0.57%	6.24%	2.48%

Note: Closed: Portfolio account closed by borrower; DDD – DPD not reported; W/Off – written off; Source: CRIF Highmark, Crisil Intelligence

Average monthly collection efficiency for fiscal 2025

Fiscal 2025	0	1-30	31-60	61-90	91-120	121-150	151-180	Over 180	Closed	DDD	W/Off
0	96.08%	1.58%	0.04%	0.00%	0.00%	0.00%	0.00%	0.01%	1.06%	1.20%	0.01%
1-30	12.28%	25.25%	57.54%	1.39%	0.02%	0.01%	0.00%	0.01%	1.54%	1.86%	0.10%
31-60	1.70%	1.95%	14.47%	76.90%	1.37%	0.03%	0.00%	0.02%	1.85%	1.58%	0.12%
61-90	0.97%	0.35%	1.87%	20.92%	70.35%	2.01%	0.05%	0.02%	1.55%	1.62%	0.29%
91-120	0.39%	0.12%	0.19%	0.80%	5.74%	86.50%	2.34%	0.10%	0.77%	1.84%	1.21%
121-150	0.28%	0.08%	0.06%	0.24%	0.41%	4.73%	88.74%	2.03%	0.65%	1.90%	0.89%
151-180	0.16%	0.05%	0.03%	0.05%	0.08%	0.95%	5.41%	82.46%	0.58%	1.52%	8.72%

Over 180	0.17%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	92.81%	0.29%	2.81%	3.86%

Note: Closed: Portfolio account closed by borrower; DDD – DPD not reported; W/Off – written off; Source: CRIF Highmark, Crisil Intelligence

Average monthly collection efficiency for fiscal 2026

Fiscal 2026	0	1-30	31-60	61-90	91-120	121-150	151-180	Over 180	Closed	DDD	W/Off
0	96.42%	0.90%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	1.33%	1.32%	0.00%
1-30	14.26%	34.58%	45.54%	1.11%	0.00%	0.03%	0.08%	0.14%	1.89%	2.28%	0.09%
31-60	1.65%	2.80%	20.31%	70.49%	1.50%	0.04%	0.14%	0.18%	1.45%	1.28%	0.18%
61-90	0.67%	0.51%	1.99%	22.91%	68.17%	2.06%	0.07%	0.21%	1.27%	1.51%	0.64%
91-120	0.45%	0.23%	0.43%	1.28%	8.10%	83.02%	2.33%	0.04%	1.05%	1.64%	1.44%
121-150	0.19%	0.08%	0.20%	0.55%	0.79%	6.45%	85.10%	2.30%	1.01%	1.74%	1.59%
151-180	0.12%	0.05%	0.08%	0.13%	0.17%	0.47%	5.23%	83.97%	0.66%	2.35%	6.76%
Over 180	0.07%	0.02%	0.01%	0.01%	0.01%	0.01%	0.03%	94.18%	0.36%	2.46%	2.83%

Note: Closed: Portfolio account closed by borrower; DDD – DPD not reported; W/Off – written off; Source: CRIF Highmark, Crisil Intelligence

Industry is witnessing a healthy mix of recent borrowers and existing customers

Historically, ~50% of the borrowers have been in the credit system for more than 60 months. The share of the same has reduced marginally to 50.36% in the nine months of fiscal 2026 from 53.06% in fiscal 2022. Share of customers between 13 and 24 months has doubled to 10.52% in the first nine months of fiscal 2026 from 5.48% in fiscal 2022. Overall, the share of low vintage borrowers has increased marginally and that of high vintage borrowers has been declining. This can be due to the clean-up activity undertaken in the industry to write off the delinquent borrowers. The share of borrowers acquired in the last 25-36 months is increasing who have shown early signs of improvement. This highlights a healthy mix of borrowers in the industry where disciplined borrowers are retained in the credit system along with acquiring high quality borrowers.

Mix of Borrowers as per the credit vintage

Borrower Vintage	FY22	FY23	FY24	FY25	9MFY26
0-3 months	3.81%	4.05%	6.04%	3.76%	4.02%
3-6 months	2.76%	3.30%	4.34%	2.67%	3.04%
7-12 months	2.79%	5.21%	6.65%	6.82%	5.42%
13-24 months	5.48%	8.92%	10.59%	13.28%	10.52%
25-36 months	10.43%	5.29%	8.00%	10.37%	11.23%
37-48 months	11.69%	9.22%	4.30%	7.48%	9.15%
49-60 months	9.99%	10.63%	7.90%	4.14%	6.26%
Over 60 months	53.06%	53.37%	52.17%	51.47%	50.36%
Total	100%	100%	100%	100%	100%

Note: Borrower vintage is for MFI loans and no other retail loans.

Source: CRIF Highmark, Crisil Intelligence

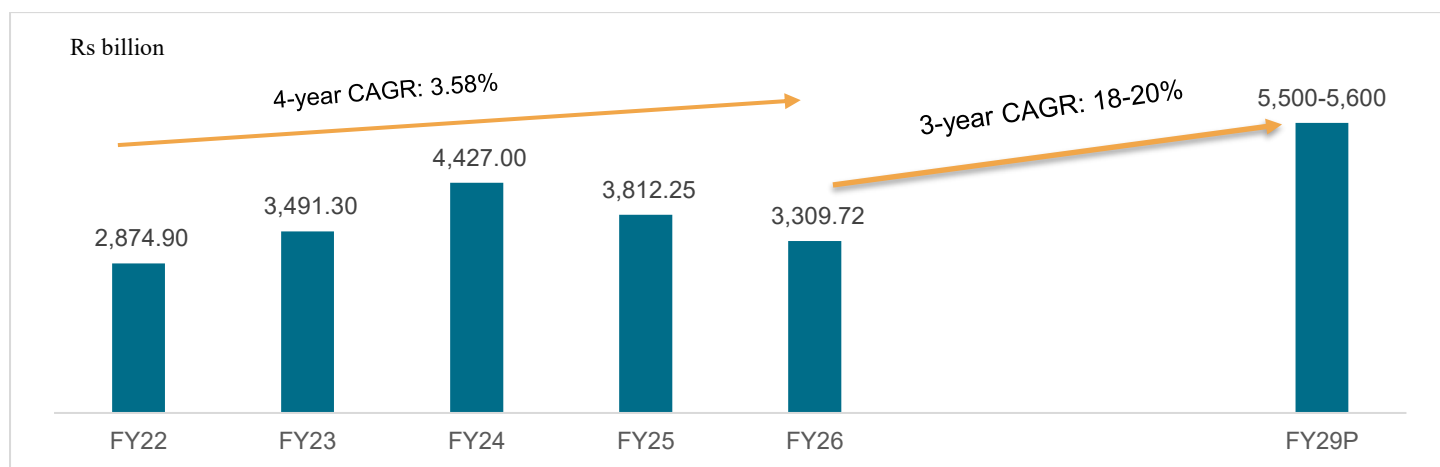
Industry outlook for overall microfinance industry

Following the implementation of Guardrails 2.0, the microfinance sector has focused on portfolio consolidation, balance-sheet recalibration, deleveraging at the borrower level and tightening credit filters and underwriting standards. These measures have led to early signs of stabilisation, such as normalised collection efficiencies, reduced delinquencies and improved borrower credit behaviour. Further, microfinance loans have relatively shorter tenure, making the recovery faster as the portfolio churns faster. As

a result, the sector is expected to enter a recovery and growth phase this fiscal year, characterised by more sustainable, risk-calibrated disbursement growth, better asset quality with lower cyclicalities and increased lender confidence supported by stronger control frameworks.

We believe the sector is now better positioned to deliver sustainable growth with improved risk-adjusted returns, reinforcing its resilience and long-term structural strength.

Overall MFI industry to clock a CAGR of 18-20% between fiscals 2026 and 2029

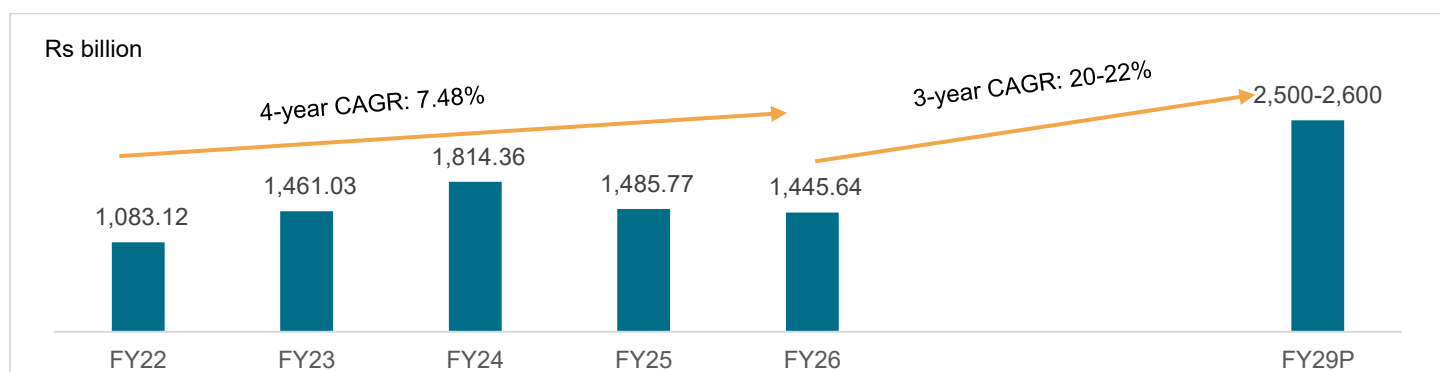


Note: P: Projected

Source: CRIF Highmark, Crisil Intelligence

India's microfinance sector is poised for a structurally stronger growth cycle until fiscal 2029, driven by a healthier rural macro backdrop, tighter borrower-level safeguards and a shift from expansion to quality-led scaling. Rural incomes are improving, with credit demand remaining resilient, particularly for self-employment, livestock and women-led enterprise.

NBFC-MFIs to outpace overall MFI industry growth (AUM)



Note: P: Projected

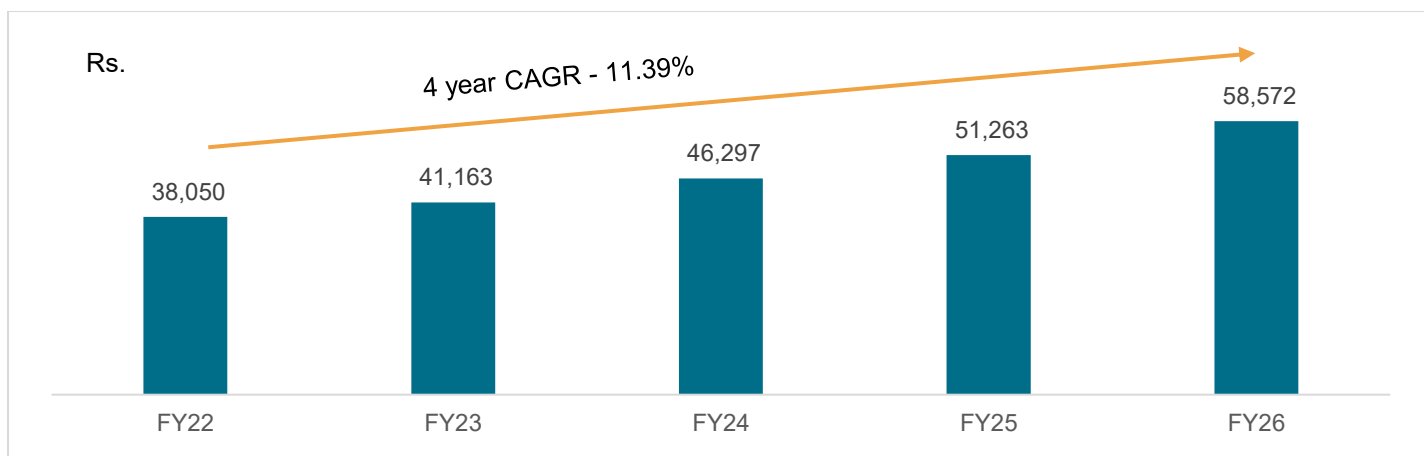
Source: CRIF Highmark, Crisil Intelligence

We expect NBFC-MFIs to grow at a faster pace, clocking a 20-22% CAGR in three years, compared with the overall industry. Having emerged as relatively more stable players with a lower impact on credit costs, they are well positioned to accelerate growth during the recovery phase and gain market share. Their advantages include deep sector specialisation, stronger regulatory preparedness, tighter risk controls, scalable operating models and better access to funding. In an industry increasingly focused on disciplined and sustainable growth, these strengths place NBFC-MFIs in a favourable position to recover earlier, expand more rapidly and consolidate market leadership.

Growth drivers

Building on the structural strength of the business model and the diversified lender ecosystem, the Indian microfinance sector's growth is driven by well-defined and complementary levers, which enable sustained and scalable expansion. Growth does not rely on a single factor; instead, it is the result of a balanced combination of borrower addition, ticket size evolution and geographic expansion.

Steady increase in ticket size reflects maturing credit demand



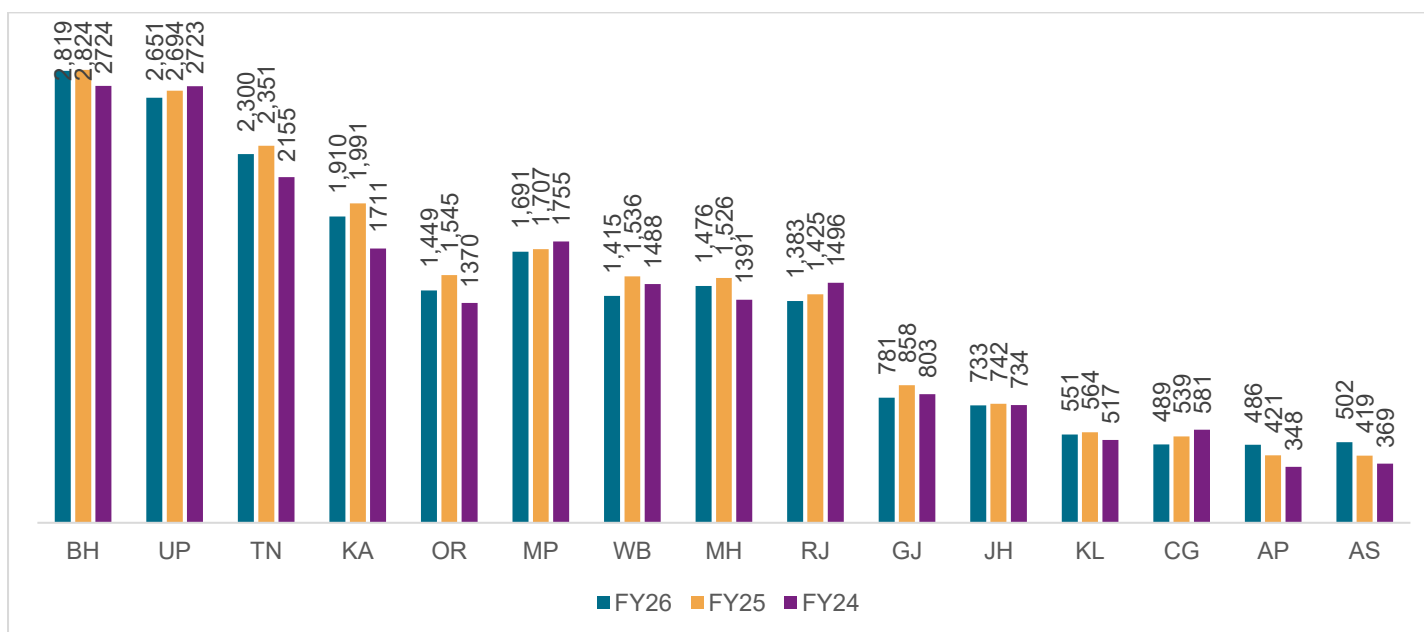
Source: CRIF Highmark, Crisil Intelligence

The microfinance industry has shown steady growth in average ticket sizes from Rs 38,050 in fiscal 2022 to Rs 58,572 in fiscal 2026, driven by customers graduating to higher loan cycles, inflation-adjusted lending and a focus on larger loans, as well as increased demand in semi-urban areas. This positive trend indicates improved borrower creditworthiness, deeper financial inclusion and effective lending strategies within a disciplined regulatory environment, reflecting a successful shift in borrower behaviour and industry momentum.

Players to tap newer and underpenetrated states and districts to widen client base

The industry's branch network has remained largely stable across states in the first nine months of fiscal 2026, with only minor adjustments in certain regions. Key markets such as Bihar, Uttar Pradesh and Tamil Nadu continue to have a strong branch presence, indicating sustained demand and well-established operations. Similarly, southern and western states, such as Karnataka, Maharashtra and Gujarat, as well as eastern and central regions, including West Bengal, Madhya Pradesh, and Odisha, have maintained a steady footprint, supporting ongoing financial inclusion efforts.

Total branches of MFIs in each state and UT



Note: Top 15 states with highest number of branches as of March 2026 are considered in the chart above

Source: MFIN, Crisil Intelligence

The increase in branches from FY24 to FY25 across top 15 states marks the expansion phase of the industry. The decline in branch count in fiscal 2026 compared with fiscal 2025, reflects a strategic shift. Following a period of elevated credit stress and moderation in disbursements in fiscal 2025, MFIs have focused on branch rationalisation, improving productivity per branch and strengthening asset quality. This has been complemented by increased digitisation, better credit bureau usage and more centralised underwriting, reducing the need for extensive physical networks. Overall, the reduction in branches indicates a transition toward more efficient, quality-led and sustainable growth, with the industry prioritising operational optimisation over aggressive expansion. We expect penetration to deepen going forward, which will further drive growth.

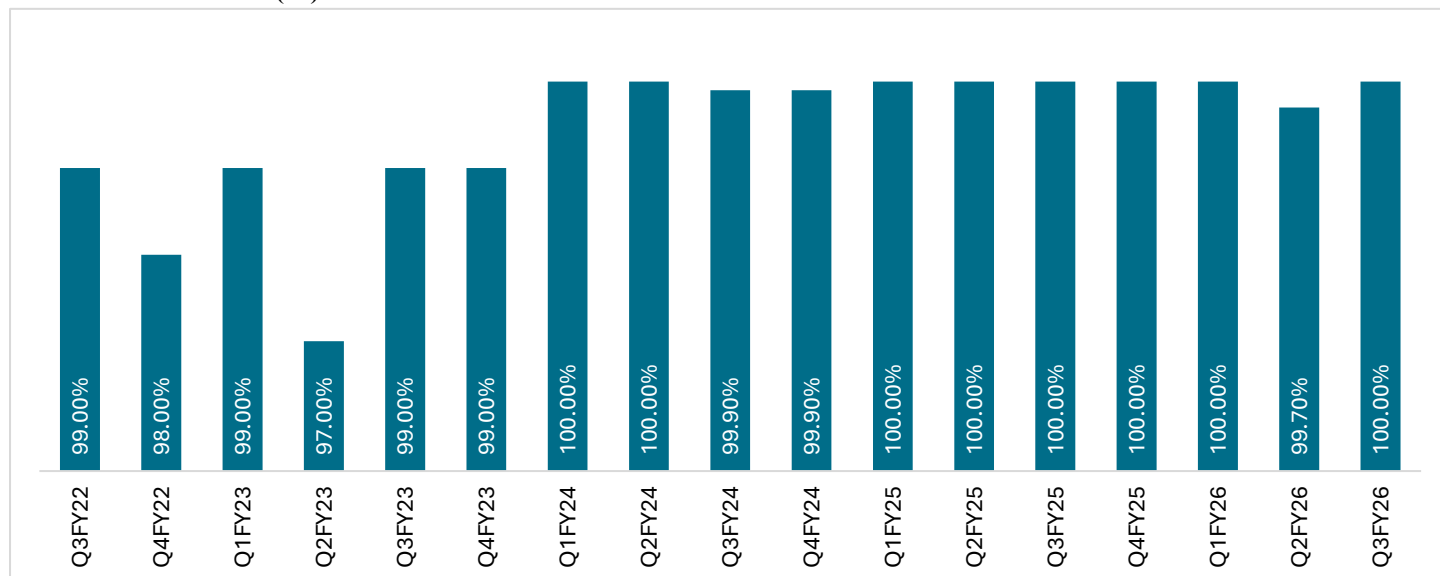
Digital and technology enablement

As the microfinance sector builds on a strong operating model, the next phase of evolution is being driven by the increasing adoption of digital infrastructure and technology-led processes. These are enhancing the way institutions deliver, monitor and scale up operations. While the core principles of microfinance remain rooted in high-touch engagement, digital enablement is transforming execution by making processes more efficient, transparent and scalable.

One of the most significant shifts has been the move toward cashless disbursements and digital collections, reducing reliance on physical cash handling and improving operational efficiency. Digital transactions enable faster disbursement cycles, better traceability and stronger compliance, while also minimising operational risks. This transition supports a more secure and streamlined delivery framework, benefiting both institutions and borrowers.

Based on the third-quarter fiscal 2026 data from 43 NBFC-MFIs, all the loans were disbursed through the cashless mode. Majority of disbursements have been 100% cashless disbursements since Q1FY24.

Cashless disbursement (%)



Source: MFIN, Crisil Intelligence

Parallely, the adoption of digital onboarding and eKYC processes has significantly improved customer acquisition and verification. The widespread adoption of Aadhaar and the Unified Payments Interface and the increasing number of credit bureaus have transformed the operating model of microfinance.

Digital onboarding, credit assessment and collections are also resulting in improved efficiencies, lower operating costs and better risk management. Advanced analytics and artificial intelligence (AI)-driven underwriting are enhancing scalability and credit discipline as well.

We expect that the lower cost of servicing customers, better productivity and reduced credit costs, driven by technology adoption, will help MFIs enhance their profitability.

Investors show confidence in microfinance sector during challenging times

Private equity investors continue to maintain a strong presence in the NBFC-MFI sector, with no visible trend of capital withdrawal from these institutions. On the contrary, investor activity indicates sustained conviction in the segment's long-term growth potential. A number of recent transactions, a few of which are highlighted below, clearly demonstrate this ongoing private equity interest and reinforce the positive investment outlook for the sector.

- 1) Private equity firms - Advent International and Multiples invested Rs 1,930 crore jointly in Svatantra Microfin in March 2024.
- 2) Spandana Sphoorty Financial Ltd raised Rs 400 crores in August 2025 through a rights issue, out of which Rs 200 crores was committed by Kedaara Capital.
- 3) Fusion Finance Ltd completed a Rs 800 crore rights issue led by existing investors, Warburg Pincus in May 2025 to strengthen its balance sheet.

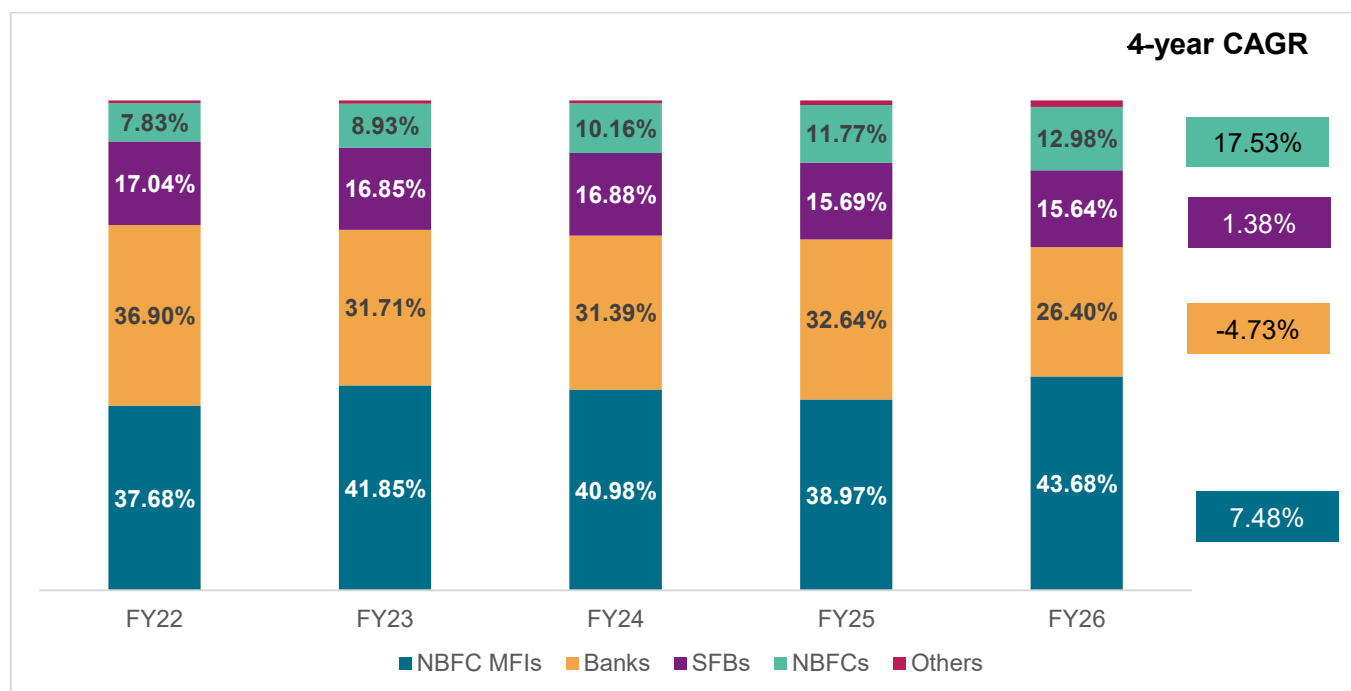
Funding support gives NBFC MFIs the cash and balance-sheet comfort to expand steadily and absorb short-term disruptions. It helps them keep essential operations running—credit, collections, and onboarding—despite temporary challenges. This preparation also strengthens readiness to scale quickly when conditions improve. When the environment reverses, they're positioned to capture new growth opportunities without delay.

The competitive landscape

NBFC-MFIs demonstrated resilience by increasing market share during a crisis. While NBFCs grew faster albeit on a lower base

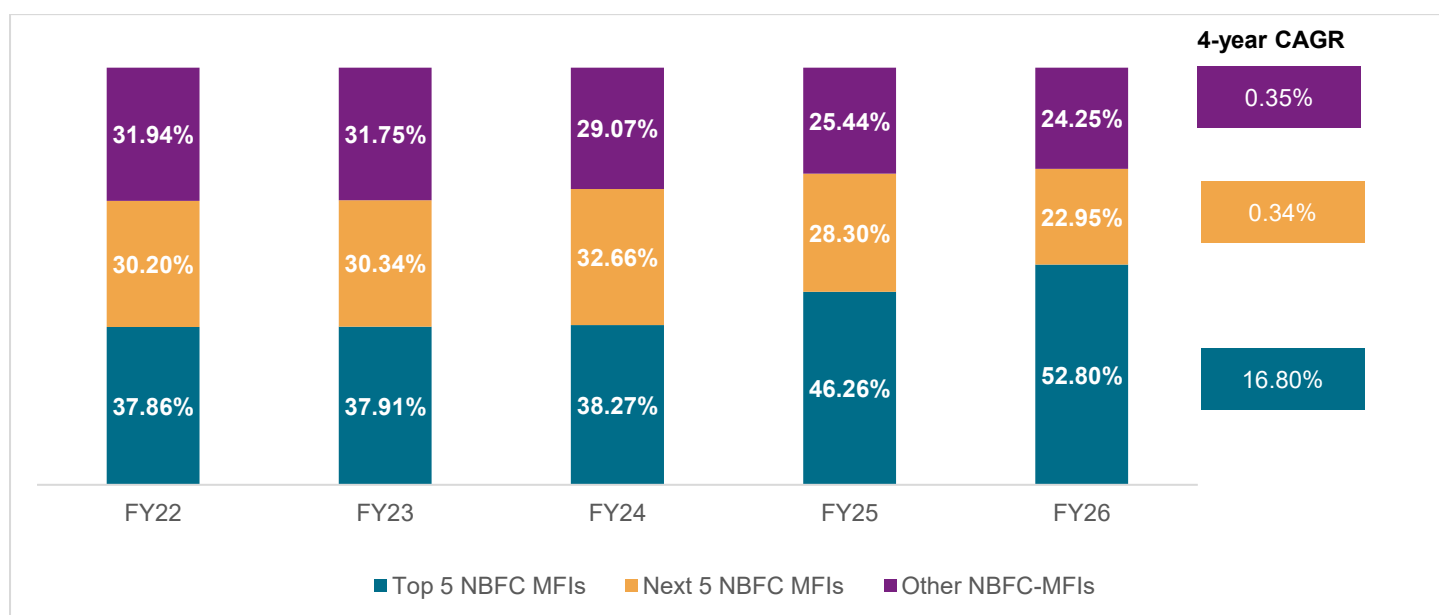
A player-wise analysis of the microfinance industry indicates **NBFC-MFIs** emerged as the dominant players in the microfinance industry between **fiscal 2022 and fiscal 2026**. They increased their market share from **37.68% to 43.68%**, delivering a **CAGR of 7.48%**, well above the **industry growth rate of 3.58%**. In contrast, **banks**, while remaining the second-largest category in the industry, saw their market share decline from **36.90% to 26.40%**, clocking a **negative CAGR of 4.73%**. Banks reduced exposure to the segment amid rising NPAs, borrower overleveraging, tighter regulatory norms, political interventions in certain states and pressure on rural incomes. This shift made space for **NBFC-MFIs and NBFCs** to gain share. **NBFCs** expanded rapidly from a smaller base, clocking a **four-year CAGR of 17.53%**, while **small finance banks (SFBs)** remained relatively stable with market share of **15–17%** and a muted CAGR of **1.38%**.

Player group wise yearly trends in AUM share



Source: CRIF Highmark, Crisil Intelligence

Robust growth of top five NBFC-MFIs as per AUM



Note: The top five NBFC-MFIs are Credit Access Grameen Ltd, Svatantra Microfin Ltd., Satin Creditcare Network Ltd, Muthoot Microfin Ltd and Annapurna Finance Ltd; the next five NBFC-MFIs are IIFL Samasta Finance Ltd, Belstar Microfinance Ltd, Fusion Finance Ltd, Asirvad Microfinance Ltd and Spandana Sphoorty Financial Ltd

Source: CRIF Highmark, Crisil Intelligence

Reasons for accelerated growth for top 5 NBFC MFIs

Within the NBFC-MFI segment, growth was disproportionately driven by the **top five players**. These companies clocked a **CAGR of 16.80%** and increased their collective market share basis of AUM from **37.86% to 52.80%** between fiscals 2022 and 2026.

Their outperformance demonstrated a superior ability to manage sectoral stress, maintain asset quality and sustain borrower growth. These factors were supported by:

- Strong local market expertise along with pan India presence that mitigates the local risks
- Predictive cash flow-based credit assessment using surrogate underwriting methods
- Proven experience of handling crisis while maintaining growth momentum
- Delivering operating leverage and productivity gains through strong economies of scale
- Robust borrower engagement and collection infrastructure
- Consistent on-year addition of unique borrowers
- Training on-ground field officers to deal with evolving customer needs
- Leveraging customers with proven track record by providing higher ticket size
- Ability of raising equity and debt capital on the back of group support and long-standing relations with banks at lower cost of borrowings.

High-value ticket segment gained market share in the overall MFI industry

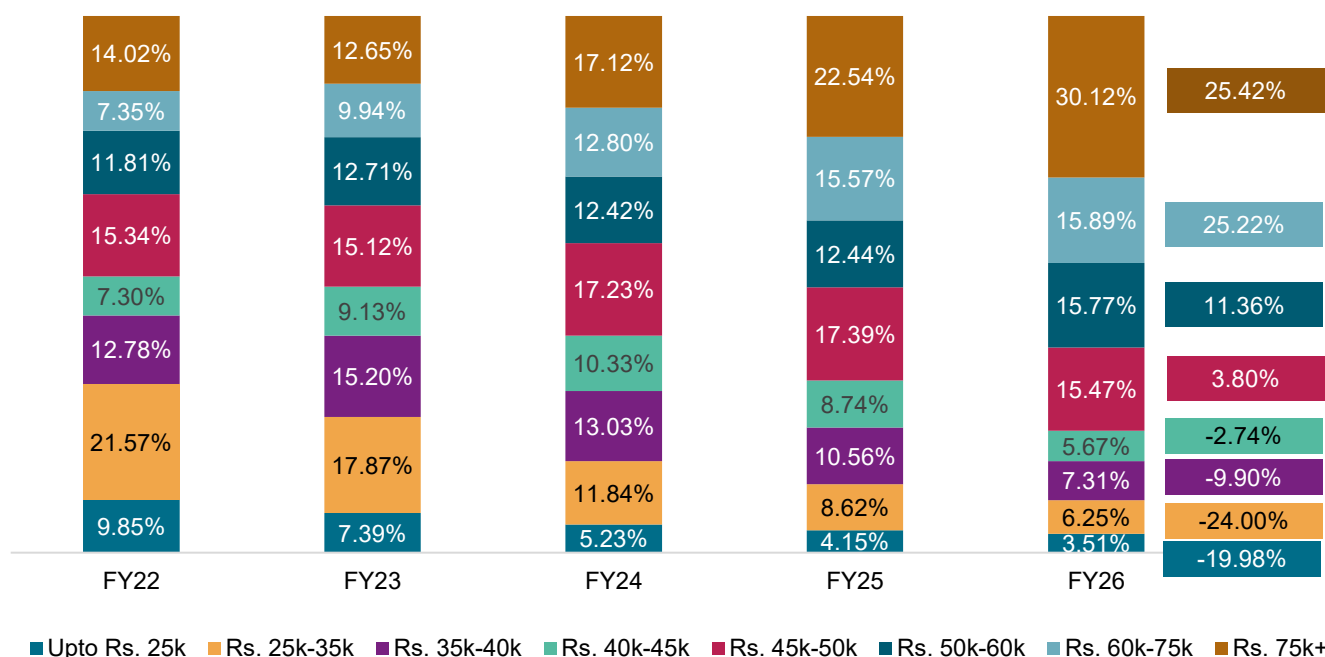
Between fiscal 2022 and fiscal 2026, there was a significant decline in lower ticket sizes, while ticket sizes in the Rs 45,000–50,000 range displayed muted growth. Conversely, ticket sizes above Rs 50,000 saw double-digit expansion, aligning with the industry trend of increasing the average ticket size. This growth can be attributed to:

- a) Lenders favouring long-standing borrowers with proven repayment discipline over riskier new customers, especially after recent asset quality stresses
- b) MFI loans enabling income generation activities; therefore, rising inflation and raw material costs have led to higher working capital requirements
- c) Cost efficiency for lenders in extending larger loans to repeat customers, as servicing fewer, higher-value accounts reduces administrative expenses
- d) MFIs gaining the flexibility to adjust interest margins and extend larger loans based on individual borrower risk profiles, following the RBI's implementation of risk-based pricing

The leading lenders are strategically diversifying their portfolios from a predominantly JLG-focused book to include non-JLG products, encompassing both secured and unsecured offerings. This approach enables the company to retain customers beyond the microfinance borrowing phase, facilitate credit extension at higher ticket sizes and manage segment-specific risks in a better way.

Ticket size wise yearly trends for overall microfinance industry

4-year CAGR

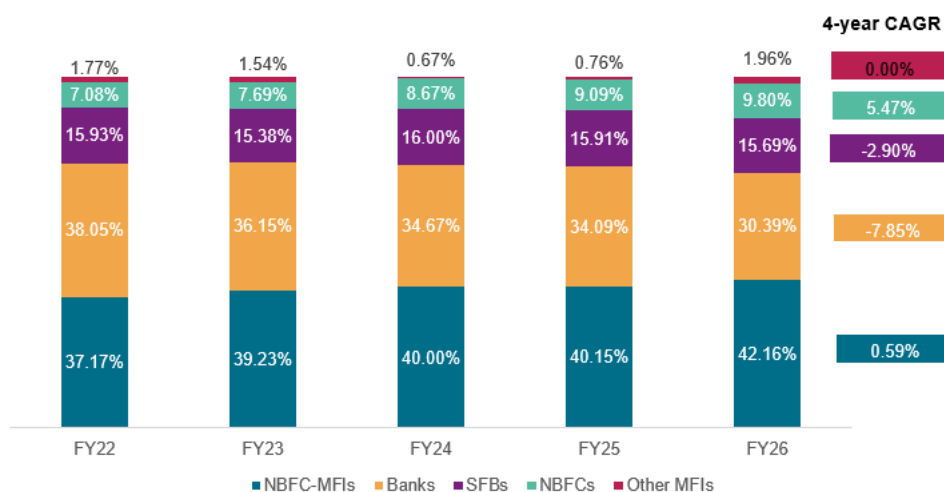


Source: CRIF Highmark, Crisil Intelligence

The share of NBFC-MFIs in active loan accounts increased from 37.17% as of fiscal 2022 to 42.16% in fiscal 2026

NBFC-MFIs maintained their leadership in India's microfinance sector with 43 million active loan accounts as of March 2026. This significant customer base is a testament to their extensive distribution network, rural penetration and established trust among underserved borrowers. Despite industry-wide normalisation, NBFC-MFIs sustained their dominance through prudent portfolio management and execution. Their resilience is attributed to improving collections, stricter underwriting standards and increasing digital adoption, positioning them to drive sustainable growth.

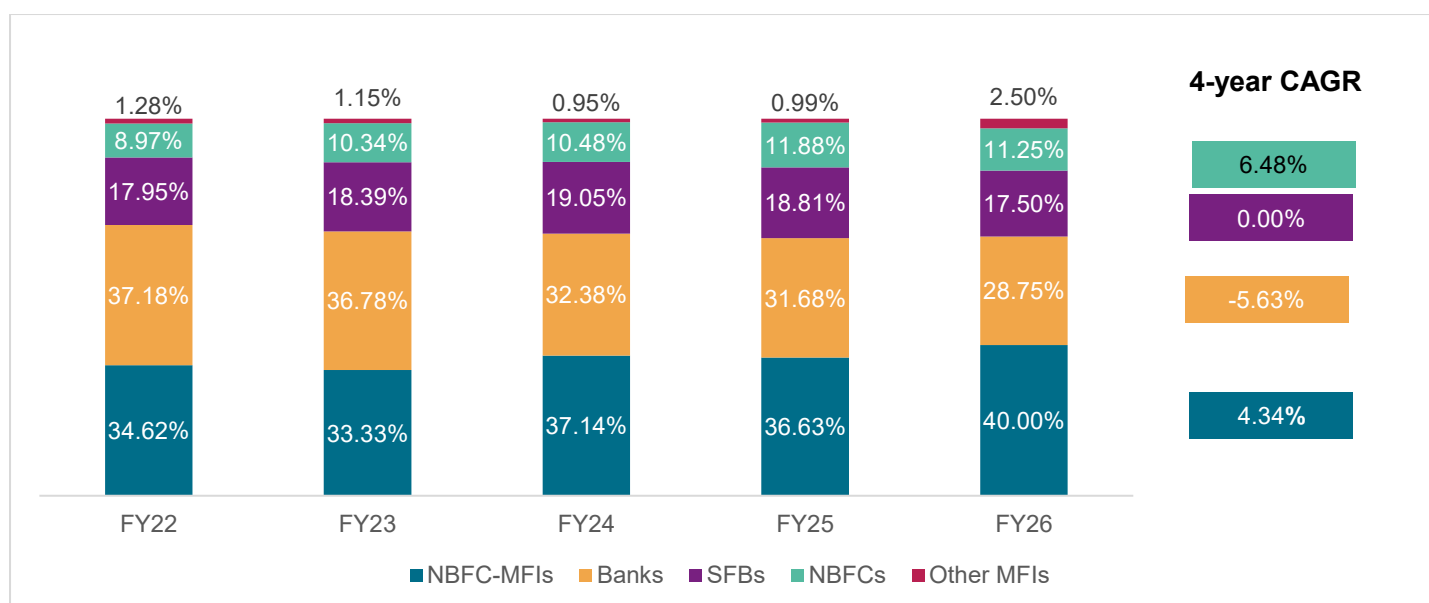
Player group-wise active loan account distribution



Note: 4-year CAGR is growth rate from fiscal 2022 to fiscal 2026

Source: MFIN, Crisil Intelligence

Share of NBFC-MFIs in unique borrowers was 40.00% in fiscal 2026

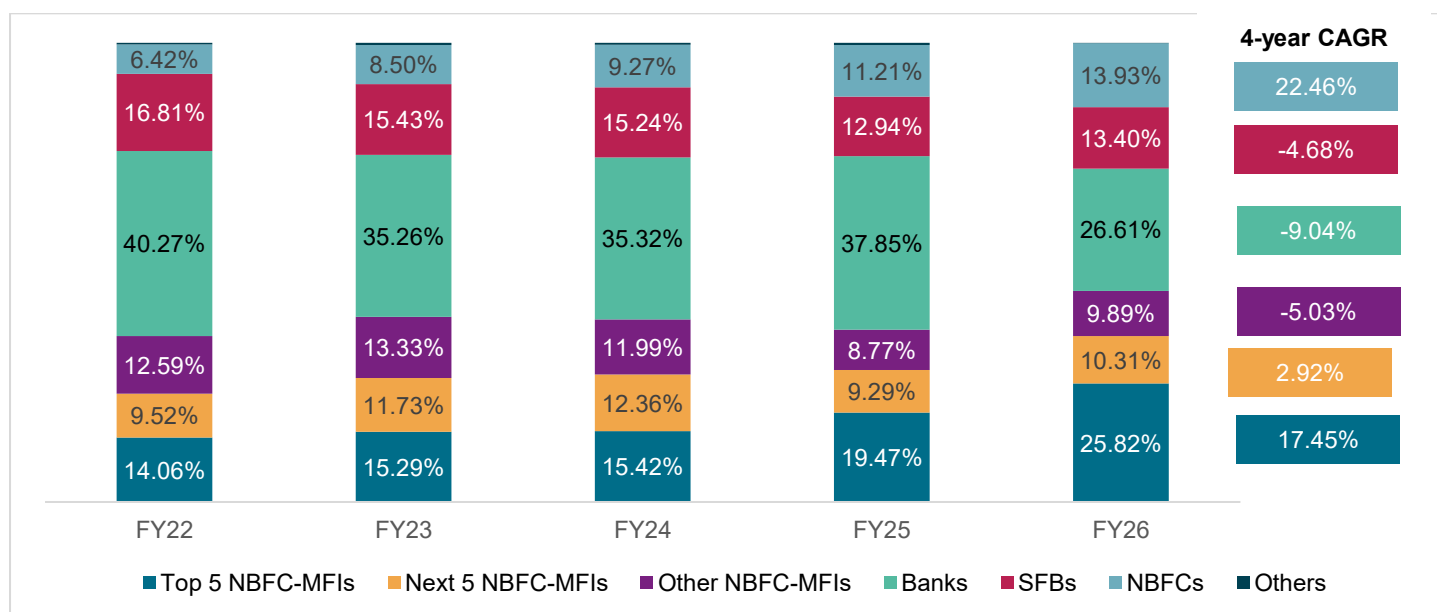


Note: 4-year CAGR is from fiscal 2022 to fiscal 2026

Source: MFIN, Crisil Intelligence

NBFC-MFIs saw the second highest growth in the number of unique borrowers, clocking a CAGR of 11.01% between fiscals 2022 and 2025. This surpassed the growth seen by banks, which clocked a CAGR of 3.34%.

Top five NBFC-MFIs and NBFCs gained market share, while banks strategically reduced their market share in terms of disbursements



Notes:

1. The top five NBFC-MFIs are Credit Access Grameen Ltd, Svatantra Microfin Ltd., Satin Creditcare Network Ltd, Muthoot Microfin Ltd and Annapurna Finance Ltd; The next five NBFC-MFIs are IIFL Samasta Finance Ltd, Belstar Microfinance Ltd, Fusion Finance Ltd, Asirvad Microfinance Ltd and Spandana Sphoorty Financial Ltd

2. Four-year CAGR is calculated from fiscals 2022 to 2026

Source: CRIF Highmark, Crisil Intelligence

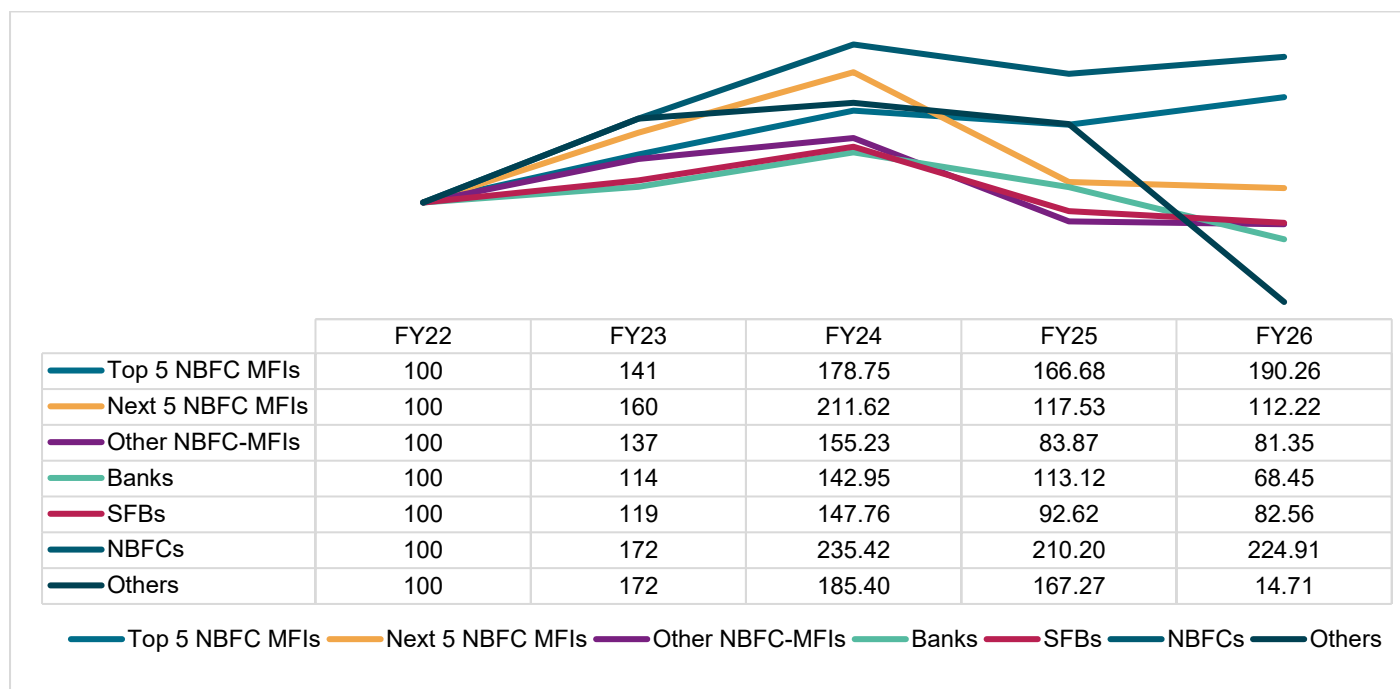
The top five NBFC-MFIs have consistently maintained a proactive stance on disbursements even during periods of turbulence. They have driven the industry's growth momentum when many other market participants opted to restrict disbursements to safeguard asset quality. Meanwhile, banks are progressively withdrawing from the microfinance sector as part of their strategic realignment.

Despite these industry dynamics, NBFC-MFIs and NBFCs have sustained their growth trajectory by leveraging sophisticated, technology-enabled underwriting processes and robust collection mechanisms. This strategic focus allows them to effectively identify high-quality borrowers, thereby promoting financial inclusion.

The top five NBFC-MFIs have adopted a phygital model that combines their strong on-ground distribution network with app-based customer onboarding. By digitalising a large part of the onboarding journey, they are able to scale up customer acquisition more

efficiently, reduce manual paperwork and administrative burden, and improve the turnaround time. This approach also helps lenders capture richer digital customer information, which strengthens credit evaluation and enables more informed risk assessment before loan disbursement.

Top 5 NBFCs maintained a relatively slower growth till fiscal 2024 and picked up pace in fiscal 2025 and 2026 (Rebased to 100)

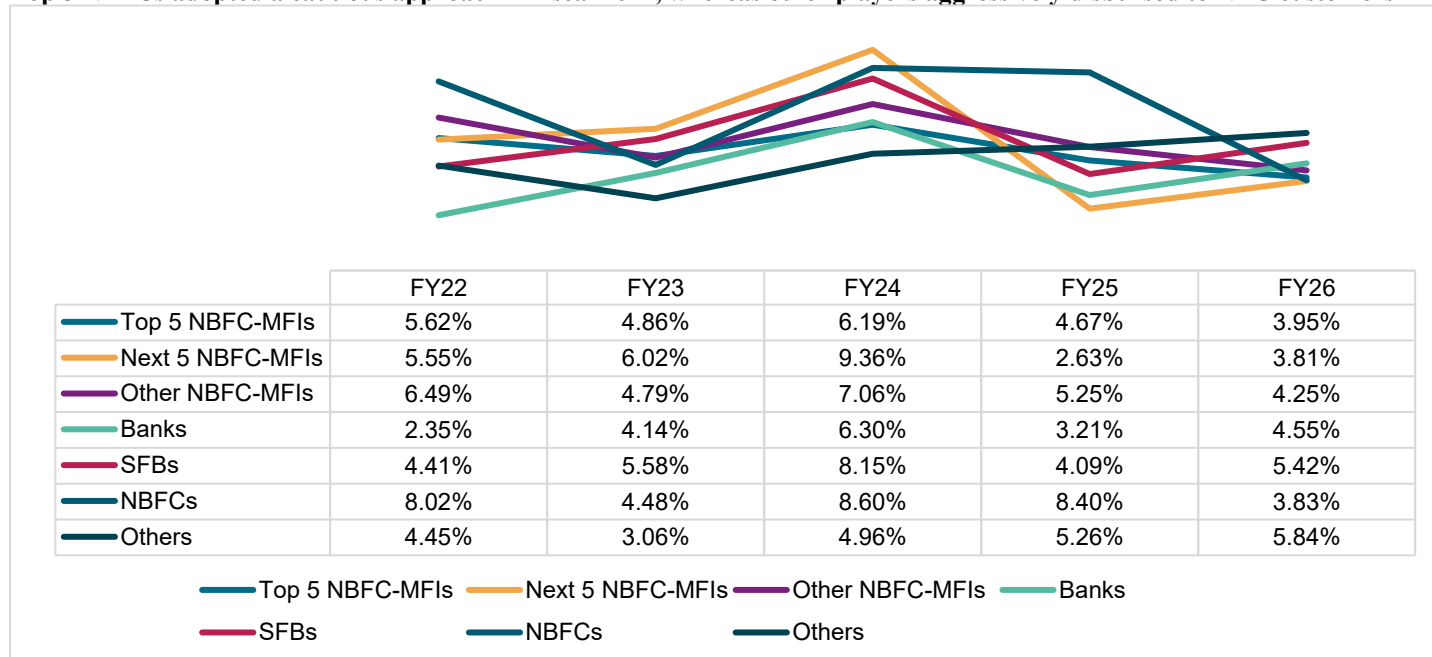


Note: The top five NBFC-MFIs are Credit Access Grameen Ltd, Svantra Microfin Ltd., Satin Creditcare Network Ltd, Muthoot Microfin Ltd and Annapurna Finance Ltd; the next five NBFC-MFIs are IIFL Samasta Finance Ltd, Belstar Microfinance Ltd, Fusion Finance Ltd, Asirvad Microfinance Ltd and Spandana Sphoorty Financial Ltd

Source: CRIF Highmark, Crisil Intelligence

The above chart shows the growth rate in disbursements based on fiscal 2022 disbursements which is benchmarked as 100. The top 5 NBFC MFIs maintained a relatively slower approach till fiscal 2024 in terms of growth of disbursements compared to Next 5 NBFC MFIs and NBFCs. This shows the cautious approach of the top leading players. However, in fiscal 2025 and 2026, top 5 NBFC MFIs picked up pace in disbursements and grew at second highest rate after NBFCs. The cautious approach exhibited by the top 5 NBFC MFIs is also visible in the asset quality.

Top 5 NBFCs adopted a cautious approach in fiscal 2024, whereas other players aggressively disbursed to NTC customers



Note: The top five NBFC-MFIs are Credit Access Grameen Ltd, Svantra Microfin Ltd., Satin Creditcare Network Ltd, Muthoot Microfin Ltd and Annapurna Finance Ltd; the next five NBFC-MFIs are IIFL Samasta Finance Ltd, Belstar Microfinance Ltd, Fusion Finance Ltd, Asirvad Microfinance Ltd and Spandana Sphoorty Financial Ltd

Source: CRIF Highmark, Crisil Intelligence

Disbursements to NTC customers rose sharply in fiscal 2024 before moderating in the two subsequent fiscals. In contrast, the top five NBFC-MFIs consistently maintained almost the lowest share of disbursements to NTC customers across all years, reflecting a more cautious and orderly lending approach. This prudence is also evident in their relatively stronger asset quality performance after fiscal 2024. As a result, these institutions were able to sustain disbursement growth even after fiscal 2024, while continuing to extend credit to underserved segments through more accurate risk assessment and stronger underwriting standards.

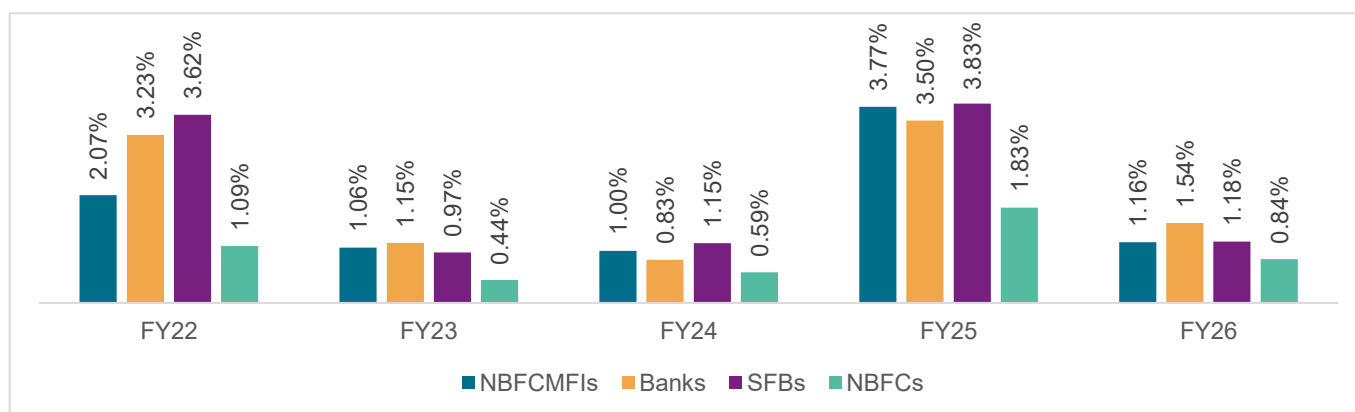
Leading players selectively disburse to NTC customers as they leverage an advanced credit engine that combines AI, real-time credit bureau data, e-KYC and fraud detection for faster and more accurate decisions. Their strategy also focuses on technology modernisation, zero-trust security, regulatory compliance and workforce upskilling, which creates ground for sustainable growth.

Asset quality

NBFC-MFIs have been able to maintain the best asset quality in the industry (PAR 91-180)

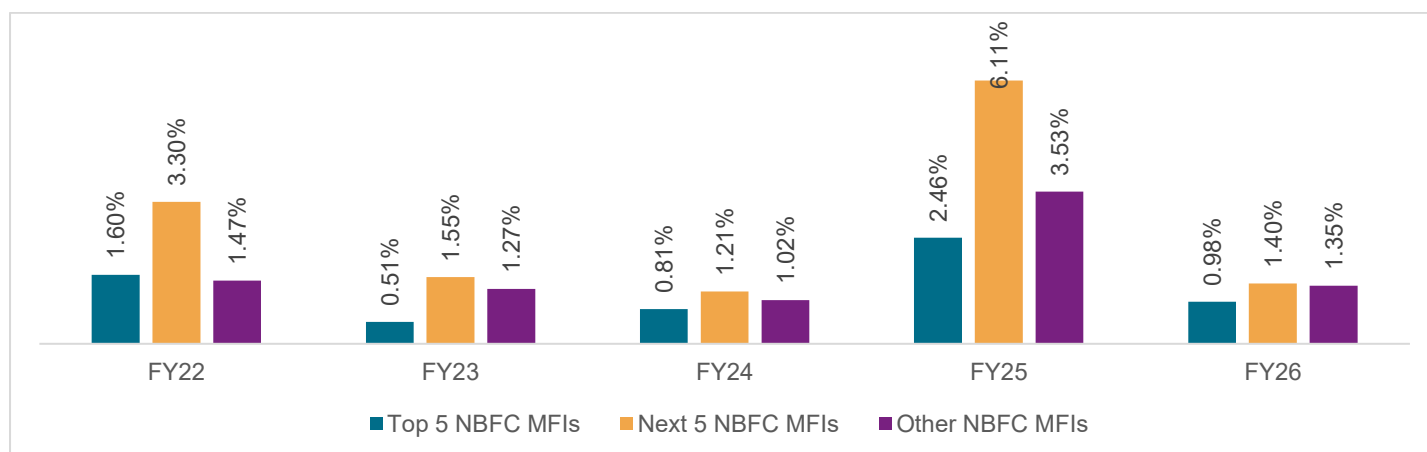
During the industry-wide crisis, NBFC-MFIs demonstrated notable resilience in maintaining asset quality, recording one of the lowest 91-180 DPD delinquency ratios in fiscal 2026. In contrast, banks and SFBs were the most impacted, with the highest 91-180 DPD delinquencies observed between fiscals 2022 and 2024. This ratio continued to rise in fiscal 2025 and moderate in fiscal 2026. Regulatory mandates have driven banks to aggressively buy out microfinance loans to meet priority sector lending (PSL) targets, resulting in concentrated exposure on bank balance sheets. SFBs, in particular, recorded the highest 90-180 DPD ratios in fiscals 2025 and 2026, reflecting the sector's evolving risk profile.

Player group-wise yearly trends in asset quality (PAR 91-180)



Source: CRIF Highmark, Crisil Intelligence

Top 5 NBFC-MFIs have been able to restrict the deterioration of asset quality (PAR 91-180)



Note: The top five NBFC-MFIs are Credit Access Grameen Ltd, Svatantra Microfin Ltd., Satin Creditcare Network Ltd, Muthoot Microfin Ltd and Annapurna Finance Ltd; the next five NBFC-MFIs are IIFL Samasta Finance Ltd, Belstar Microfinance Ltd, Fusion Finance Ltd, Asirvad Microfinance Ltd and Spandana Sphoorty Financial Ltd

Source: CRIF Highmark, Crisil Intelligence

A deeper look shows that the top five NBFC-MFIs have been able to remarkably control the delinquencies and recorded the lowest 90-180 DPD across all periods. The next five NBFCs-MFIs and other NBFC-MFIs, who faced the heat of the crisis, saw a rise in delinquencies.

The top NBFC-MFIs' approach to achieving the best industry asset quality is:

1. Deep local expertise and borrower relationships

Strong on-ground presence via distributed branch network-enabled field officers to build close relationships with borrowers and develop a nuanced understanding of their needs, cash flow patterns and repayment behaviour. This local intelligence supported more informed credit decisions and sharper risk identification.

2. Usage of technology in sourcing and risk assessment

Technology enables better microfinance underwriting by providing access to digital data sources, such as mobile usage and transaction history, for more accurate risk assessment. It automates data collection and analysis, reducing manual errors and processing time. Advanced analytics and machine learning models improve credit scoring, even for underserved populations. Digital platforms also facilitate real-time decision-making and enhance transparency.

3. Robust collection mechanisms

Leading NBFC-MFIs have built strong collection frameworks that are supported by early warning systems to identify signs of stress at an initial stage. Prompt intervention, once an issue is detected, helps contain early-stage delinquencies and stops the slippages from falling into deeper overdue buckets.

Overall, the ability of the top NBFC-MFIs to combine local market understanding, disciplined underwriting and proactive collections enabled them to preserve portfolio quality far better than the rest of the sector during a period of heightened stress.

Top five NBFC-MFIs have been able to identify early delinquency and restrict the flow to higher DPD buckets

Player group-wise asset quality trend

	PAR 31-90					PAR 91-180				
	FY22	FY23	FY24	FY25	FY26	FY22	FY23	FY24	FY25	FY26
Top 5 NBFC MFIs	1.79%	0.64%	0.73%	1.84%	0.60%	1.60%	0.51%	0.81%	2.46%	0.98%
Next 5 NBFC MFIs	4.41%	1.23%	1.35%	4.38%	0.71%	3.30%	1.55%	1.21%	6.11%	1.40%
Other NBFC MFIs	1.80%	0.84%	1.14%	2.76%	1.17%	1.47%	1.27%	1.02%	3.53%	1.35%
Banks	3.87%	1.59%	1.28%	2.67%	0.96%	3.23%	1.15%	0.83%	3.50%	1.54%
SFBs	3.75%	1.34%	1.78%	3.31%	0.81%	3.62%	0.97%	1.15%	3.83%	1.18%
NBFCs	2.47%	0.50%	0.63%	1.98%	0.73%	1.09%	0.44%	0.59%	1.83%	0.84%
Overall MFI Industry	3.25%	1.16%	1.21%	2.73%	0.82%	2.70%	1.03%	0.94%	3.45%	1.22%

Note: Top five NBFC-MFIs include Credit Access Grameen Ltd, Sytantra Microfin Ltd., Satin Creditcare Network Ltd, Muthoot Microfin Ltd and Annapurna Finance Ltd; Next five NBFC-MFIs include IIFL Samasta Finance Ltd, Belstar Microfinance Ltd, Fusion Finance Ltd, Asirvad Microfinance Ltd and Spandana Sphoorty Financial Ltd

Source: CRIF High Mark, Crisil Intelligence

The industry-wide delinquency profile reveals a mixed trend, with asset quality improving in fiscal 2023 and then deteriorating till fiscal 2025. However, early-stage delinquency metrics indicate a positive recovery in fiscal 2026, with PAR 31-90 decreasing to 0.82% from 2.73% in fiscal 2025 and DPD 91-180 improving to 1.22% from 3.45%. The significant decline in early DPD buckets suggests the vintage clean-up has been largely successful. This improvement indicates new disbursements are being made to borrowers with disciplined repayment histories, supported by proactive collection efforts, which collectively signal a healthier and sustainable asset quality outlook for the industry.

Notably, the top five NBFC-MFIs have maintained superior asset quality even amid industry challenges. Their DPD 31-90 bucket improved to 0.60% in fiscal 2026 from 1.84% in fiscal 2025, and DPD 91-180 improved to 0.98% from 2.46%. The top five NBFC-MFIs have created higher provisions and management overlays to proactively accommodate the degrading asset quality. This resilience underscores their ability to navigate crises with minimal asset quality deterioration, enabling sustained growth in AUM and disbursements despite industry-wide disruptions. It also highlights the importance of cautious risk assessment and proactive collection strategies in effectively navigating a crisis. Consequently, these industry leaders have continued to grow in terms of AUM and disbursements, while the rest of the industry has slowed down to improve their book quality.

Quarterly trends for fiscal 2026 suggest improvements in asset quality in the third and fourth quarters of fiscal 2026

Across lenders and all DPD buckets, asset quality improved in the third and fourth quarters of fiscal 2026. This points to a healthier credit environment and stronger overall portfolio discipline, suggesting the sector may be moving past its most acute phase of stress. The trend also highlights the ability of market participants, particularly the top five NBFC-MFIs, to withstand the disruption and emerge in a stronger position. Importantly, this improvement indicates the operational, risk and collection infrastructure required to manage periods of stress is firmly in place, providing a solid foundation for faster yet sustainable growth.

Quarterly Trends in fiscal 2026

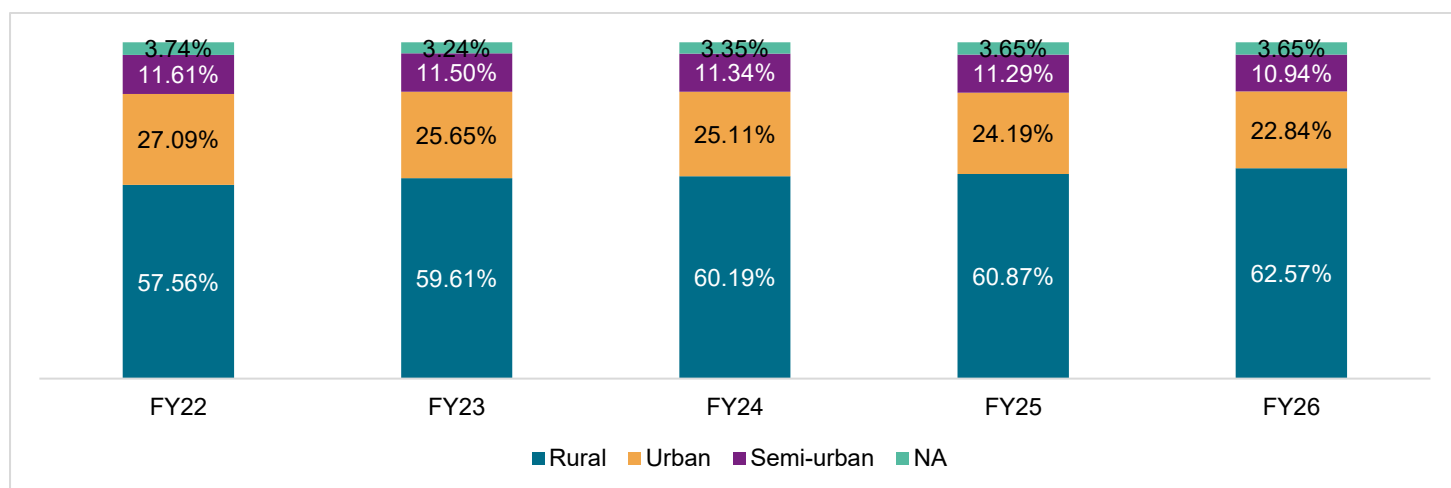
	31-90 DPD				91-180 DPD			
	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Top 5 NBFC MFIs	1.48%	1.30%	1.07%	0.60%	2.11%	1.74%	1.39%	0.98%
Next 5 NBFC MFIs	3.44%	2.20%	1.36%	0.71%	6.12%	4.59%	2.61%	1.40%
Other NBFC MFIs	4.05%	2.45%	1.66%	1.17%	3.10%	4.05%	2.12%	1.35%
Banks	2.19%	1.95%	1.66%	0.96%	3.11%	2.78%	2.58%	1.54%
SFBs	2.85%	2.15%	1.50%	0.81%	3.40%	2.88%	1.97%	1.18%
NBFCs	1.71%	1.38%	1.08%	0.73%	2.03%	1.79%	1.30%	0.84%
Others	0.76%	0.65%	0.61%	0.56%	0.46%	1.39%	0.50%	1.07%
Overall MFI Industry	2.40%	1.84%	1.39%	0.82%	3.11%	2.74%	1.98%	1.22%

Note: Top five NBFC-MFIs include Credit Access Grameen Ltd, Sytantra Microfin Ltd., Satin Creditcare Network Ltd, Muthoot Microfin Ltd and Annapurna Finance Ltd; Next five NBFC-MFIs include IIFL Samasta Finance Ltd, Belstar Microfinance Ltd, Fusion Finance Ltd, Asirvad Microfinance Ltd and Spandana Sphoorty Financial Ltd

Source: CRIF High Mark, Crisil Intelligence

Geographic analysis

Rural market continues to drive the MFI business based on AUM

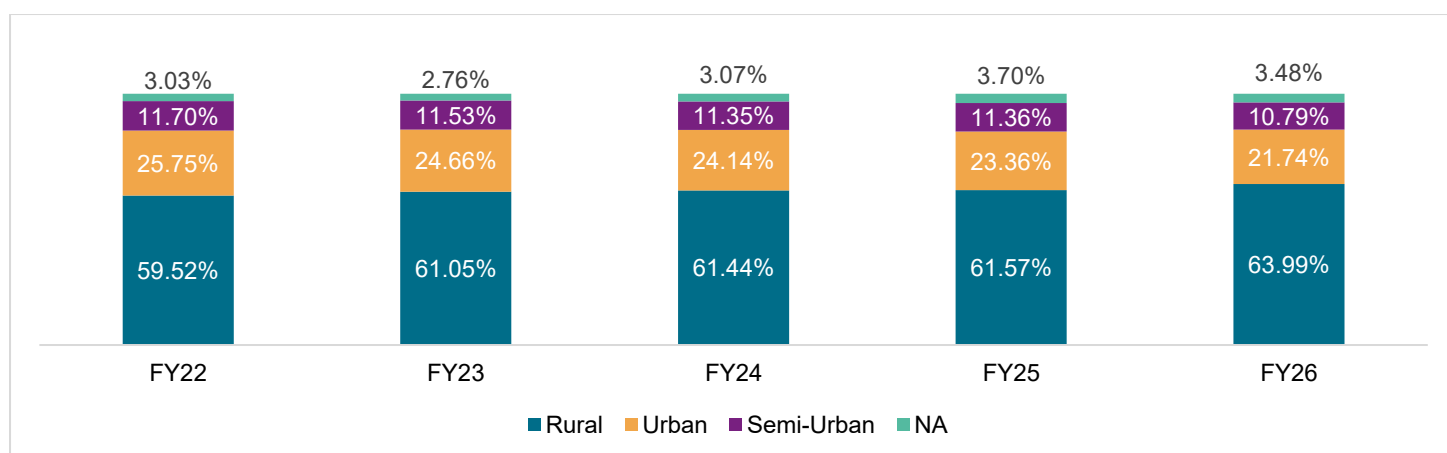


Note: NA – Not available; Source: CRIF High Mark, Crisil Intelligence

Traditionally, microfinance has been rural-focused, driven by limited access to formal credit and reliance on informal sources. This has made rural markets the primary engine of the industry's growth, supporting steady borrower addition and portfolio expansion. With a sharper focus on rural areas over the past few fiscals, NBFC-MFIs have been able to maintain better asset quality in rural areas than in urban areas. This trend in asset quality forms a strong base for NBFC-MFIs to expand further into rural areas. Crisil Intelligence expects burgeoning rural demand to drive business for MFIs.

The government's focus on financial inclusion, coupled with an increasing number of financial institutions opening branches in unbanked areas, has led to a significant increase in demand for loans in rural areas. As of fiscal 2026, the rural market accounted for 62.57% of the overall AUM, increasing from 57.56% in fiscal 2022.

Disbursements in rural areas continue to drive demand for MFI loans



NA – not tagged

Source: CRIF High Mark, Crisil Intelligences

Advantages for rural-focused MFIs

Reaching the unserved/ underserved: Rural MFIs are well positioned in markets where traditional banks have limited presence and competitive intensity is low. By offering collateral-free credit to underserved households especially women, MFIs help reduce reliance on informal moneylenders and support local entrepreneurship and agriculture. Given the scarcity of financial service providers in rural areas, these MFIs can establish themselves as key financial partners, driving economic empowerment and diversified livelihoods in these communities.

Customised services: MFIs with a rural presence can understand local requirements better and offer customised products and services. These offerings can be more relevant and impactful for customers, thereby driving customer loyalty for the lenders.

Social impact: The socio-economic benefits of MFIs are substantial, contributing to improved household well-being. Microfinance loans aim to offer income-generating loans, which supports better borrower outcomes and repayment behaviour. Higher incomes enabled by microfinance are frequently invested in better nutrition, education for children and improved housing, ultimately contributing to overall rural development. By providing financial services to rural populations, MFIs promote financial inclusion, poverty reduction and women's empowerment, leading to a more equitable distribution of resources and opportunities. Overall, rural-centred MFIs have emerged as a vital component of the country's financial landscape.

Overall, rural markets remain the primary growth drivers, supported by unmet credit demand, while urban and semi-urban areas provide diversification and relative stability. As the industry expands across these geographies and customer segments, the broader regulatory framework has evolved to support this growth in a more structured manner.

Challenges for rural-focused MFIs

Over-indebtedness: Due to limited financial literacy, most borrowers in rural areas fail to manage their debt properly, which leads to over-indebtedness and a reduced capacity to repay. Additionally, rural populations often access unorganised and informal borrowing lines that are difficult to track during risk assessment. Further, because these loans are typically collateral-free, monitoring their end-use can be challenging for lenders. In case of over-indebtedness, borrowed money from one lender can be used to payback another, creating a cascading effect on the overall system.

High attrition: Majority of the staff (60-70%) in the NBFC-MFI industry is field-based. The intense administrative work and targets have made adjacent industries such as e-commerce delivery and merchant acquisition more lucrative. Further, the growth achieved in the last fiscal by such non MFI lending segment, has led to the opening of new branches at many locations, which is forcing lending institutions to hire new staff. These new additions, along with high attrition among frontline staff, have affected collection efficiency.

Financial literacy: People in rural areas often have limited financial literacy, making it difficult for them to understand the terms and conditions of loan products. Due to lack of financial literacy, most borrowers are unable to manage their debt properly, which leads to defaults.

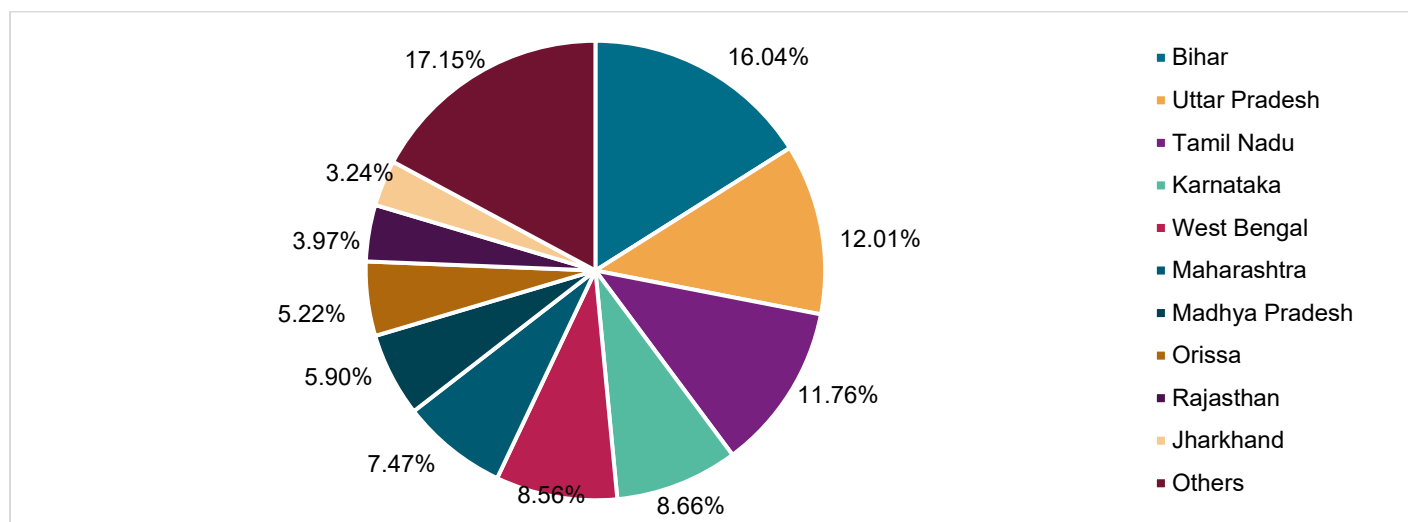
Cost of outreach: Reaching rural areas and servicing small loan amounts involve high operating costs. Setting up branches and/or forming partnerships with agents, along with the high disbursement and collection cost (employees need to visit remote villages for sourcing and collection of small loan amounts, which increases the transportation cost), raises the overall costs for rural-focused MFIs.

State-wise analysis

While the microfinance industry has grown significantly at the aggregate level, its geographical penetration remains limited and irregular, leaving considerable room for expansion.

A state-wise analysis of the industry reveals microfinance penetration is skewed towards a few high-density markets where institutions have historically built scale and operational depth. On the other hand, several states are under-penetrated, not because of a lack of demand but due to limited access, lower institutional presence or evolving market development.

Top 10 states accounted for 82.85% of overall MFI gross loan portfolio in fiscal 2026



Source: CRIF High Mark, Crisil Intelligence

Top 15 states constitute ~94% of the overall MFI portfolio

Rs. billion	FY22	FY23	FY24	FY25	FY26	4-year CAGR	AUM mix for FY26
Bihar	357.43	491.81	654.87	577.12	531.04	10.40%	Top 5 states 57.04%
Uttar Pradesh	236.07	338.44	463.04	417.74	397.63	13.92%	
Tamil Nadu	368.00	464.03	582.39	468.33	389.22	1.41%	
Karnataka	241.90	315.88	425.60	353.51	286.46	4.32%	
West Bengal	332.09	309.62	403.28	367.30	283.39	-3.89%	
Maharashtra	219.76	274.53	333.04	295.96	247.33	3.00%	6 th to 10 th states 25.81%
Madhya Pradesh	173.71	208.82	248.70	216.53	195.22	2.96%	
Odisha	172.57	204.44	256.15	207.19	172.89	0.05%	
Rajasthan	125.15	156.08	181.44	149.30	131.55	1.26%	
Jharkhand	80.51	106.80	131.18	111.49	107.37	7.46%	
Gujarat	79.72	101.38	131.07	109.13	91.05	3.38%	11 th to 15 th states 11.31%
Kerala	104.42	127.52	141.59	112.73	82.63	-5.68%	
Assam	88.69	59.74	74.10	70.82	73.17	-4.70%	
Andhra Pradesh	47.99	59.03	83.46	73.22	70.05	9.92%	
Chhattisgarh	52.77	62.05	73.90	65.53	57.49	2.16%	
Top 15 states	2,680.80	3,280.17	4,183.81	3,595.89	3,116.50	3.84%	
Others	194.10	211.13	243.19	216.35	193.21	-0.11%	
Total	2,874.90	3,491.30	4,427.00	3,812.25	3,309.72	100.00%	

Source: CRIF High Mark, Crisil Intelligence

Bihar and Uttar Pradesh gained market share between fiscals 2022 and 2026. The market share of Bihar increased to 16.04% from 12.43%, while that of Uttar Pradesh rose to 12.01% from 8.21% during the same period. These two states have the highest number of MFIs in India. The market share of Tamil Nadu and Karnataka remained range-bound over the period at ~12% and ~9%, respectively, while that of West Bengal decreased to 8.56% from 11.55%.

Bihar, Uttar Pradesh, Tamil Nadu and West Bengal have the highest number of loan accounts

As of December 2025, Bihar led with 16.09 million MFI loan accounts, followed by Uttar Pradesh (12.52 million), Tamil Nadu (11.67 million), West Bengal (9.73 million) and Karnataka (9.42 million). Bihar and Uttar Pradesh have recorded an above-average 3-year CAGR (between fiscals 2022 and 2025) in terms of loan accounts at 13.11% and 16.15%, respectively.

Number of loan accounts in the top 15 states (in million)

State	FY22	FY23	FY24	FY25	9MFY26	3-year CAGR
Bihar	13.98	18.13	22.18	20.23	16.09	13.11%
Uttar Pradesh	9.65	12.87	16.37	15.12	12.52	16.15%
Tamil Nadu	16.19	17.46	18.84	15.16	11.67	-2.15%
Karnataka	10.20	12.00	14.39	12.65	9.42	7.43%
West Bengal	11.00	11.73	13.30	12.29	9.73	3.76%
Maharashtra	9.77	11.22	12.47	11.13	8.82	4.45%
Madhya Pradesh	7.50	8.48	9.35	8.11	6.59	2.63%
Odisha	7.80	8.68	9.81	8.38	6.56	2.43%
Rajasthan	5.27	6.19	6.78	5.63	4.37	2.24%
Jharkhand	3.41	4.30	4.92	4.26	3.59	7.72%
Kerala	4.21	4.56	4.88	4.05	3.31	-1.33%
Gujarat	3.46	4.05	4.67	4.09	3.14	5.73%
Assam	3.26	2.49	2.56	2.59	2.42	-7.39%
Andhra Pradesh	5.84	6.16	6.87	5.00	4.76	-5.03%
Chhattisgarh	2.38	2.63	2.82	2.44	2.01	0.85%
Others	10.15	10.62	11.13	8.75	7.51	-5.06%
Total	124.07	141.57	161.33	139.89	112.49	4.08%

Note: States are arranged in terms of assets under management (AUM);

3-year CAGR is for the period between fiscals 2022 and 2025

Source: CRIF Highmark, Crisil Intelligence

Number of unique customers in the top 15 states (in million)

State	FY22	FY23	FY24	FY25	9MFY26	3-year CAGR
Bihar	7.09	8.51	10.94	11.29	9.73	16.76%
Uttar Pradesh	5.51	6.96	9.14	9.29	8.12	19.04%
Tamil Nadu	8.05	8.32	9.27	8.55	7.20	2.05%
Karnataka	4.86	5.30	6.55	6.27	5.22	8.91%
West Bengal	6.53	6.94	7.72	7.66	6.50	5.42%
Maharashtra	5.22	5.67	6.54	6.28	5.24	6.38%
Madhya Pradesh	4.24	4.67	5.37	5.13	4.41	6.56%
Odisha	3.83	4.06	4.62	4.51	3.81	5.57%
Rajasthan	2.96	3.33	3.84	3.61	2.99	6.84%
Jharkhand	1.73	2.02	2.45	2.40	2.12	11.48%
Kerala	1.92	1.98	2.22	2.21	1.87	4.81%
Gujarat	2.11	2.31	2.73	2.68	2.21	8.28%
Assam	2.19	1.87	1.97	2.09	1.97	-1.58%
Andhra Pradesh	3.90	4.17	4.62	3.30	3.15	-5.42%
Chhattisgarh	1.39	1.49	1.63	1.53	1.33	3.30%
Others	6.41	6.60	7.10	5.95	5.27	-2.45%

State	FY22	FY23	FY24	FY25	9MFY26	3-year CAGR
Total	67.95	74.22	86.72	82.76	71.14	6.79%

Note: States are arranged in terms of assets under management (AUM);

3-year CAGR is for the period between fiscals 2022 and 2025

Source: CRIF Highmark, Crisil Intelligence

Bihar had the highest loan disbursements in fiscal 2026 (Rs. billion)

State	FY22	FY23	FY24	FY25	FY26	4-year CAGR	Disbursement mix for FY26
Bihar	341.85	482.71	628.24	461.20	419.39	5.24%	Top 5 states 58.84%
Uttar Pradesh	228.82	337.14	439.25	329.14	316.09	8.41%	
Tamil Nadu	290.59	399.17	503.05	311.69	272.33	-1.61%	
West Bengal	264.77	271.64	360.61	314.85	232.44	-3.20%	
Karnataka	204.09	282.46	385.94	264.12	205.65	0.19%	
Maharashtra	177.82	230.56	286.73	228.35	171.46	-0.91%	6 th to 10 th states 25.10%
Madhya Pradesh	140.63	183.40	209.91	162.25	145.09	0.78%	
Odisha	147.06	180.78	220.62	142.09	118.48	-5.26%	
Rajasthan	107.79	139.35	152.27	104.94	96.29	-2.78%	
Jharkhand	76.59	103.93	123.33	87.22	85.48	2.78%	
Gujarat	67.07	88.83	108.39	73.69	65.30	-0.66%	11 th to 15 th states 10.46%
Assam	32.61	23.24	38.63	50.81	53.82	13.35%	
Kerala	90.02	104.72	110.94	65.88	50.79	-13.33%	
Chhattisgarh	44.31	54.39	63.61	50.29	44.42	0.06%	
Andhra Pradesh	11.32	27.29	51.21	50.24	42.63	39.30%	
Others	147.04	166.23	183.15	158.65	137.85	-1.60%	
Total	2,372.39	3,075.83	3,865.90	2,855.40	2,457.51	0.89%	

Source: CRIF Highmark, Crisil Intelligence

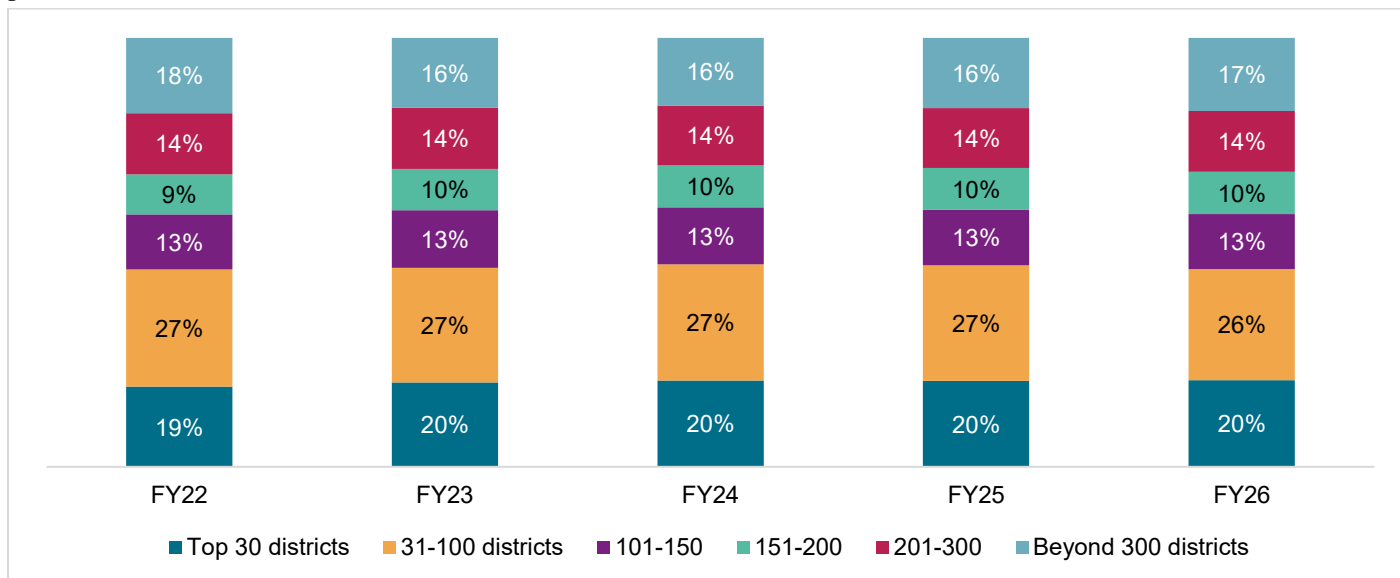
Average loan outstanding per active customer in the top 15 states (Rs.)

Rs	FY22	FY23	FY24	FY25	FY26	4 year CAGR
Bihar	50,412.76	57,761.26	59,884.08	51,136.28	54,586.75	2.01%
Uttar Pradesh	42,849.90	48,596.69	50,675.03	44,949.48	48,987.34	3.40%
Tamil Nadu	45,738.21	55,803.85	62,797.53	54,775.54	54,067.89	4.27%
Karnataka	49,822.44	59,634.70	64,929.99	56,361.88	54,903.10	2.46%
West Bengal	50,817.80	44,583.11	52,250.74	47,973.16	43,593.43	-3.76%
Maharashtra	42,092.72	48,382.05	50,897.31	47,090.86	47,205.07	2.91%
Madhya Pradesh	40,998.35	44,741.52	46,345.25	42,239.01	44,270.39	1.94%
Odisha	45,039.51	50,296.45	55,494.80	45,955.55	45,432.98	0.22%
Rajasthan	42,281.04	46,863.26	47,192.04	41,364.47	44,062.23	1.04%
Jharkhand	46,468.14	52,784.88	53,636.67	46,446.25	50,691.75	2.20%
Gujarat	37,792.02	43,824.50	47,932.05	40,747.24	41,236.39	2.20%
Kerala	54,351.66	64,501.82	63,825.86	50,968.21	44,071.59	-5.11%
Assam	40,406.88	31,977.04	37,603.84	33,844.25	37,106.95	-2.11%

Rs	FY22	FY23	FY24	FY25	FY26	4 year CAGR
Andhra Pradesh	12,295.42	14,146.67	18,051.14	22,175.55	22,206.28	15.93%
Chhattisgarh	37,902.11	41,550.72	45,277.55	42,695.30	43,126.70	3.28%
Total	42,308.19	47,038.55	51,050.80	46,063.91	46,526.90	2.40%

Source: CRIF Highmark, Crisil Intelligence

Top 100 districts constituted ~46% of the portfolio historically, creating opportunities for financiers to serve the under-penetrated districts

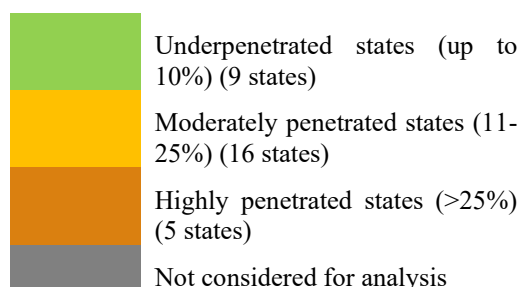
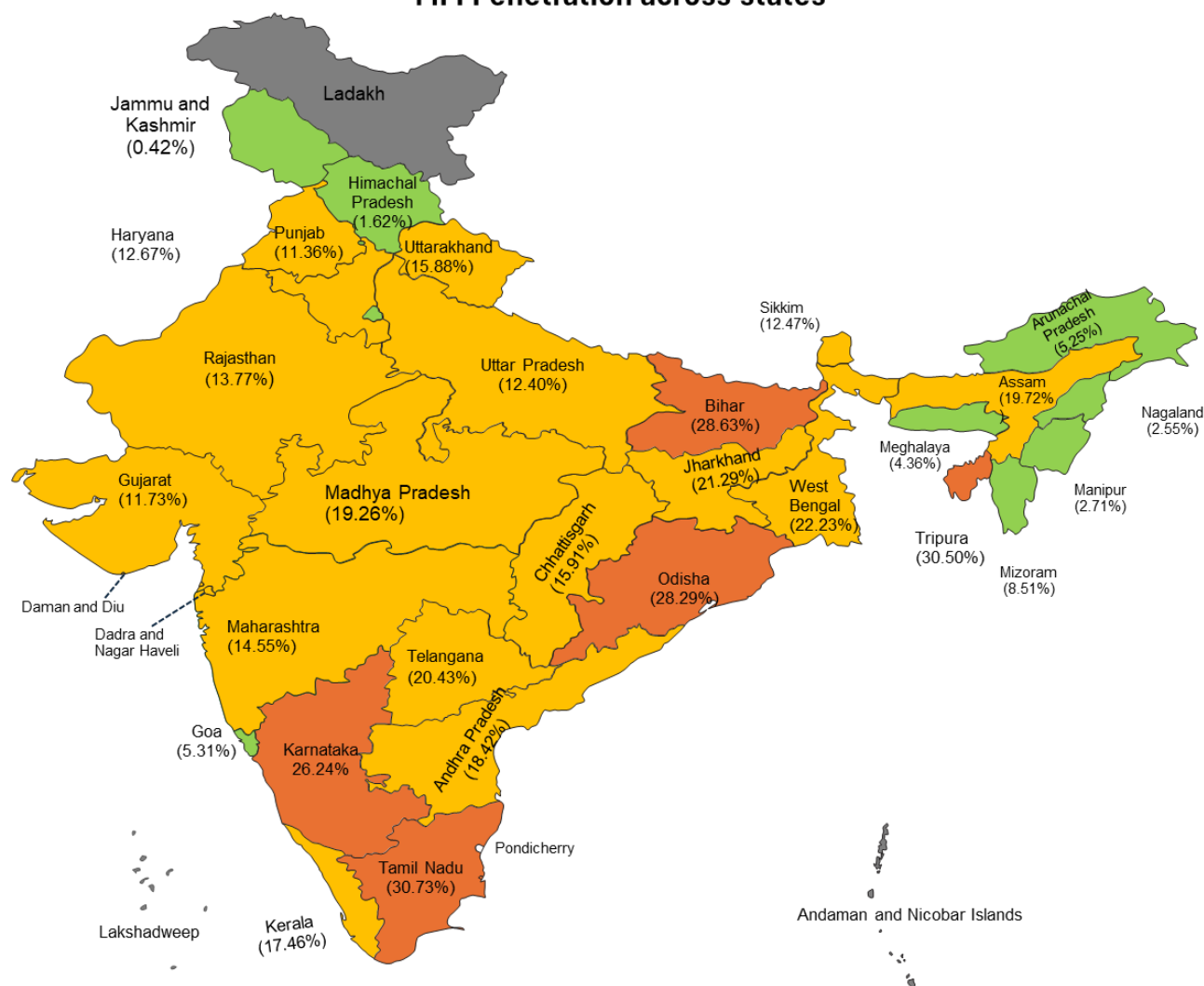


Source: CRIF Highmark, Crisil Intelligence

46-47% of the portfolio was concentrated in the top 100 districts between fiscals 2022 and 2026. This highlights the underpenetrated districts that remain unserved by organised lenders. This, coupled with banks pulling out of the MFI sector, provides an opportunity for NBFC MFIs and NBFCs to cater to this segment, thus promoting financial inclusion along with organic growth of the loan book.

State-wise unique borrowers per household as of the first nine months of fiscal 2026

MFI Penetration across states

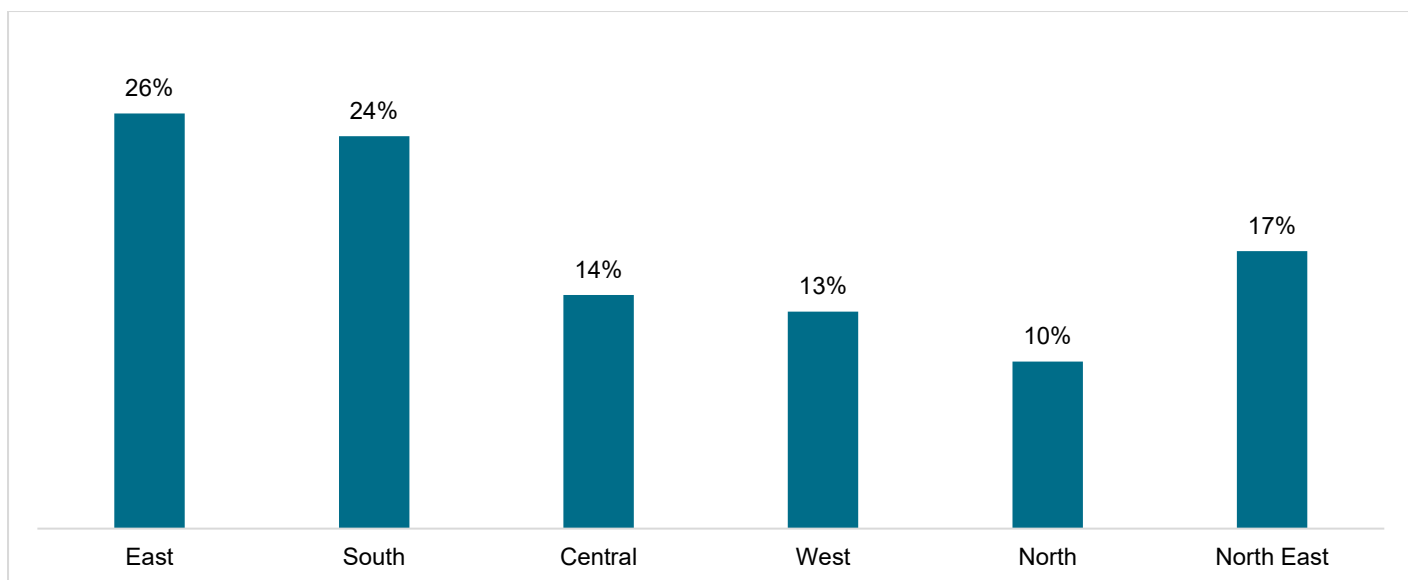


Note: Penetration % = Unique borrowers/Total Household in the state; Source: CRIF Highmark, Crisil Intelligence

Northern and western regions are underpenetrated in microfinance

Punjab, Haryana, Himachal Pradesh and Jammu and Kashmir are the key underpenetrated microfinance regions, with borrower penetration significantly below the mature southern markets despite large populations. These states offer substantial untapped credit demand and long-term growth opportunities through calibrated lending, enhanced credit bureau checks and financial literacy-driven onboarding. As of the first nine months of fiscal 2026, the eastern and southern regions were highly penetrated at 26% and 24%, respectively, while the northern and western regions remain underpenetrated, presenting ample opportunities for MFIs to serve the underserved populations and promote regional economic development.

Region-wise penetration of microfinance as of the first nine months of fiscal 2026



*Note: **Central region** includes Madhya Pradesh, Uttarakhand, Chhattisgarh and Uttar Pradesh; **eastern region** includes Odisha, Bihar, Jharkhand, West Bengal, and Andaman and Nicobar Islands; **northern region** includes Punjab, Haryana, Rajasthan, Delhi, Himachal Pradesh, Chandigarh, and Jammu and Kashmir; **north-eastern region** includes Tripura, Assam, Mizoram, Manipur, Meghalaya, Nagaland, Sikkim and Arunachal Pradesh; **southern region** includes Puducherry, Karnataka, Kerala, Tamil Nadu, Telangana, Andhra Pradesh and Lakshadweep; **western region** includes Maharashtra, Gujarat, Goa, Daman and Diu and Dadra and Nagar Haveli*

At PAN India level, MFI penetration stands at 18.32%. A significant portion of India's population still lacks access to formal credit because of under penetration across regions and borrower segments. This indicates that the industry's growth is structural, supported by the gradual inclusion of new borrowers into the formal financial ecosystem.

This provides a long runway for sustained expansion, with continuous inflow of new demand. This untapped opportunity is particularly concentrated in rural areas, making them central to the industry's growth trajectory.

State-wise asset quality of top 15 states in terms of AUM

	PAR 31-90			PAR 91-180		
	FY24	FY25	FY26	FY24	FY25	FY26
Bihar	0.74%	2.58%	0.75%	0.50%	4.63%	1.24%
Uttar Pradesh	1.30%	2.66%	0.86%	0.90%	4.11%	1.26%
Tamil Nadu	1.24%	3.04%	0.73%	0.85%	3.58%	0.99%
Karnataka	0.42%	6.43%	0.74%	0.41%	3.72%	1.22%
West Bengal	0.68%	1.48%	1.20%	0.59%	1.76%	1.19%
Maharashtra	1.09%	1.69%	0.73%	0.98%	2.38%	1.43%
Madhya Pradesh	1.73%	2.31%	0.89%	1.59%	3.27%	1.54%
Odisha	1.05%	3.06%	0.57%	0.90%	5.45%	1.05%
Rajasthan	1.92%	2.42%	0.98%	1.69%	3.45%	1.46%
Jharkhand	1.29%	2.43%	0.61%	0.99%	4.60%	1.07%
Gujarat	1.49%	3.19%	1.05%	1.46%	4.39%	1.64%
Kerala	3.09%	2.59%	0.88%	1.95%	2.19%	0.75%
Assam	1.01%	0.36%	0.31%	0.46%	0.59%	0.42%
Andhra Pradesh	0.37%	2.66%	0.84%	0.21%	2.24%	1.35%
Chhattisgarh	1.31%	2.00%	0.63%	1.04%	4.03%	0.99%

Source: CRIF Highmark, Crisil Intelligence

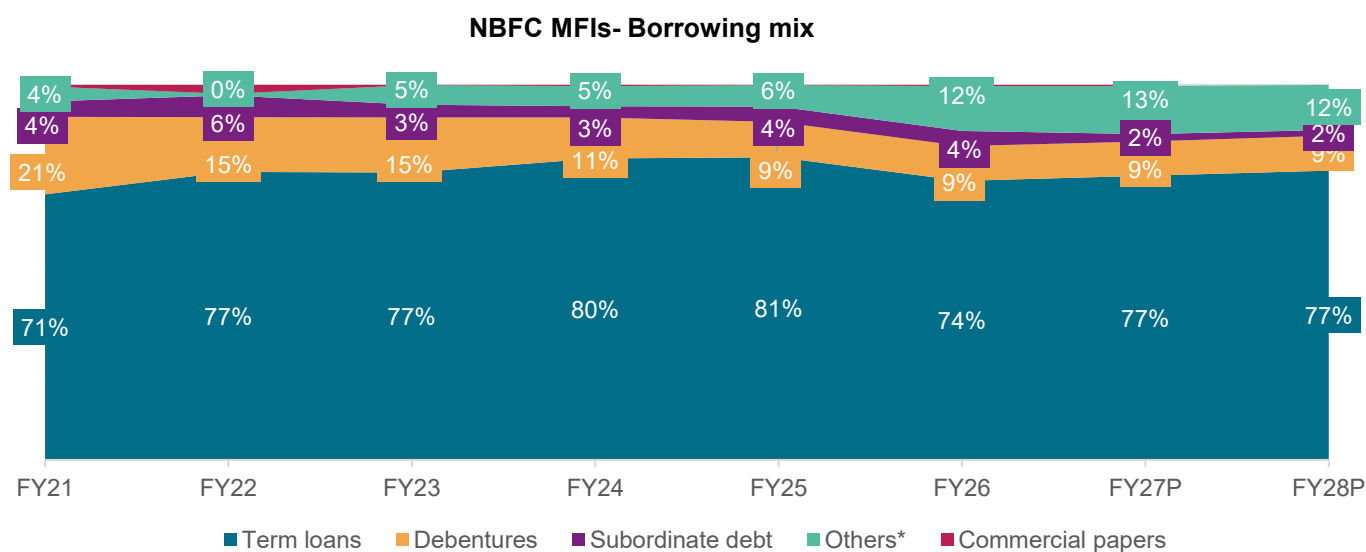
Kerala had the highest PAR31-90 and PAR 91-180 in fiscal 2024 at 3.09% and 1.95% respectively. In fiscal 2025, Karnataka had

the highest PAR31-90 at 6.43%, effects visible from Karnataka Ordinance that was implemented in Q4 of fiscal 2025. PAR 91-180 for Karnataka stood at 0.41%, 3.72% and 1.22% for fiscals 2024, 2025 and 2026 respectively. Odisha had the highest PAR91-180 in fiscal 2025 at 5.45%. Assam had the best asset quality in fiscal 2025 and fiscal 2026 in terms of PAR31-90 at 0.36% and 0.31% respectively and PAR91-180 at 0.59% and 0.42% respectively. Superior asset quality in Assam can be attributed to the Assam Microfinance Incentive and Relief Scheme (AMFIRS) (2021) where timely intervention made a pathway for a sustainable growth.

Diversifying AUM across states is essential given the differing state-level risks and regulatory requirements that follow thereafter. Maintaining a low concentration in any single state helps safeguard asset quality, enables sustainable growth, and reduces exposure to adverse outcomes. Accordingly, companies with pan-India presence that maintain a balanced AUM mix across states are better positioned to benefit.

Borrowing mix of NBFC-MFIs

Bank borrowings to remain the primary funding source; funding mix expected to remain broadly stable over fiscals 2027 and 2028



E – estimated, P – projected

** Primarily includes ECBs and securitisation*

Source: MFIN, Crisil Intelligence

Bank borrowings remained the largest funding source for NBFC-MFIs. However, their share declined to 74% in fiscal 2026 from 81% in fiscal 2025, as lenders adopted a cautious stance amid elevated asset quality stress. Consequently, NBFC-MFIs increasingly relied on alternative funding sources, resulting in a higher share of the ‘Others’ category, comprising primarily ECBs and securitisation.

With portfolio quality expected to improve, collections strengthening and credit costs normalising, lender confidence is expected to recover in fiscal 2027. Additionally, the enhanced credit guarantee scheme for eligible MFIs is expected to support incremental bank funding, particularly for larger and well-rated NBFC-MFIs. Consequently, the share of bank borrowings is projected to increase to ~77% in fiscal 2027.

In fiscal 2028, the borrowing profile is expected to remain broadly stable, with bank borrowing’s continuing to account for nearly three-fourths of the overall funding mix.

The share of non-convertible debentures (NCDs) stood at 9% in fiscal 2026 and is expected to remain broadly stable during fiscals 2027 and 2028. Although improving asset quality and profitability are expected to enhance access to the debt capital market, elevated market yields are likely to keep NCD issuances range bound.

Pass through certificate (PTC) as a strategic anchor for unsecured business loans during asset-quality stress

PTCs are clearly gaining favour across asset classes, especially in the unsecured space. Investors in unsecured loan transactions, like microfinance, are preferring the PTC route due to the support provided by external enhancement, following the asset quality challenges that emerged in the previous fiscal. PTCs accounted for 69% of microfinance securitisation transactions last fiscal,

compared with 30% in fiscal 2025.

For MFIs, PTC transactions are a powerful tool because they unlock liquidity, improve balance sheet efficiency, and provide partial protection from concentration and credit stress. In a normal environment, they help sustain growth; in a stressed environment, they become even more valuable as a liquidity bridge and risk management instrument.

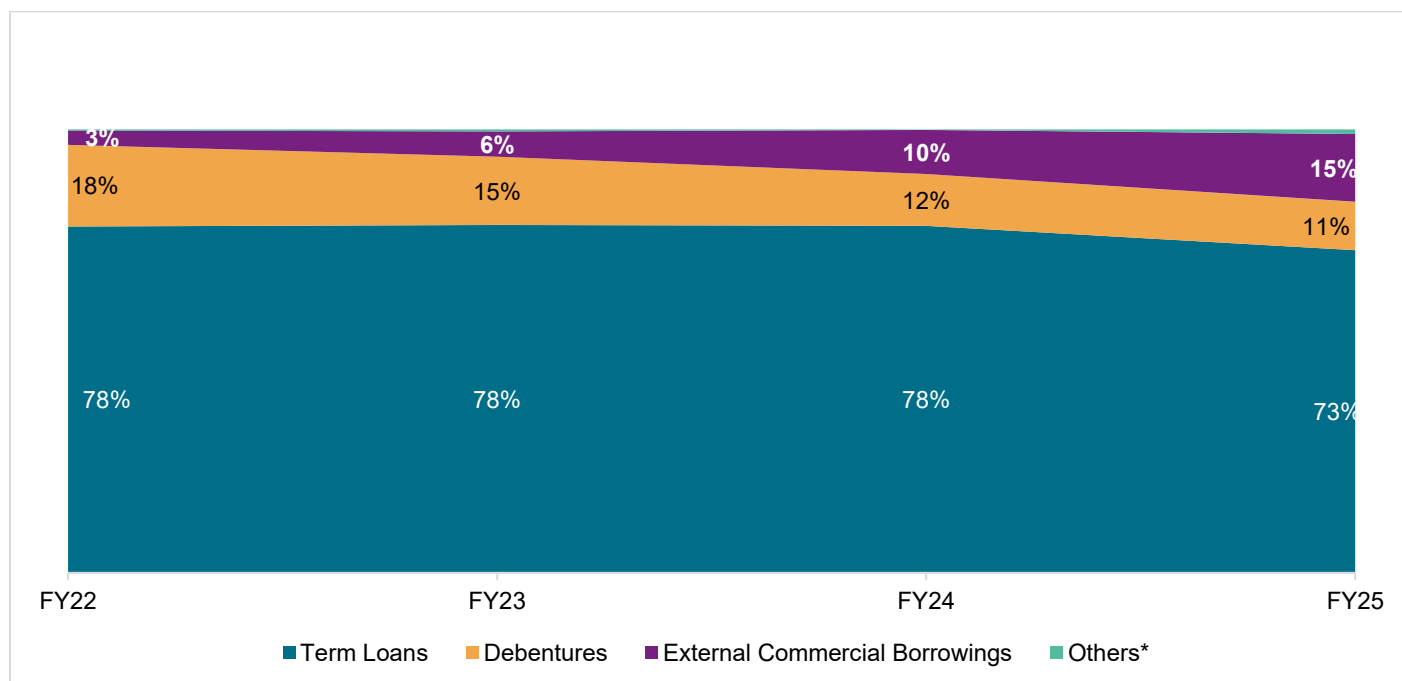
Microfinance is the largest unsecured loan segment to exercise high-value PTC transactions in fiscals 2025 and 2026



Note: # Excludes PTCs from non-financial sector entities; Others comprise business loans, personal loans, education loans and lease-backed transactions; Source: Crisil Ratings

Borrowings Mix for top 5 NBFC MFIs

Share of ECBs has increased, offsetting the share of term loans



Note: *Others include fixed deposits, commercial papers, refinance from NHBs and securitisation, Source: Company reports; Crisil Intelligence

Term loans have remained the primary funding source from fiscals 2022 to 2025, decreasing slightly to 73% in fiscal 2025 from 78% in fiscal 2022. Conversely, the share of ECBs has increased significantly from 3% in fiscal 2022 to 15% in fiscal 2025. The top five NBFC microfinance institutions (MFIs) have a higher reliance on ECBs compared with other industry players. Despite tighter bank credit flows into the MFI sector, their ability to secure ECBs from foreign investors at competitive rates underscores their strong credibility and market standing.

Profitability of NBFC MFIs

Yields in microfinance have stayed elevated because borrowers are relatively higher risk, including small businesses, household manufacturing units, farmers, and daily wage workers whose repayment capacity is more vulnerable to income and business

disruptions. Lenders price for this risk accordingly, and larger players typically disburse loans at lower yields.

In fiscal 2026, lending yields are expected to moderate versus fiscal 2025, mainly due to higher reversals of interest income driven by elevated delinquencies and overdue accounts in stressed portfolios. As a result, interest income is estimated at 18.10% of average AUM (vs 20.18% in fiscal 2025), and credit cost is expected to fall to 4.80% (from 8.50%), though it remains above historical levels (typically 2.5–3.5%). Interest expense is estimated at 7.23% (vs 8.09%), NIM is expected to decline to 10.87% in fiscal 2026, and RoA is likely to stay modest at 0.89% as operating expenses remain elevated (7.43%) due to higher field intensity, incremental hiring, attrition, and rising travel/conveyance. In fiscal 2027, interest income is expected to improve to 19.4–19.6% and interest expense to moderate to ~7.0–7.2%, supported by more complete repo-rate transmission, improving lender confidence, gradual normalization of bank lending, and greater funding diversification. With further marginal improvement in asset quality and credit metrics (credit costs projected at 4.1–4.3%) and operating expenses easing slightly (to 6.9–7.1%), NIM is projected to improve to ~12.2–12.4% and RoA to 2.3–2.5%, though still below pre-stress levels—implying a gradual profitability recovery.

RoA tree	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026 E	Fiscal 2027 P
Interest income	16.36%	17.28%	19.74%	20.18%	18.10%	19.4-19.6%
Interest expense	7.63%	7.43%	8.08%	8.09%	7.23%	7.0-7.2%
Net interest income	8.73%	9.86%	11.66%	12.08%	10.87%	12.2-12.4%
Other income	1.96%	3.00%	2.87%	1.95%	2.35%	2.3-2.4%
Operating costs	5.49%	5.79%	5.82%	6.73%	7.43%	6.9-7.1%
Pre-provisioning operating profit (PPOP)	5.20%	7.06%	8.71%	7.31%	5.79%	7.4-7.6%
Credit cost	3.67%	3.49%	2.66%	8.50%	4.80%	4.1-4.3%
RoA	1.15%	2.69%	4.54%	-1.15%	0.89%	2.3-2.5%

Notes:

Interest income = Interest income on average yearly AUM

1. Interest income = Interest income on average yearly AUM
2. Interest expense = Finance cost on average yearly AUM
3. Net interest income = (Interest income less interest expense) on average yearly AUM
4. Other income = Other income on average yearly AUM
5. Operating costs = Operating expenses on average yearly AUM
6. PPOP = Net interest income + other income – operating expenses on average yearly AUM
7. Credit cost = Impairment on financial instruments on average yearly AUM
8. RoA = Profit after tax on average yearly AUM
9. Data of Spandana Sphoorty, CreditAccess Grameen, Asirvad Microfinance, Muthoot Microfin, Satin Creditcare Network, Annapurna Finance, Fusion Finance, IIFL Samasta Finance, Svatantra Microfin, Belstar Microfinance, Arohan Financial Services, Chaitanya India Fin Credit Private Limited, Repco Micro Finance Limited has been considered for RoA tree
10. E= estimated; P-projected

Source: Company reports; Crisil Intelligence

Profitability of top five NBFC-MFIs

The top five NBFC-MFIs have been able to generate higher RoA from fiscal 2024 to fiscal 2026 by restricting credit costs from blowing up. This has helped them maintain a positive RoA over the stressful periods. Interest income has remained stable at 18.52% in fiscal 2026 from 18.33% in fiscal 2024. Cost of funds has declined by ~73 bps in fiscal 2026, with benefits uneven across players: larger NBFC-MFIs manage lower costs through stronger credit profiles and better access to funding, while smaller and mid-sized players remain pressured by selective, higher-rate bank lending. Consequently, interest expenses have reduced to 6.84% in fiscal 2026 from 7.57% in fiscal 2024 due to sourcing from foreign commercial bonds at lower rates. Operating costs have increased to 6.66% in fiscal 2026 from 5.07% in fiscal 2024. Credit costs had increased to 5.84% in fiscal 2025 from 2.25% in fiscal 2024 owing to one-time write-offs and higher provisions created. The same reduced to 4.29% in fiscal 2026 with improvement in the credit quality of the portfolio. The top five NBFC-MFIs have been able to remain positive even during the industry crisis mainly due to controlled credit costs when compared with the overall NBFC-MFIs.

Despite turbulent periods top 5 players have demonstrated profitability and have been able to manage stress better. They are better positioned to capture market share and demonstrate continued profitability.

RoA tree	Fiscal 2024	Fiscal 2025	Fiscal 2026
Interest income	18.33%	19.61%	18.52%
Interest expense	7.57%	7.63%	6.84%
Net interest income	10.76%	11.98%	11.68%
Other income	2.29%	1.76%	2.59%
Operating costs	5.07%	6.24%	6.66%
PPOP	7.98%	7.58%	7.35%
Credit cost	2.25%	5.84%	4.29%
RoA	4.31%	1.36%	2.34%

Notes:

1. Interest income = Interest income on average yearly AUM
2. Interest expense = Finance cost on average yearly AUM
3. Net interest income = (Interest income less interest expense) on average yearly AUM
4. Other income = Other income on average yearly AUM
5. Operating costs = Operating expenses on average yearly AUM
6. PPOP = Net interest income + other income – operating expenses on average yearly AUM
7. Credit cost = Impairment on financial instruments on average yearly AUM
8. RoA = Profit after tax on average yearly AUM
9. Data of CreditAccess Grameen, Muthoot Microfin, Satin Creditcare Network, Annapurna Finance, Svatantra Microfin (including Chaitanya India Fin Credit Private Limited) has been considered for RoA Tree
10. Data over fiscals 2024 to 2026 has been taken from public disclosures of mentioned companies

Source: Company reports and Crisil Intelligence

Recent challenges

The MFI sector faces several issues that impact its operations and growth. These challenges can be broadly categorised as follows:

- **Sharp asset quality deterioration:** The sector is experiencing a surge in GNPA's and PAR of over 180 days. The AUM in India contracted 13.18% on year in fiscal 2026.
- **Over-leveraging and borrower stress:** Borrowers face repayment issues due to economic slowdowns, inflation, natural disasters, heatwaves and election related disruptions. Many borrowers have taken loans from multiple lenders, leading to a debt trap casing over leverage issues.
- **High cost of funds and operations:** Smaller MFIs are struggling with funding constraints as banks become more selective in their lending practices. Operating costs remain high due to the manual and field-intensive nature of micro-lending.
- **Shift of borrowers towards individual loans:** The traditional JLG model, which relies on peer pressure to ensure loan repayment, is weakening due to urbanisation and a shift from group-focused credit leading to individual lending, which requires better credit assessment techniques. MFIs must develop more sophisticated credit assessment models to manage the risks associated with individual lending.

The Indian microfinance industry experienced a cautious and disciplined recovery in early DPD buckets in fiscal 2026, marked by a resurgence in disbursements after a significant contraction in fiscal 2025.

The industry is also shifting towards higher-value loans, with growth concentrated in the Rs 50,000-0.1 million range, where the average ticket size is increasing. Specialised NBFC-MFIs are leading this shift and gaining market share, while banks and some SFBs have scaled back their exposure. The recovery is quality-led, with improved asset quality, early delinquency levels contained at 0.82% in Q4 fiscal 2026 as compared to 2.73% in Q4 fiscal 2025, and collection efficiency above 99% for new portfolios.

Overview of the Housing Industry in India

Property and Housing: Fuelling economic progress

Housing is a fundamental pillar in India's socio-economic landscape, firmly embedded in the concept of "Roti, Kapda aur Makaan." It not only addresses a basic human need but also serves as a catalyst for economic expansion, driving demand across more than 250 allied industries including construction materials, electrical goods, logistics, and professional services. Investment in residential

property stimulates employment at multiple levels, from unskilled labour to technical specialists and supports wealth creation for households and institutions. The sector's broad impact on industry, employment, and consumer spending underscores its role in fostering inclusive growth and social stability. Accordingly, successive governments have positioned residential development as a strategic lever for accelerating urban expansion and promoting sustainable city planning, recognizing its importance in advancing India's overall economic prosperity.

Demand dynamics: Structural and long term in nature

The demand for housing in India is anchored by enduring structural factors. Rapid urbanization continues to fuel migration from rural to urban areas, sustaining strong demand for residential units, particularly in emerging cities and urbanizing regions. With India's population expected to remain youthful for decades, the expanding workforce and the shift toward nuclear families are intensifying the need for affordable homeownership. Rising disposable incomes and greater access to formal credit have enabled more individuals especially first-time buyers in Tier II, Tier III, and semi-urban markets, to pursue homeownership, where affordability and aspirations for improved living standards are both high. Government initiatives like the Pradhan Mantri Awas Yojana (PMAY) have further bolstered demand by making housing finance more accessible and affordable. Additionally, the formalization of employment, rising financial literacy, and digital adoption have broadened the base of eligible borrowers. Together, these drivers ensure sustained demand for affordable housing and underpin the long-term growth prospects of the housing finance sector, positioning it as a crucial pillar for India's continued economic and social advancement.

Supply constraints and the persistent housing shortage is creating a long-term structural opportunity

Despite sustained demand, India continues to face a structural housing shortage, particularly in urban areas and within economically weaker and lower-income segments. Historical assessments of housing demand and supply indicate that most of this shortage is concentrated in the affordable housing category, highlighting a mismatch between what is supplied and what is required by the population.

Estimated shortage in 2025 and 2030

Housing shortage in India in 2025 and 2030		
In Million	CY 2025E	CY2030E
Population	1,408.00	1,525.10
Household size	4.00	4.00
No. of houses (A)	290.90	317.30
Required houses (B)	352.00	381.30
Overall shortage (B-A)	61.10	64.00

Note: E: Estimated; Required houses = Population/household size

Source: Census 2011, RBI, Crisil Intelligence

Crisil Intelligence estimates the housing shortage for 2025 at 61.10 million housing units, growing to approx 64.00 million by 2030.

Government-run schemes such as PMAY have enabled the completion of ~40 million houses between CY 2019 and CY 2025 (rural and urban). However, the shortfall of 61.10 million houses in CY 2025 is estimated to increase marginally to 64.00 million units by CY 2030, despite additional housing supply through such government-run schemes.

While housing supply has improved over the past decade through private sector participation and government-led initiatives, constraints such as land availability, regulatory approvals, project execution timelines and financing challenges continue to limit the pace at which the gap can be bridged.

As a result, the housing deficit remains a defining feature of the Indian real estate landscape. This persistent shortage underscores that the housing demand is not transient. Instead, it represents a long-term structural opportunity that is likely to play out over multiple economic cycles, particularly as formalization increases and housing quality standards improve.

Housing Loan Demand in rural and urban areas for 2025E	Rural	Urban
Total Shortage of houses (million units)	36.70	24.40
Average value of house (Rs.)	2,706,825	4,392,754
LTV	70%	75%
ATS of housing loans	1,894,777	3,294,566
Total Housing Loan Demand (in trillion)	69	81
Credit Penetration	8.50%	12.60%

Housing Loan Demand in rural and urban areas for 2025E	Rural	Urban
Total Addressable demand (in trillion)	6	10

*Note: Total Housing Loan demand = ATS of housing loan*Total shortage of houses; Source: Crisil Intelligence*

Despite government-led initiatives, the persistent shortage of housing presents a significant long-term opportunity for home financiers. The total addressable housing loan market is estimated to be Rs. 16.00 trillion, with Rs. 10.00 trillion attributed to urban housing and Rs. 6.00 trillion to rural housing. While approximately 35% of the population resides in urban areas, where the housing shortage stands at 24.40 million units, the urban housing loan demand of Rs. 10.00 trillion (24.40 million units) surpasses that of rural housing due to the higher cost of urban dwellings. This disparity presents a promising opportunity for financiers, as urban housing loans typically offer favourable credit profiles and repayment histories, making them an attractive segment for growth.

Overview of the Indian Housing finance market

India's housing finance market has evolved into a critical component of the country's financial ecosystem, facilitating homeownership aspirations across diverse income segments and geographies.

The market is characterized by participation from multiple lender categories, including public and private sector banks, housing finance companies (HFCs), and non-banking financial companies (NBFCs). Each category brings distinct competitive advantages: banks leverage lower cost of funds and extensive branch networks, while HFCs and NBFCs offer specialized products, deeper customer engagement, and greater focus on underserved segments such as self-employed and informal sector borrowers.

NBFC/HFCs have a distinct competitive advantage over banks, driven by:

- An extensive distribution network that caters to the peri-urban markets in Metropolitan & Tier I cities, Tier II and Tier III and beyond cities along with a deeper local understanding of micro markets which cannot be incorporated in system driven lending of Banks
- Focused product capabilities, unlike banks where housing finance may not be the core strategic product
- Expertise in underwriting customers with limited or informal income documentation, allowing for more inclusive lending practices.
- Distinct competitive advantage in collections, owing to their specialized field teams, local market knowledge, and decentralized operational frameworks that enable more effective engagement with borrowers.

Housing finance loans have steadily compounded at a rate of 13.65% from fiscal 2021 to 2026

Housing finance credit in India has demonstrated sustained structural growth, with housing credit outstanding recording a compound annual growth rate (CAGR) of 13.65% between fiscal 2021 and fiscal 2026.

While there was a post-pandemic recalibration in loan sizes in select Metropolitan & Tier I cities owing to increased demand for larger homes to support hybrid working, growth within the broader affordable housing construct (loans up to Rs. 2.50 million) remained structurally supported by first-time homebuyers and households upgrading to formal housing. The housing credit market witnessed strong expansion in fiscal 2022 and fiscal 2023, followed by a moderation to 12.68% in fiscal 2025 and 10.38% in fiscal 2026. The tapering down of housing credit growth can be attributed to

- Deliberate call by many large players to focus on margins rather than growth amid declining interest rate environment and intense pricing competition,
- Higher risk aversion by lenders especially in the first half of fiscal 2026, due to US tariff impact on few sectors.

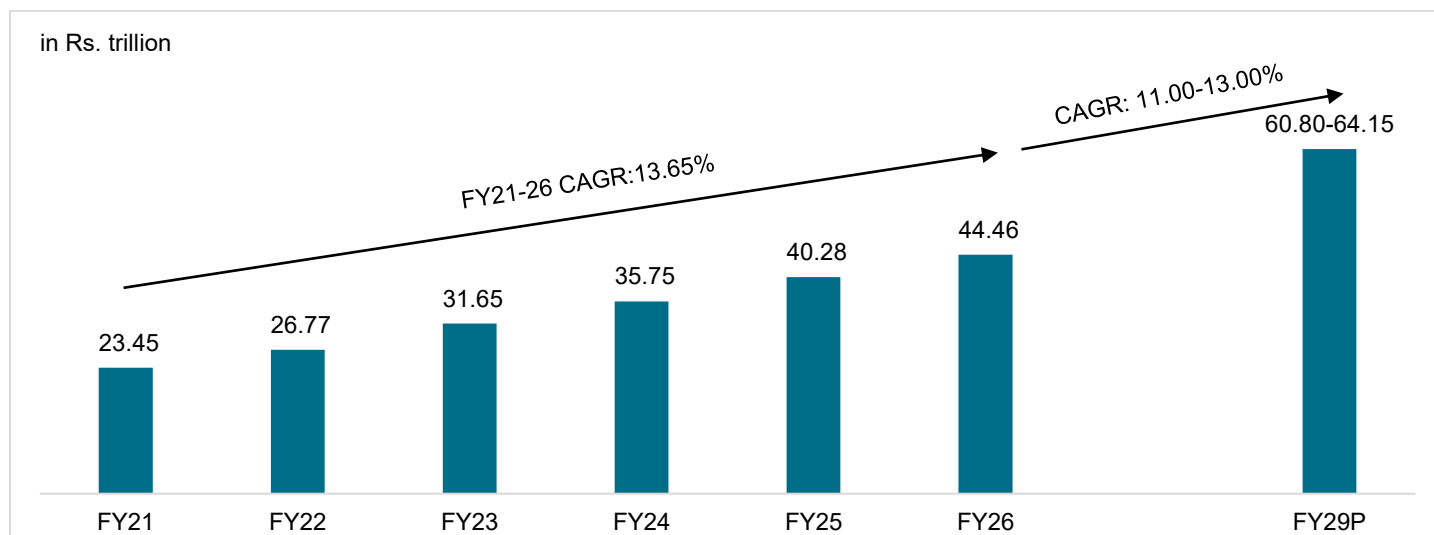
Despite a moderation in growth rates in recent years, the housing finance sector remains fundamentally resilient, underpinned by strong structural demand, favourable demographics, and sustained policy support.

Despite largest share in retail loans, housing finance market is expected to grow faster than nominal GDP growth

Going forward, Crisil Intelligence projects total housing credit outstanding to grow at a CAGR of 11.00-13.00% through fiscal 2029, supported by increase in ticket size of loans, stable income growth, continued urbanisation, and ongoing government support for affordable housing. Despite already accounting for the largest share within overall retail lending, housing finance is projected to grow faster than the nominal GDP growth, indicating that housing finance penetration relative to the size of the economy is likely to improve gradually, reinforcing its position as a structurally expanding asset class within the Indian financial system.

Policy support remains a key enabler for the sector, with the allocation of Rs. 35.00 billion to the Interest Subsidy Scheme under Pradhan Mantri Awas Yojana (PMAY) in the Union Budget 2025–26, and the launch of the second tranche of the Special Window for Affordable and Mid-Income Housing (SWAMIH) fund amounting to Rs. 150.00 billion, aimed at facilitating the completion of approximately 100,000 housing units. These measures are expected to support housing supply completion and sustain credit demand over the medium term.

Housing loans expected to grow at a steady rate of 11.00-13.00% CAGR till fiscal 2029

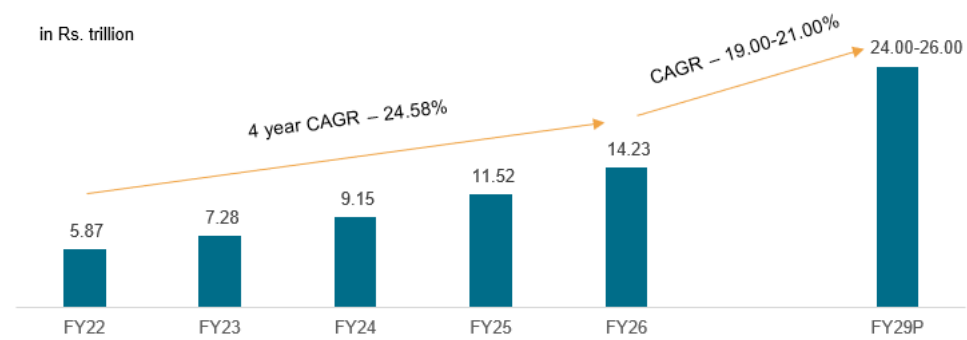


Note: P: Projected; Source: CRIF Highmark Crisil Intelligence

Key growth drivers for housing finance sector

India's real estate sector is witnessing structural maturity, with capital from high-performing assets like equities and gold being channelled into residential property purchases, fuelling housing demand. The country's demographic dividend, changing lifestyle preferences post-pandemic, and rising incomes bolstered by government pay revisions are driving sustained growth in housing loan originations and improved affordability. Enhanced data availability and technology adoption are broadening borrower eligibility, especially among informal and self-employed segments. Continued government support through initiatives like PMAY and SWAMIH further strengthens affordability, supply completion, and lender confidence across the housing finance ecosystem.

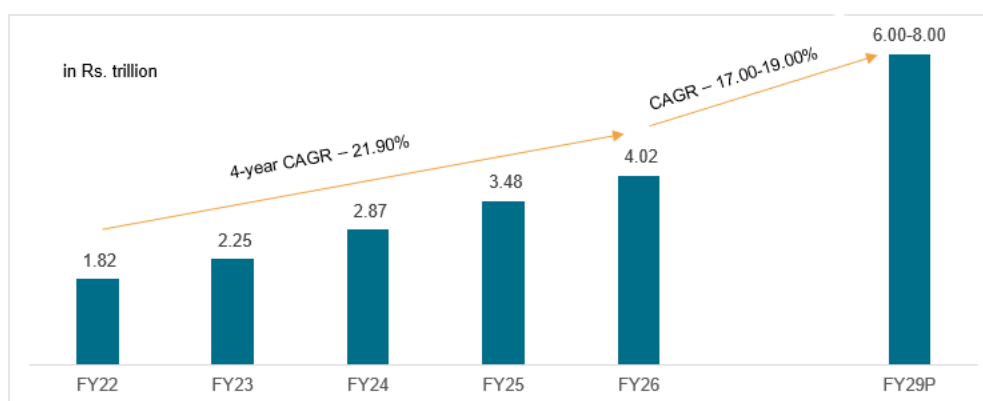
Loan against property (LAP) loans expected to grow at a steady rate of 19.00-21.00% CAGR till Fiscal 2029



Note: P: Projected; Source: CRIF Highmark; Crisil Intelligence

Crisil Intelligence expects overall LAP loans to grow at a CAGR of 19.00-21.00% over Fiscals 2026 to 2029 driven by the increasing preference of banks and non-banks for secured lending to MSMEs due to asset quality pressure in the unsecured loan segment. Furthermore, HFCs have also started to increase focus on LAP given their higher yields compared to home loans.

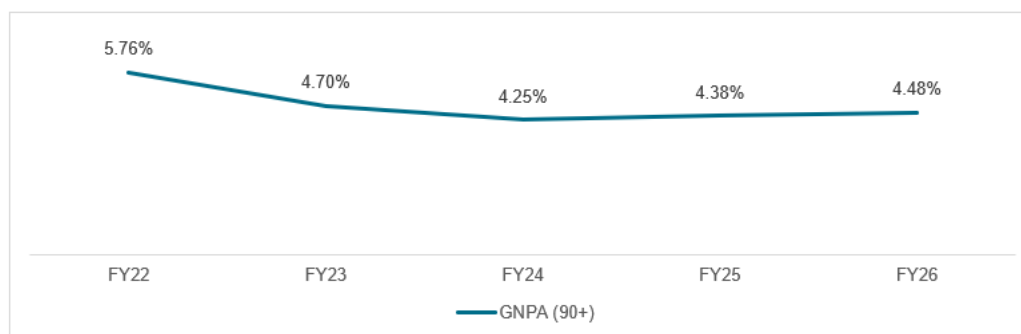
Loan against property (LAP) loans with ticket size less than Rs. 25 lakhs are expected to grow at a steady rate of 17.00-19.00% CAGR till fiscal 2029



Note: P: Projected; Source: CRIF Highmark; Crisil Intelligence

Crisil Intelligence expects the LAP loans with lower ticket size (below Rs. 25 lakhs) to grow at a CAGR of 17.00-19.00% over fiscals 2026 to 2029. Banks and large size HFCs have been more inclined towards higher ticket sizes leaving opportunities affordable HFCs and other players to penetrate further in this segment.

Asset quality for LAP loans less than Rs. 25 lakhs have remained rangebound post fiscal 2022



Source: CRIF Highmark; Crisil Intelligence

Overview of Affordable Housing Finance in India (Less than Rs. 25 lakh ticket size) India's housing finance market broadly comprises prime housing loans and affordable housing loans, with the affordable housing segment typically catering to borrowers with smaller ticket sizes and relatively limited access to formal credit channels. Affordable housing finance continues to represent a structurally underpenetrated segment within India's mortgage ecosystem and remains a key growth driver for lenders focused on mass-market home financing.

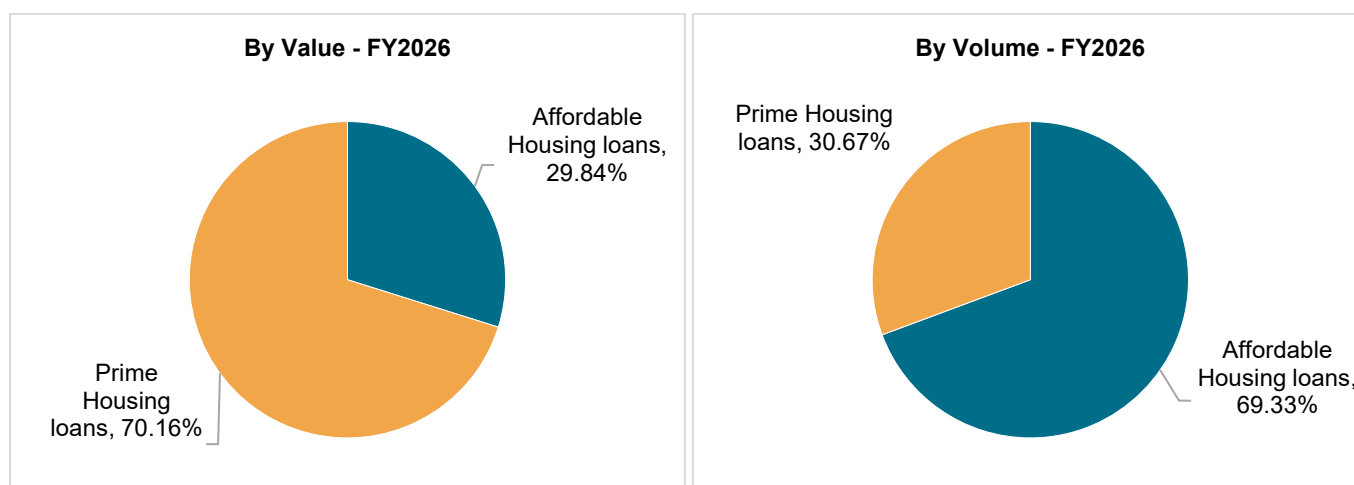
The segment is primarily driven by first-time homebuyers across Tier II, Tier III and semi-urban markets, including salaried borrowers, self-employed individuals, informal income earners and economically underserved customer segments that are often inadequately serviced by traditional banking channels. Increasing formalization of the economy, digitization of financial ecosystems, wider availability of alternative credit assessment tools and supportive government policies have significantly improved credit accessibility within the affordable housing ecosystem.

Government initiatives such as PMAY, the Credit Linked Subsidy Scheme ("CLSS"), infrastructure-led urban expansion and increasing policy focus on affordable housing development continue to improve affordability and strengthen long-term demand fundamentals. Additionally, regulatory reforms including RERA and GST-led formalization have enhanced transparency, execution discipline and borrower confidence within the residential real estate ecosystem.

Affordable housing finance accounts for a lion's share in terms of volume

Affordable housing finance continues to account for a meaningful share of India's housing finance market in terms of borrower volumes, reflecting the large underlying demand base.

Affordable housing finance constitutes 29.84% of housing loans by value & 69.33% of loan accounts (volumes) as of fiscal 2026

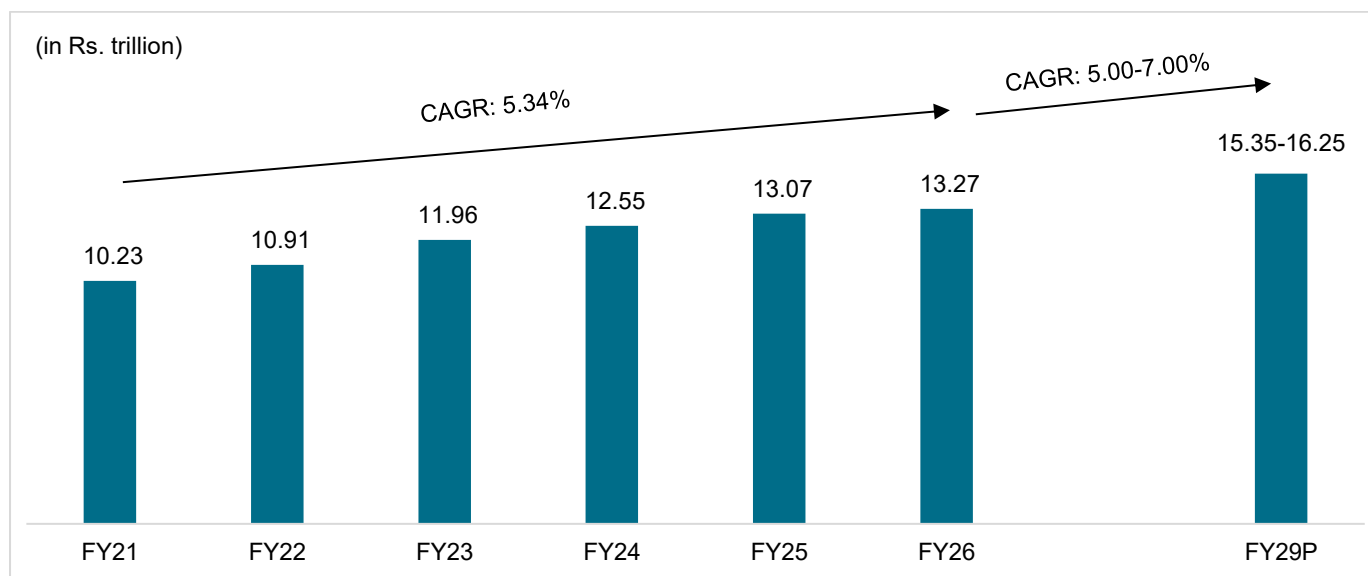


Source: CRIF Highmark, Crisil Intelligence

This segment represents a large and growing opportunity, supported by rising urbanisation, rising incomes and increasing aspiration for home ownership. Further, the segment benefits from relatively lower loan-to-value risk, and policy support through priority sector classification and targeted housing initiatives. While borrowers in this segment often exhibit non-standardised income profiles, repayment behaviour has remained largely stable due to essential housing demand, smaller ticket sizes, and conservative

underwriting practices adopted by lenders. As a result, affordable housing finance continues to be a key growth driver for specialised housing finance companies and an important channel for expanding formal housing credit penetration in India.

Affordable-housing finance logged a CAGR of 5.34% between fiscals 2021 and 2026; expected to grow at 5.00-7.00% between fiscal 2026 and fiscal 2029

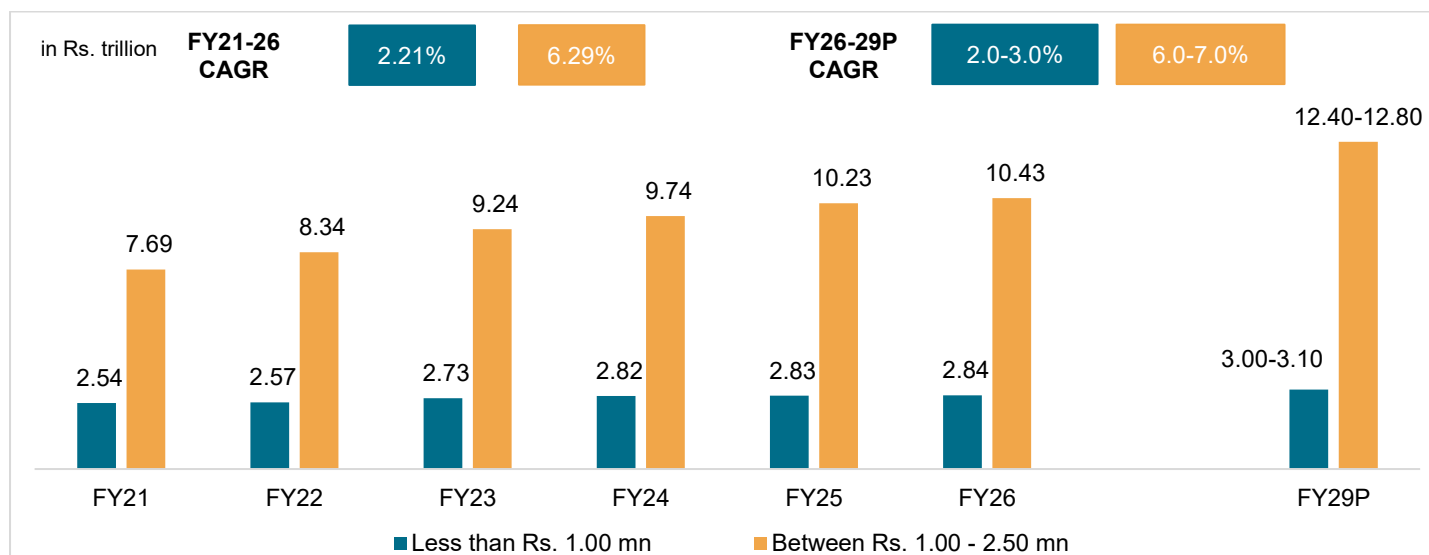


Note: P: Projected; Source: CRIF Highmark, Crisil Intelligence

Crisil intelligence projects the affordable housing finance market will expand at a compounded annual growth rate of 5.00-7.00% through fiscal 2029. Within the affordable housing finance market Affordable Housing Finance Companies (AHFCs) have grown at a CAGR 14.27%, showing superior growth prospects and gaining market share from other players in the industry.

We expect rationalisation of GST rates on construction materials, and continued government support through schemes such as PMAY are likely to support demand. Further, structural drivers including urbanization, nuclearization of families, rising disposable incomes, and increasing formalization of borrowers, cash flows will remain intact and continue to underpin growth prospects in the segment.

Growth in affordable housing loans within Rs.1.00-2.50 million ticket size outpaced growth in sub-1.00 million segment



Note: P: Projected, Source: CRIF Highmark, Crisil Intelligence

Within the affordable housing segment, higher ticket-size affordable loans have witnessed relatively stronger growth in recent years, driven by rising property prices, increasing construction costs and improving borrower aspirations for better quality housing.

Demand within the Rs. 1.00-2.50 million ticket-size categories has expanded faster, with the AUM within the category having witnessed a growth of 6.29% between fiscal 2021 and fiscal 2026, when compared to 2.21% for loans less than Rs. 1.00 million.

HFCs in Affordable Housing Finance

Affordable Housing Finance Companies (AHFCs) have emerged as critical participants within India's affordable housing finance ecosystem, particularly in addressing the financing needs of underserved and underbanked borrower segments. These lenders have developed specialised underwriting capabilities tailored towards borrowers with informal income profiles, limited documented credit histories and cash-flow-based repayment structures that are often not adequately addressed by traditional banking models.

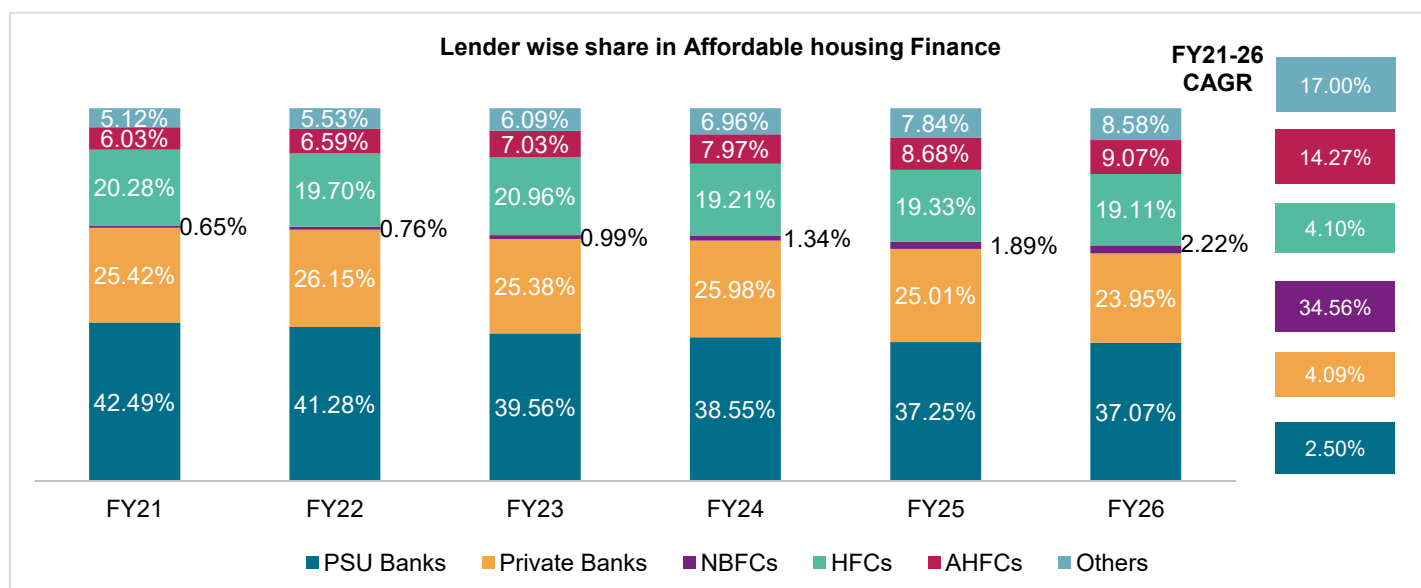
AHFCs have been able to establish a strong presence within Tier II, Tier III and beyond markets through deep distribution reach, local market understanding, flexible underwriting approaches and customised product offerings. Their operating models are typically designed to cater to first-time homebuyers, self-employed borrowers, micro-entrepreneurs and economically weaker sections that may have limited access to formal mortgage financing.

Unlike conventional underwriting frameworks that rely heavily on formal income documentation, AHFCs increasingly utilise surrogate income assessment methodologies, field-based credit evaluation, cash-flow analysis and alternative data-led underwriting mechanisms to assess borrower repayment capability. This has enabled broader financial inclusion while supporting responsible credit expansion within underserved markets.

Lender-wise analysis on portfolio outstanding for affordable housing segment

The affordable housing finance segment has also witnessed increasing participation from NBFCs and AHFCs players due to calibrated risk-adjusted returns, granular portfolio structures and significant long-term growth potential. Over the past several years, AHFCs have steadily expanded their market share within affordable housing finance, supported by focused customer acquisition strategies, differentiated distribution models and faster turnaround times. AHFCs have grown their AUM at a 5-year CAGR of 14.27%. Since the non AHFC players are moving to higher ticket size as suggested by the lender wise trends, AHFCs have been able to exploit the opportunity in the segment of Rs. sub 2.50 million. AHFCs can maintain profitability with favourable risk reward ratio by charging slightly higher yields and containing delinquencies, thereby capitalizing on the opportunity in this segment. AHFCs have been able to increase their share from 6.03% to 9.07% in fiscal 2026.

AHFCs log the third highest 5-year CAGR of 14.27% in affordable-housing loan outstanding



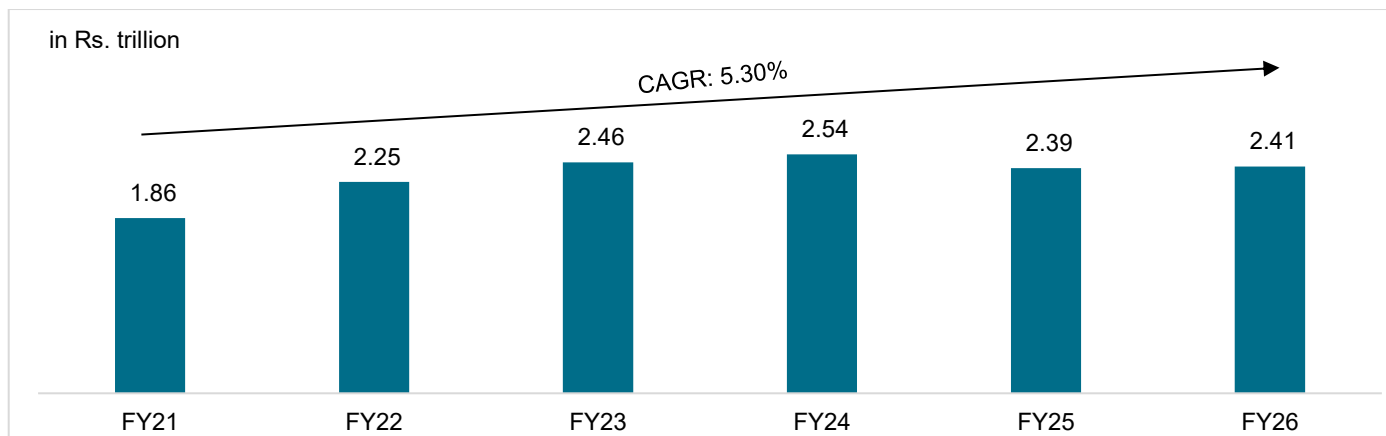
Note: AHFCs include Aadhar Housing Finance Limited, Aavas Financiers Limited, Sundaram Home Finance Limited, Truhome Finance Limited (Shriram Housing Finance Limited), Home First Finance Company India Limited, Aptus Value Housing Finance India Limited, India Shelter Housing Finance Limited, Vastu housing finance corporation Limited, Mahindra Rural Housing Finance Limited, Hero Housing Finance Limited, Motilal Oswal Home Finance Limited.

HFCs are housing finance companies other than affordable housing finance players; Source: CRIF Highmark, Crisil Intelligence

Disbursements in the affordable housing segment have grown at a 5-year CAGR of 5.30%

The disbursements for affordable housing segments have grown at a CAGR of 5.30% between fiscal 2021 to 2026.

Disbursement trend for overall affordable-housing loans in India



Source: CRIF Highmark, Crisil Intelligence

AHFCs are the third fastest growing players in the affordable housing disbursements with a 5 year CAGR of 15.83% as of fiscal 2026

In terms of disbursements, AHFCs have the third fastest CAGR amongst the lenders, growing at a 5-year CAGR of 15.83% as of fiscal 2026.

Given the calibrated lending strategies adopted by banks primarily focusing on prime loans and borrowers with formal salaried profiles in the higher ticket sizes, AHFCs are well positioned to sustain and gradually increase their market share within the affordable housing ecosystem.

Lender wise disbursements trend

Lender segment	FY21	FY22	FY23	FY24	FY25	FY26	CAGR (FY21-26)
PSU Banks	0.71	0.80	0.87	0.80	0.77	0.78	1.72%
Private Banks	0.54	0.67	0.61	0.61	0.51	0.46	-3.36%
NBFCs	0.01	0.03	0.05	0.08	0.10	0.11	49.47%
HFCs	0.33	0.40	0.45	0.51	0.49	0.50	8.57%
AHFCs	0.15	0.21	0.28	0.33	0.33	0.32	15.83%
Others	0.10	0.14	0.20	0.21	0.21	0.24	19.00%

Note: AHFCs include Aadhar Housing Finance Limited, Aavas Financiers Limited, Sundaram Home Finance Limited, Truhome Finance Limited (Shriram Housing Finance Limited), Home First Finance Company India Limited, Aptus Value Housing Finance India Limited, India Shelter Housing Finance Limited, Vastu housing finance corporation Limited, Mahindra Rural Housing Finance Limited, Hero Housing Finance Limited, Motilal Oswal Home Finance Limited. HFCs are housing finance companies other than affordable housing finance players. The CAGR is calculated using the exact, unrounded figures. Converting numbers to trillions before computation may cause rounding discrepancies that alter the final CAGR results; Source: CRIF Highmark, Crisil Intelligence

State-wise share of AHFCs in the affordable-housing segment (based on loan outstanding)

The affordable-housing finance market exhibits significant variations in size and growth across states as well as among districts in the same state, indicating latent opportunities to offer loans to unserved or underserved customers. As of March 2026, the top 10 states/union territories in terms of affordable-housing loan outstanding accounted for 90.68% of the total loans outstanding. Maharashtra held the highest share of 19.28%, followed by Gujarat (12.57%), Rajasthan (12.03%), Tamil Nadu (9.14%) and Madhya Pradesh (9.04%).

Maharashtra government has introduced Housing Policy 2025 that aims at delivering 3.5 million houses for Economically Weaker Sections (EWS), Low-income group (LIG) and Middle-income group (MIG) till 2030 with long term target of 5 million homes in 10 years. This will aid the financiers to provide credit to this segment in Maharashtra which is the largest state by AUM.

Share of the AHFCs in the top 10 states/union territories in the affordable-housing finance market

States	FY21	FY22	FY23	FY24	FY25	FY26	FY21-26 CAGR	Market Share
Maharashtra	23.34%	21.65%	20.04%	19.04%	19.04%	19.28%	9.99%	Top 5 states
Gujarat	13.46%	13.30%	13.06%	12.28%	12.51%	12.57%	12.71%	

States	FY21	FY22	FY23	FY24	FY25	FY26	FY21-26 CAGR	Market Share
Rajasthan	10.52%	10.87%	11.49%	11.89%	11.90%	12.03%	17.38%	62.06%
Tamil Nadu	11.74%	11.45%	11.00%	10.11%	9.49%	9.14%	8.68%	
Madhya Pradesh	8.20%	8.21%	8.27%	8.67%	8.96%	9.04%	16.51%	
Uttar Pradesh	6.02%	6.20%	6.17%	6.71%	6.68%	6.87%	17.31%	Top 10 states 90.68%
Andhra Pradesh	4.60%	4.96%	5.71%	6.49%	6.80%	6.69%	23.17%	
Telangana	4.49%	4.71%	4.87%	4.92%	5.00%	5.20%	17.71%	
Delhi	5.12%	5.48%	5.67%	5.54%	5.36%	5.11%	14.20%	
Karnataka	4.17%	4.14%	4.39%	4.74%	4.80%	4.75%	17.30%	
Other States	8.33%	9.04%	9.34%	9.61%	9.47%	9.32%	16.87%	
Overall	100%	100%	100%	100%	100%	100%	14.27%	100.00%

Note: Highlighted in the table are the states/union territories with highest growth rate among top 10 states; Source: CRIF Highmark, Crisil Intelligence

Geographic dynamics in affordable housing lending

Recent trends indicate that affordable housing finance growth has been most robust in rural and semi-urban markets, with CAGRs of 8.77% and 6.86% respectively between fiscal 2021 and fiscal 2026. This reflects increasing credit penetration and growing homeownership aspirations in these regions, supported by targeted lender strategies and government initiatives. Urban markets, while holding the largest share of AUM, have grown at a more moderate CAGR of 3.41%, suggesting relative market maturity and a slower pace of new customer acquisition. The overall affordable housing finance AUM expanded at a CAGR of 5.34% during this period, highlighting the sector's resilience and the significant growth potential that remains in rural and semi-urban geographies, where structural demand drivers and financial inclusion efforts continue to support expansion.

	FY21	FY22	FY23	FY24	FY25	FY26	FY21-26 CAGR
Urban							
Affordable housing finance AUM	5.86	6.15	6.62	6.81	6.97	6.93	3.41%
Rural							
Affordable housing finance AUM	2.66	2.91	3.3	3.6	3.85	4.05	8.77%
Semi-urban							
Affordable housing finance AUM	1.17	1.28	1.42	1.52	1.59	1.63	6.86%
NA							
Affordable housing finance AUM	0.54	0.56	0.62	0.62	0.66	0.66	4.80%
Overall	10.23	10.91	11.96	12.55	13.07	13.27	5.34%

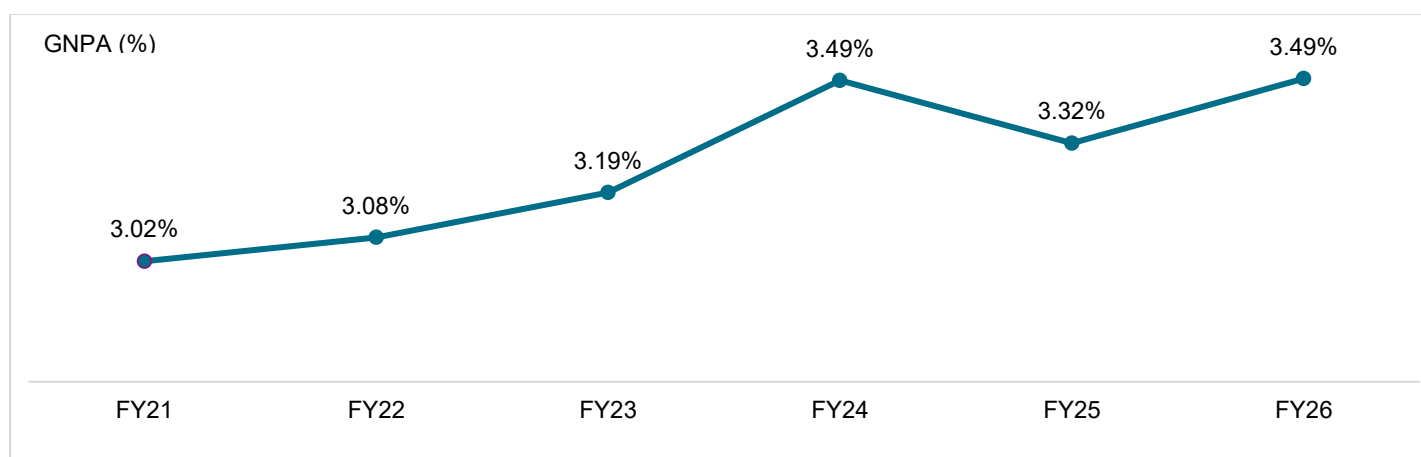
Note: Numbers are in Rs. Trillion; NA represents the portfolio which is untagged as per the bureau data and represents less than 5% of total portfolio.

Source: CRIF Highmark and Crisil Intelligence

Asset quality in affordable housing finance segment has remained relatively resilient

Despite periodic macroeconomic disruptions and inflationary pressures, asset quality trends within the affordable housing finance segment have remained broadly stable across credit cycles. Borrowers within affordable housing finance typically demonstrate strong repayment intent given the essential and emotional nature of home ownership, particularly among first-time homeowners. The segment's granular portfolio composition, secured nature of lending and relatively low speculative exposure continue to support balanced risk-adjusted returns for lenders operating within affordable housing finance.

Asset quality (GNPA %) of loans in the affordable housing segment

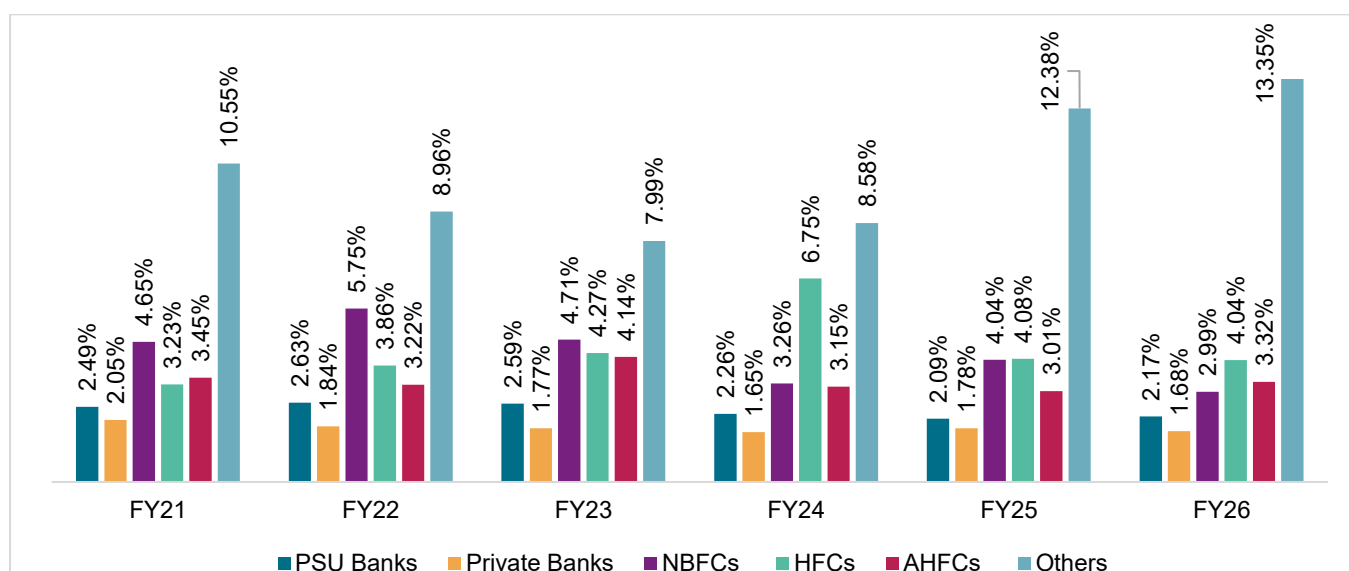


Note: GNPA considered as portfolio greater than 90 days, excluding write-offs.

Source: CRIF Highmark, Crisil Intelligence

The GNPA% for affordable housing loans has exhibited a modest upward trend from 3.02% in fiscal 2021 to 3.49% in fiscal 2026, with a brief improvement to 3.32% in fiscal 2025. This movement reflects the segment's sensitivity to economic cycles and borrower profiles, but overall asset quality has remained within a manageable range. The stability around the 3.5% mark suggests that while there are periodic fluctuations, lenders have been able to maintain asset quality through prudent risk management and underwriting practices, ensuring the segment remains resilient and continues to support homeownership aspirations.

Lender-wise GNPA ratio in the affordable housing segment



Note: GNPA considered as portfolio greater than 90 days, excluding write-offs. Others in the above data set include foreign banks and other lenders in the affordable-housing loans segment; AHFCs include Aadhar Housing Finance Limited, Aavas Financiers Limited, Sundaram Home Finance Limited, Truhome Finance Limited (Shriram Housing Finance Limited), Home First Finance Company India Limited, Aptus Value Housing Finance India Limited, India Shelter Housing Finance Limited, Vastu housing finance corporation Limited, Mahindra Rural Housing Finance Limited, Hero Housing Finance Limited, Motilal Oswal Home Finance Limited. HFCs are housing finance companies other than affordable housing finance players

Source: CRIF Highmark, Crisil Intelligence

As of fiscal 2026, GNPA levels across lender categories primarily reflect differences in customer focus rather than underlying structural stress. Private banks reported a GNPA of 1.68%, public sector banks 2.17%, NBFCs 2.99%, AHFCs 3.32% and HFCs 4.04%. Notably, the players in AHFC group have better GNPA against other HFCs operating in the housing segment.

While AHFCs GNPA remains higher than that of banks owing to greater exposure to self-employed and semi-formal borrowers, asset quality remains manageable and within expected thresholds. To offset this higher risk, AHFCs typically charge higher yields compared to banks, which operate at the lowest yields in the market.

Profitability metrics for affordable housing players

Parameter	FY21	FY22	FY23	FY24	FY25	FY26E	FY27P
Interest on Loans	10.80%	10.54%	10.90%	11.42%	11.46%	11.38%	11.30-11.40%
Interest Expense	6.48%	5.58%	5.59%	6.08%	6.20%	6.11%	6.00-6.10%
NIMs	4.32%	4.95%	5.31%	5.34%	5.25%	5.26%	5.20-5.30%
Other Income	1.22%	1.34%	1.68%	1.98%	2.06%	2.18%	2.30-2.50%
OPEX	2.00%	2.33%	2.78%	3.00%	3.06%	2.81%	2.80-2.90%
Credit Cost	1.15%	0.99%	0.52%	0.34%	0.53%	0.73%	0.60-0.70%
Post Tax RoA	1.83%	2.31%	2.84%	3.08%	2.89%	2.92%	2.80-2.90%

Note: Ratios are calculated on average total assets, E: Estimated, P: Projected

Source: Company Reports, Crisil Intelligence

In fiscal 2026, for the affordable housing players the NIMs are estimated at 5.26%. The interest on loans is estimated to decline ~8 bps year on year to 11.38% because of pricing competition between players, retention of customers seeking balance transfer request at lower rate and partial transfer of repo rate cut benefit.

On the funding side, the interest expense is estimated to decline ~9 bps on-year to 6.11% due to pass-on of rate cut benefit on floating rate loans and reissuance of maturing debt at lower rates.

Credit cost is estimated to increase 20 bps to 0.73% because of write-offs, while operating expense is estimated to decline 25 bps to 2.81%. As a result, RoA is estimated to increase ~3bps to 2.92%.

Crisil Intelligence projects interest on loans to decrease 5-10 bps to 11.30-11.40% in fiscal 2027 as lenders reduce the yields on account of repo rate cuts. Interest expense is expected to drop relatively moderately by 3-8 bps to 6.00-6.10% as most of the rate cut benefit has been passed on. Reissuance of maturing debt at lower rates will continue to accrue funding cost benefit. Overall NIMs are projected to decline 2-7 bps to 5.20-5.30%. Credit cost and operating expense are expected to remain rangebound, leading to RoA of 2.80-2.90%.

There exists a potential for better risk-adjusted returns within the affordable housing segment across customer profiles

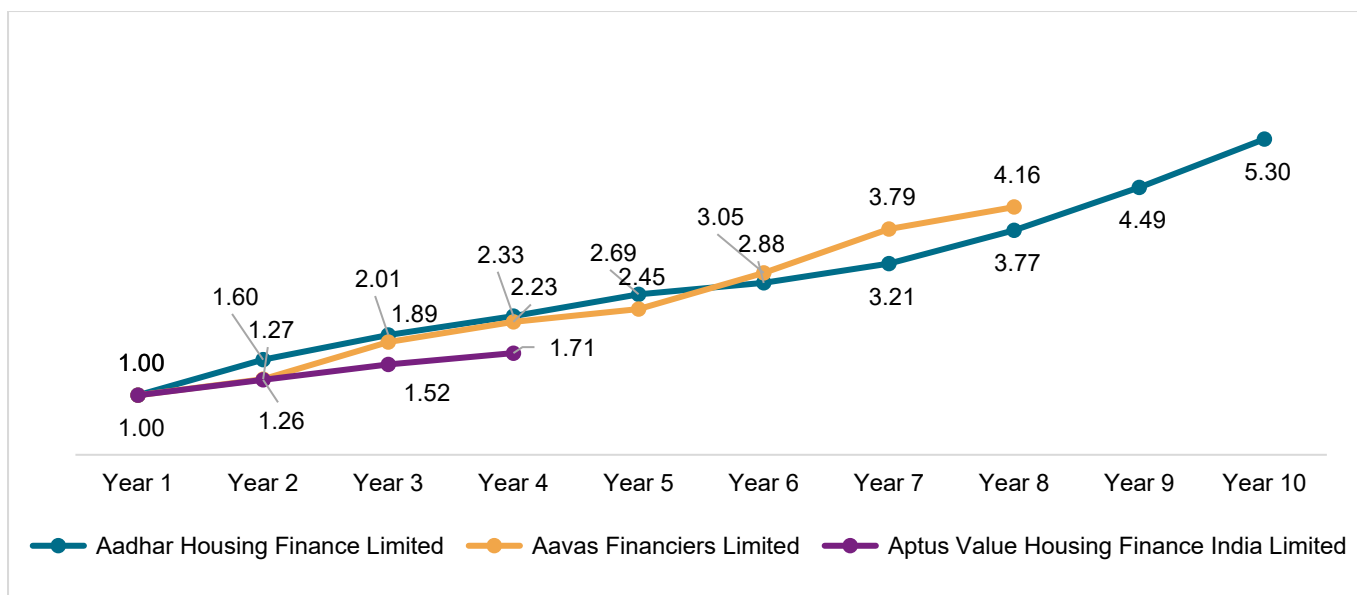
Within the affordable housing segment, salaried borrowers offer stable but moderate returns, characterized by lower yields and competitive pricing, balanced by contained operating and credit costs. Standardized documentation and conservative loan-to-value ratios support portfolio stability, though limited pricing flexibility restricts margin expansion. Consequently, salaried affordable housing loans primarily contribute to balance sheet scale and earnings consistency rather than high profitability

In contrast, self-employed borrowers represent the core profitability driver for AHFCs. Higher yields and ancillary income offset elevated operating costs stemming from decentralized sourcing, cash-flow-based underwriting, and field-level verification. While credit costs are higher than for salaried customers, risks are mitigated through conservative collateral coverage, granular diversification, and shorter loan tenors. As a result, self-employed affordable housing loans deliver superior risk-adjusted returns, underscoring their strategic importance for AHFCs specializing in affordable housing finance.

Potential for Rapid Growth: Insights from Top Players Crossing Rs. 30 billion AUM

The indexed growth trajectories of leading affordable housing finance players such as Aadhar Housing Finance Limited, Aavas Financiers Limited, and Aptus Value Housing Finance India Limited demonstrate significant expansion after surpassing the Rs. 30 billion AUM mark. For example, Aadhar grew its AUM more than fivefold over ten years, while Aavas nearly quadrupled its AUM in eight years, and Aptus showed strong early momentum post this milestone. This historical performance underscores the sector's scalability and indicates that smaller players (less than Rs. 30 bn AUM) in affordable housing segments, currently in a similar growth phase, have the potential to replicate this trajectory. Supported by robust demand, favourable structural drivers, and proven business models, smaller players are well positioned to achieve accelerated expansion as they reach and move beyond the Rs. 30 billion AUM threshold.

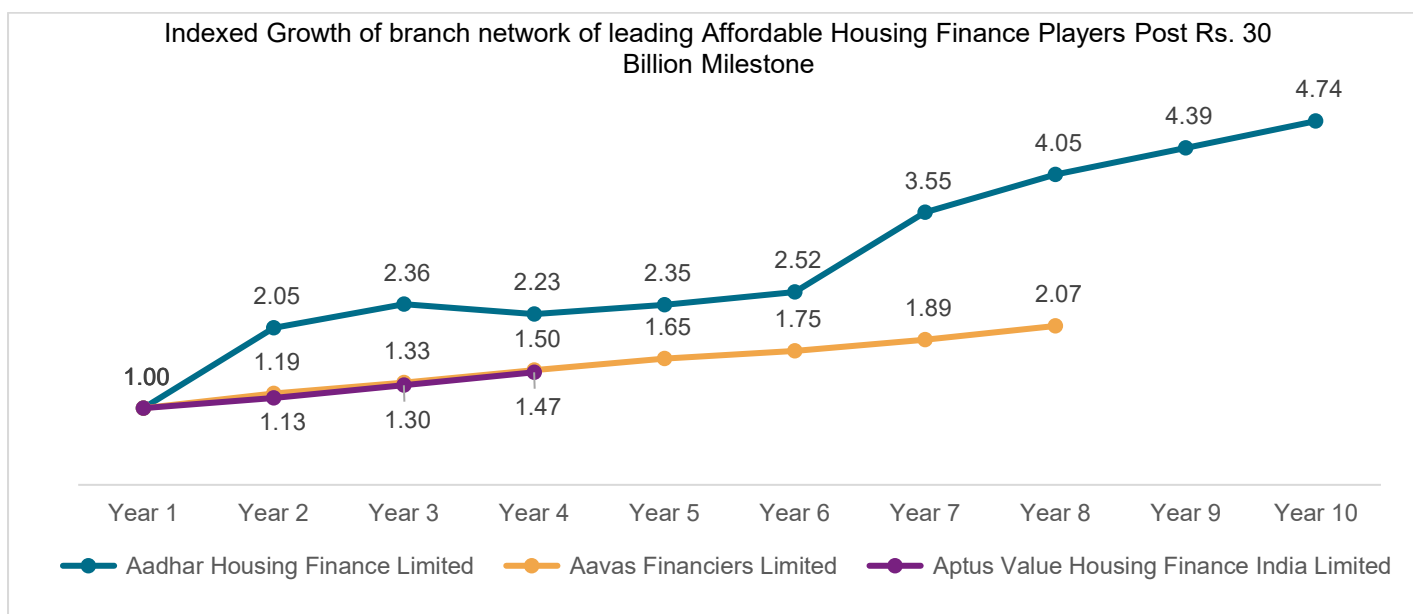
Indexed AUM Growth of Leading Affordable Housing Finance Players Post Rs. 30 billion AUM milestone



Source: Company Reports, Crisil Intelligence

The indexed branch network data for Aadhar Housing Finance Limited, Aavas Financiers Limited, and Aptus Value Housing Finance India Limited highlights substantial expansion following the achievement of Rs. 30 billion AUM. Aadhar more than quadrupled its branch network within ten years, while Aavas nearly doubled its branches in eight years, and Aptus exhibited steady growth in the initial years post milestone. This expansion reflects the strategic focus of affordable housing finance players on enhancing geographic reach and deepening market penetration as their scale increases. The historical trend suggests that smaller players in the affordable housing segment, now entering a similar growth phase, have the potential to replicate this branch network expansion, further supporting accelerated business growth and improved access to underserved markets.

Indexed Branches Growth of Leading Affordable Housing Finance Players Post Rs. 30 billion AUM milestone



Source: Company Reports, Crisil Intelligence

Key challenges that may affect the affordable housing finance market

While the affordable housing finance market in India continues to benefit from structural demand tailwinds and supportive policy frameworks, the segment is not immune to a range of risks and challenges that could temper its growth trajectory and impact portfolio performance. Some of these key challenges will arise from:

Macroeconomic Sensitivity: Affordable housing borrowers are disproportionately impacted by inflationary pressures and interest rate fluctuations. Rising EMIs during tightening monetary cycles can strain the limited financial buffers of EWS and LIG borrowers, elevating delinquency risks.

Competitive Intensity: Growing participation from banks, large HFCs, and fintech platforms is intensifying pricing competition within the affordable housing segment, particularly in the Rs. 1.00-2.00 mn ticket size category. This heightened competitive pressure can compress NIMs as lenders are compelled to lower yields to retain and attract borrowers, directly impacting profitability. Additionally, aggressive pricing strategies by well-capitalized players may force smaller players to either sacrifice margins or pursue higher-risk borrower segments to maintain growth rates, potentially compromising the quality of customer selection. The pressure to sustain portfolio growth in an increasingly crowded market could lead to dilution of underwriting standards and elevated credit costs over time. Furthermore, competitive intensity may also increase customer acquisition costs as lenders invest more heavily in distribution networks, digital platforms, and incentive structures to maintain market share, further straining operating margins and return profiles.

Rising Construction Costs: Persistent escalation in input costs, particularly steel and cement threaten to push property prices beyond the affordability threshold for target borrowers, potentially shrinking the addressable market and altering the segment's risk profile.

Notwithstanding these challenges, India's favourable demographics, accelerating urbanization, rising home ownership aspirations among a young workforce, and the continued thrust of government policy toward inclusive housing collectively reinforce the segment's structural resilience. With credit penetration still significantly below global benchmarks and a substantial housing shortage persisting across EWS and LIG categories, the runway for sustained growth remains considerable.

Peer benchmarking

In this section, we have compared financial and operating performance of leading scaled NBFC-MFIs in India with an AUM exceeding Rs.100,000 million as of March 31, 2026, namely CreditAccess Grameen, Muthoot Microfin, Satin Creditcare, IIFL Samasta, Annapurna Finance and Svatantra Microfin, using publicly available information for Fiscal 2024, Fiscal 2025 and Fiscal 2026. These institutions have been selected for peer benchmarking based on factors such as their industry focus, scale and product offerings. The peer group comprises entities that operate at a broadly similar scale to our Company, making them more comparable across key metrics such as business resilience, access to capital, operational efficiency, portfolio quality and profitability. NBFC-MFIs with AUM below Rs.100,000 million have different operating characteristics, funding profiles and financial performance metrics. Small Finance Banks and commercial banks have been excluded due to their fundamentally different business models and regulatory frameworks compared with NBFC-MFIs.

Svatantra Microfin was the first institution to receive the NBFC-MFI license, which was introduced by the Reserve Bank of India in 2011. Over the last three fiscals, Svatantra Microfin demonstrated the ability to grow while maintaining asset quality through industry headwinds and external disruptions on account of a combination of macroeconomic conditions and increased borrower leverage, including the Karnataka crisis. Svatantra Microfin has registered a 2-year CAGR of 20.87% between fiscals 2024 and 2026 in terms of asset under management, highest among the peers considered.

In November 2023, Svatantra Microfin acquired 100% of the Chaitanya India Fin Credit Private Limited ("CIFCPL"). Additionally, the company is supported by marquee institutional investors such as Advent International and Multiples Private Equity. According to Traxen, as of March 31, 2026, their combined investment represents the largest private equity investment received by an NBFC-MFI in India, reflecting institutional conviction in their business model. Svatantra Microfin has significantly increased its scale, geographic reach, operating productivity and portfolio diversification, positioning itself as one of the largest and most scaled NBFC-MFIs in India. Owing to similarities in their product portfolio (MFI and housing), we have also presented a comparison between Svatantra Microfin and Satin Creditcare on a consolidated basis. The peers are arranged in the order of assets under management (AUM), from largest to smallest as of March 2026. Unless otherwise specified, the two-year compound annual growth rate (CAGR) has been calculated for all parameters from fiscal 2024 to fiscal 2026.

Operational parameters for NBFC-MFIs

Svatantra Microfin was the second-largest NBFC-MFI in India in March 2026 in terms of AUM

Svatantra Microfin is the second largest non-banking financial company – microfinance institution ("NBFC-MFI") in India for fiscals 2024, 2025 and 2026, in terms of assets under management. It is the fastest growing NBFC-MFI in India over the last three Fiscals, with AUM growing at a CAGR of 20.87% from Rs. 144,378.72 million as of March 31, 2024, to Rs. 210,932.22 million as of March 31, 2026, among the peers considered in the analysis. The company's AUM expansion is supported by organic growth in core market as well as acquisition of Chaitanya microfinance. Amongst the peer set, Satin Creditcare registered the second-highest growth of 10.15% over the same period.

In terms of annual growth rate, Svatantra Microfin grew at a rate of 92.52%, 3.22% and 41.55% in fiscals 2024, 2025 and 2026 respectively, compared to the microfinance industry average growth rates of 26.80%, -13.89% and -13.18% respectively for the same period, demonstrating consistent outperformance relative to the sector.

Standalone AUM of top 6 NBFC-MFIs

Rs million	FY24	FY25	FY26	2-year CAGR
CreditAccess Grameen	267,140.00	259,480.00	295,900.00	5.25%

Rs million	FY24	FY25	FY26	2-year CAGR
Svatantra Microfin	144,378.72	149,020.66	210,932.22	20.87%
Muthoot Microfin	121,935.00	123,567.00	140,056.00	7.17%
Satin Creditcare	105,930.00	113,160.00	128,530.00	10.15%
Annapurna Finance	103,360.00	110,340.00	115,350.00	5.64%
IIFL Samasta	142,110.00	111,010.00	105,010.00	-14.04%
Overall MFI Industry AUM	4,427,000.63	3,812,245.00	3,309,720.00	-13.54%
Annual growth rates				
CreditAccess Grameen	27.02%	-2.87%	14.04%	
Svatantra Microfin	92.52%*	3.22%	41.55%	
Muthoot Microfin	32.42%	1.34%	13.34%	
Satin Creditcare	33.60%	6.83%	13.58%	
Annapurna Finance	18.14%	6.75%	4.54%	
IIFL Samasta	34.68%	-21.88%	-5.40%	
Overall MFI Industry Growth Rate	26.80%	-13.89%	-13.18%	

*The growth rate reflects the inclusion of CIFCPL's AUM in Fiscal 2024 following its acquisition in November 2023; CIFCPL's AUM was not included in Fiscal 2023; Source: Company reports, MFIN, CRIF Highmark; Crisil Intelligence

Consolidated AUM

Rs million	FY24	FY25	FY26	2-year CAGR
Svatantra Microfin	164,716.12	171,744.56	238,177.77	20.25%
Satin Creditcare	118,500.00	127,840.00	151,740.00	13.15%

Source: Company reports, MFIN, Crisil Intelligence

Svatantra Microfin's rapid market share gains underscored its increasing relevance and strengthened position in the microfinance sector

Svatantra Microfin's share of the total AUM in India increased from 3.26% as of March 31, 2024, to 6.37% as of March 31, 2026, reflecting company's resilient growth through economic cycles. The increase in the market share is the highest among the peers considered. This was on account of adding new clients, expansion in newer geographies and synergies from the merger with Chaitanya.

Market share of top 6 NBFC-MFIs (based on standalone AUM)

Market share	FY24	FY25	Change from FY24 to FY25	FY26	Change from FY25 to FY26	Change from FY24 to FY26
CreditAccess Grameen	6.03%	6.81%	0.77%	8.94%	2.13%	2.91%
Svatantra Microfin	3.26%	3.91%	0.65%	6.37%	2.46%	3.11%
Muthoot Microfin	2.75%	3.24%	0.49%	4.23%	0.99%	1.48%
Satin Creditcare (Standalone)	2.39%	2.97%	0.58%	3.88%	0.92%	1.49%
Annapurna Finance	2.33%	2.89%	0.56%	3.49%	0.59%	1.16%
IIFL Samasta	3.21%	2.91%	-0.30%	3.17%	0.26%	-0.04%

Note: Market share figures are based on the overall MFI industry, which includes banks, small finance banks, or SFBs, NBFCs and NBFC-MFIs;

Source: Company reports, MFIN, Crisil Intelligence

Svatantra Microfin has recorded the highest disbursements growth rate at a CAGR of 47.05% between fiscal 2024 and fiscal 2026

Svatantra Microfin has registered the highest growth rate and second highest disbursements in fiscal 2026 compared to peers considered amid industry wide stress and asset quality challenges. This can be mainly attributed to the acquisition of CIFCPL. The high growth in disbursements was sustained while effectively managing credit risk, as evidenced by the stable asset quality.

Standalone disbursements

Rs million	FY24	FY25	FY26	2-year CAGR
CreditAccess Grameen	231,340.00	200,420.00	248,590.00	3.66%
Svatantra Microfin	89,663.95	126,232.27	193,876.54	47.05%
Muthoot Microfin	106,620.00	88,725.00	94,184.00	-6.01%
Satin Creditcare	96,910.00	98,370.00	112,020.00	7.51%
Annapurna Finance	83,130.00	89,390.00	89,330.00	3.66%
IIFL Samasta	122,060.00	65,980.00	78,620.00	-19.74%

Note: Svatantra Microfin disbursements considered for FY24 are for the full year of Svatantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, MFIN, Crisil Intelligence

Consolidated disbursements

Rs million	FY24	FY25	FY26	2-year CAGR
Svatantra Microfin	97,298.76	131,916.90	202,419.85	44.24%
Satin Creditcare	105,490.00	106,630.00	125,140.00	8.92%

Note: Svatantra Microfin disbursements considered for FY24 are for the full year of Svatantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, MFIN, Crisil Intelligence

Svatantra Microfin borrower base grew by CAGR of 1.97% from March 31, 2024, to March 31, 2026, despite a contraction of approximately 10.70% in the broader microfinance industry borrower base on account of a challenging macroeconomic period

Svatantra Microfin secured the second position in terms of borrower base, with 4.27 million clients as of fiscal 2026, that grew by 1.97% between March 31, 2024, and March 31, 2026, despite a contraction of approximately 10.70% in the broader microfinance industry borrower base on account of a challenging macroeconomic period. Svatantra Microfin is one of the two companies among peers to have a positive net addition of borrowers between fiscals 2024 and 2026 along with Annapurna Finance. In comparison, CreditAccess Grameen maintained the largest borrower base, with 4.42 million borrowers in fiscal 2026, while IIFL Samasta has faced the highest degrowth at 15.87% between fiscal 2024 and fiscal 2026.

Active borrowers (standalone)

Million	FY24	FY25	FY26	Net additions (FY24-FY26)	2-year CAGR
CreditAccess Grameen	4.92	4.69	4.42	-0.50	-5.22%
Svatantra Microfin	4.10	4.03	4.27	0.16	1.97%
Muthoot Microfin	3.35	3.43	3.27	-0.08	-1.20%
Satin Creditcare	3.34	3.29	3.28	-0.06	-0.90%
Annapurna Finance	2.82	2.93	3.00	0.18	3.14%
IIFL Samasta	3.00	2.76	2.12	-0.88	-15.87%
Overall MFI industry active borrowers	86.72	82.76	71.14[^]	-15.58	-10.70%

[^]Industry numbers are based on data for the first nine months of fiscal 2026

Note: The two-year CAGR for industry active borrowers is calculated over a period of 1 year and 9 months;

Source: Company reports, MFIN, Crisil Intelligence

Active borrowers (consolidated)

Million	FY24	FY25	FY26	2-year CAGR
Svatantra Microfin	4.14	4.07	4.31	2.07%
Satin Creditcare	3.47	3.36	3.37	-1.45%

Source: Company reports, MFIN, Crisil Intelligence

Diversification in Svatantra Microfin's customer base by optimising Chaitanya's legacy network and customers

The acquisition of Chaitanya had expanded Svatantra Microfin's customer base and geographic footprint by providing access to new customers, geographies and an established network of branches and loan officers. This has helped the company in diversifying its portfolio across many states. Notably, no single state of Svatantra Microfin has more than 23.02% AUM concentration, lowest among the peers considered. Meanwhile, CreditAccess Grameen has the highest concentration of portfolio in the top 1 state at 29.40%.

State-wise AUM mix

FY26	Top States	Top 1 state	Top 3 states	Top 5 states
CreditAccess Grameen	Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh, Bihar	29.40%	69.00%	82.30%
Svatantra Microfin	Bihar, Uttar Pradesh, Karnataka, Maharashtra, Madhya Pradesh	23.02%	54.69%	73.39%
Muthoot Microfin	Tamil Nadu, Kerala, Bihar, Uttar Pradesh, Karnataka	25.60%	49.14%	64.52%
Satin Creditcare #	Uttar Pradesh, Bihar, Assam, West Bengal, Madhya Pradesh	23.11%	50.58%	67.52%
Annapurna Finance	Madhya Pradesh, Tamil Nadu, Bihar, Odisha, Assam	NA	NA	NA
IIFL Samasta*	Bihar, Karnataka, Tamil Nadu, Uttar Pradesh, West Bengal	24.03%	45.63%	64.93%

Note: NA – not available.

*Mix pertains only to the MFI portfolio

#Mix is for on-book portfolio

Source: Company reports, Crisil Intelligence

As of March 31, 2026, Svatantra Microfin is the largest NBFC-MFI in Bihar and Uttar Pradesh, based on MFI AUM

Svatantra Microfin has the largest state AUM share in Bihar and Uttar Pradesh as of fiscal 2026 at 9.14% and 9.79% respectively. In other states like Karnataka, Maharashtra and Madhya Pradesh, they are second highest after CreditAccess Grameen. This highlights the deep penetration of the company in key states owing to their wide branch network and deep local expertise of their loan officers.

Player wise market share in respective states (Standalone)

FY26	Bihar	Uttar Pradesh	Karnataka	Maharashtra	Madhya Pradesh
Total State AUM (Rs. bn)	531.04	397.63	286.46	247.33	195.22
CreditAccess Grameen	2.67%	1.99%	30.37%	26.29%	12.88%
Svatantra Microfin	9.14%	9.79%	9.73%	10.86%	6.46%
Muthoot Microfin	2.42%	3.24%	3.52%	3.31%	1.61%
Satin Creditcare#	2.47%	5.54%	0.00%	0.00%	3.07%
Annapurna Finance	NA	NA	NA	NA	NA
IIFL Samasta*	4.14%	2.44%	3.49%	1.18%	1.52%

Note:

NA – not available

*Mix pertains to only the MFI portfolio

#Mix is for on-book portfolio

Source: Company reports, Crisil Intelligence

Productivity metrics

Svatantra Microfin ranks second highest in term of branch network, driven by well-led integration with Chaitanya's branch network, registering a growth rate of 8.15% between fiscal 2024 and fiscal 2026

Integration-led increase in the number of branches post the merger helped Svatantra Microfin to reach a broader base of clients and establish a strong physical presence. Also, a wider branch network provided the flexibility to tailor services to regional needs and respond quickly to local market dynamics.

Satin Creditcare witnessed the highest growth in branches at 22.04% from fiscal 2024 to 2026. CreditAccess Grameen had the highest number of branches across all periods.

On consolidated basis, Svatantra has recorded higher number of branches of 2,253 recording a CAGR of 10.66% between fiscals 2024 and 2026.

Branch count

	FY24	FY25	FY26	2-year CAGR
CreditAccess Grameen	1,967	2,063	2,236	6.62%
Svatantra Microfin	1,815	2,020	2,123	8.15%
Muthoot Microfin	1,508	1,699	1,670	5.23%
Satin Creditcare	1,236	1,454	1,841	22.04%
IIFL Samasta	1,648	1,660	1,614	-1.04%
Annapurna Finance	1,379	1,636	1,757	12.88%

Source: Company reports, MFIN, Crisil Intelligence

Consolidated branch count

	FY24	FY25	FY26	2-year CAGR
Svatantra Microfin	1,840	2,065	2,253	10.66%
Satin Creditcare	1,393	1,568	2,015	20.27%

Source: Company reports, MFIN, Crisil Intelligence

Svatantra Microfin witnessed the highest increase in number of loan officer among peers considered

Svatantra Microfin had the highest number of loan officers in fiscals 2025 and 2026. Its loan officer count grew at the fastest CAGR of 16.20%, supporting robust growth through improved customer reach, while a stronger fleet-on-street presence enables tighter monitoring and better case-load management to help protect asset quality in a challenging macro environment.

Loan Officers (Standalone)

Loan officers	FY24	FY25	FY26	2-year CAGR
CreditAccess Grameen	13,190	13,583	14,470	4.74%
Svatantra Microfin	11,535	14,975	15,575	16.20%
Muthoot Microfin	8,539	9,748	8,900	2.09%
Satin Creditcare	8,144	10,710	10,847	15.41%
Annapurna Finance	7,694	10,638	9,625	11.85%
IIFL Samasta	10,281	11,853	8,160	-10.91%

Source: Company reports, MFIN, Crisil Intelligence

Loan Officers (Consolidated)

Loan officers	FY24	FY25	FY26	2-year CAGR
Svatantra Microfin	11,883	15,378	16,583	18.13%
Satin Creditcare	9,309	11,509	11,867	12.91%

Source: Company reports, MFIN, Crisil Intelligence

Svatantra Microfin has the highest number of loan officer per branch in fiscal 2025 and 2026

Svatantra Microfin has the highest number of loan officers per branch in fiscals 2025 and 2026. This highlights the company's deep local expertise, enabling it to serve the core of every district with rigorous due diligence to safeguard the credit quality of its portfolio.

Loan officers per branch (Standalone)

	Loan officers per branch		
#	FY24	FY25	FY26
CreditAccess Grameen	6.71	6.58	6.47
Svatantra Microfin	6.36	7.41	7.34
Muthoot Microfin	5.66	5.74	5.33
Satin Creditcare	6.59	7.37	5.89
IIFL Samasta	6.24	7.14	5.06
Annapurna Finance	5.58	6.50	5.48
Average of Top 6 NBFC MFIs	6.19	6.79	5.92
Average of Top 5 NBFC MFIs excl Svatantra Microfin	6.16	6.67	5.65

Source: Company reports, MFIN, Crisil Intelligence

Loan officers per branch (Consolidated)

	Loan officers per branch		
#	FY24	FY25	FY26
Svatantra Microfin	6.46	7.45	7.36
Satin Creditcare	6.68	7.34	5.89

Source: Company reports, MFIN, Crisil Intelligence

Svatantra Microfin's AUM per branch recorded highest growth between fiscals 2024 and 2026, increasing from Rs 79.55 million in fiscal 2024 to Rs 99.36 million in fiscal 2026, showcasing improving branch productivity

CreditAccess Grameen had the highest AUM per branch and loan officer in fiscal 2026 at Rs 132.33 million and 20.45 million, respectively. Svatantra Microfin recorded highest growth rate of AUM per branch of 11.76% between fiscals 2024 and 2026. Meanwhile, the AUM per loan officer had increased marginally from Rs 12.52 million in fiscal 2024 to Rs 13.54 million in fiscal 2026. A lower AUM per loan officer enables closer monitoring and more effective collections, helping preserve portfolio asset quality.

AUM per branch and AUM per loan officer (standalone)

	AUM per loan officer			AUM per branch			
Rs million	FY24	FY25	FY26	FY24	FY25	FY26	2-year CAGR
CreditAccess Grameen	20.25	19.10	20.45	135.81	125.78	132.33	-1.29%
Svatantra Microfin	12.52	9.95	13.54	79.55	73.77	99.36	11.76%
Muthoot Microfin	14.28	12.68	15.74	80.86	72.73	83.87	1.85%

	AUM per loan officer			AUM per branch			
Rs million	FY24	FY25	FY26	FY24	FY25	FY26	2-year CAGR
Satin Creditcare	13.01	10.57	11.85	85.70	77.83	69.82	-9.74%
Annapurna Finance	13.43	10.37	11.98	74.95	67.44	65.65	-6.41%
IIFL Samasta	13.82	9.37	12.87	86.23	66.87	65.06	-13.13%
Average of Top 6 NBFC MFIs	14.56	12.02	14.43	90.52	80.74	86.02	
Average of Top 5 NBFC MFIs excl Svatantra Microfin	14.96	12.42	14.58	92.71	82.13	83.35	

Source: Company reports, MFIN, Crisil Intelligence

AUM per branch and AUM per loan officer (consolidated)

	AUM per loan officer			AUM per branch		
Rs million	FY24	FY25	FY26	FY24	FY25	FY26
Svatantra Microfin	13.86	11.17	14.36	89.52	83.17	105.72
Satin Creditcare	12.73	11.11	12.79	85.07	81.53	75.31

Source: Company reports, MFIN, Crisil Intelligence

Borrowers per branch and loan officers saw a decline across industry amid over-leveraging concerns

Between fiscal 2024 and fiscal 2026, all peers experienced a decline in borrowers per branch. Notably, Svatantra Microfin led the pack with 2,010 borrowers per branch, followed by CreditAccess Grameen (1,980) and Muthoot Microfin (1,960). Borrowers per loan officer had also been reducing between fiscal 2024 and fiscal 2026 for the peers considered in the analysis. Svatantra Microfin has the second lowest caseloads per loan officer and a higher number of loan officers per branch aiming at better credit monitoring and focused collection. Borrowers per loan officer had shown marginal improvement in fiscal 2026 (273.92) from fiscal 2025 (269.40) for Svatantra Microfin. Having lower case load per loan officer and higher borrowers per branch for Svatantra Microfin highlights the pragmatic lending undertaken by the company.

Borrowers per branch and borrowers per loan officer (standalone)

	Borrowers per loan officer (#)			Borrowers per branch (in'000)		
	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	372.86	345.58	305.32	2.50	2.28	1.98
Svatantra Microfin	355.68	269.40	273.92	2.26	2.00	2.01
Muthoot Microfin	392.32	351.87	367.42	2.22	2.02	1.96
Satin Creditcare	410.12	307.19	302.39	2.70	2.26	1.78
Annapurna Finance	366.26	275.33	301.30	2.04	1.79	1.65
IIFL Samasta	291.91	232.98	260.30	1.82	1.66	1.32
Average of Top 6 NBFC MFIs	365.04	297.26	302.24	2.26	2.00	1.78
Average of Top 5 NBFC MFIs excl Svatantra Microfin	366.69	302.59	307.35	2.26	2.00	1.74

NA – not available

Source: Company reports, MFIN, Crisil Intelligence

Borrowers per branch and borrowers per loan officer (consolidated)

	Borrowers per loan officer (#)			Borrowers per branch (in'000)		
	FY24	FY25	FY26	FY24	FY25	FY26
Svatantra Microfin	348.27	264.96	260.02	2.25	1.97	1.91
Satin Creditcare	372.76	291.95	283.98	2.49	2.14	1.67

Source: Company reports, MFIN, Crisil Intelligence

CreditAccess Grameen had the highest portfolio outstanding and active loan per active borrower across fiscal 2024 to fiscal 2026

CreditAccess had the highest portfolio outstanding per active client, increasing from Rs 54,318.83 in fiscal 2024 to Rs 66,976.01 in fiscal 2026. Svatantra Microfin had the second-highest outstanding per client in fiscal 2026 at Rs 49,441.30, up from Rs 35,190.20 in fiscal 2024, and average loan disbursed has increased from Rs. 46,449.00 to Rs. 59,261.10 during the same time period. This was in line with the increasing ticket sizes and slower growth rate in acquisition of newer clients across the industry. It is beneficial for the company to provide higher ticket-size loans to existing customers with disciplined credit history.

Outstanding portfolio per active client and ticket size (standalone)

Rs.	Outstanding per active client (Rs)			Ticket size based on disbursement		
	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	54,318.83	55,279.08	66,976.01	42,809.03	51,311.14	55,600.54
Svatantra Microfin	35,190.20	36,938.45	49,441.30	46,449.00	53,731.43	59,261.10
Muthoot Microfin	36,397.01	36,023.32	42,831.80	43,840.46	48,935.47	80,426.99
Satin Creditcare	31,715.57	34,395.14	39,185.98	47,833.17	53,695.41	60,064.34
Annapurna Finance	36,678.50	37,671.56	39,775.86	53,528.65	55,009.23	60,562.71
IIFL Samasta	47,366.67	41,114.81	49,439.15	45,274.48	51,587.18	44,470.49
Overall Industry	51,050.80	46,063.91	46,526.90	46,297.46	51,263.03	58,572.27
Average of Top 6 NBFC MFIs	40,277.80	40,237.06	47,941.68	46,622.47	52,378.31	60,064.36
Average of Top 5 NBFC MFIs excl Svatantra Microfin	41,295.32	40,896.78	47,641.76	46,657.16	52,107.69	60,225.01

Source: Company reports, MFIN, Crisil Intelligence

Svatantra has been able to maintain a healthy balance of active loans per active borrower

Owing to the guardrails, active loan per active borrower has reduced for the overall industry from 1.86 loans in fiscal 2024 to 1.58 loans in fiscal 2026. CreditAccess Grameen has the highest ratio of active loan per borrower through all 3 fiscals at 1.76, 1.62 and 1.64 respectively. Svatantra Microfin has been able to maintain consistent active loans per borrower at 1.32, 1.25 and 1.30 for fiscals 2024, 2025 and 2026 respectively lower than the industry ratio for the same time period.

Active Loan per active borrower

#	Active loans per active borrower (Rs)		
	FY24	FY25	FY26
CreditAccess Grameen	1.76	1.62	1.64
Svatantra Microfin	1.32	1.25	1.30
Muthoot Microfin	1.22	1.17	1.11
Satin Creditcare	1.03	1.02	1.02
Annapurna Finance	1.01	1.01	1.00
IIFL Samasta	1.41	1.57	1.49
Overall Industry	1.86	1.69	1.58*
Average of Top 6 NBFC MFIs	1.29	1.27	1.26
Average of Top 5 NBFC MFIs excl Svatantra Microfin	1.29	1.28	1.25

Note: *Overall Industry numbers are based on data for the first nine months of fiscal 2026

Source: Company reports, MFIN, Crisil Intelligence

Svatantra Microfin has second highest concentration in secured loans (11.44% in fiscal 2026)

Product diversification into medium- to long-term tenure products helps the company align asset duration with medium- to long-term borrowings, grow its balance sheet and enhance liquidity. Long-tenure products scale faster in terms of AUM growth. Further, diversification across multiple business segments strengthens the overall portfolio's resilience by reducing the impact of issues confined to any single segment.

Trends in the AUM mix suggest top NBFC-MFIs are gradually moving towards non-MFI loans which helps them to cater to the vintaged customers graduating to other products while being able to retain them in the system. Svatantra Microfin has the second-largest secured loan book among peers, consisting of housing loans and LAP, which typically feature lower credit costs, high collateral value and lower vulnerability to cyclical trends in the microfinance sector.

Product mix (fiscal 2026)

	Unsecured loans	Secured loans
CreditAccess Grameen	98.15%	1.85%
Svatantra Microfin (Consolidated)	88.56%	11.44%
Muthoot Microfin	99.66%	0.34%
Satin Creditcare (Consolidated)	91.65%	8.35%
Annapurna Finance	NA	NA
IIFL Samasta (IIFL Finance)	87.00%	13.00%

NA – not available

Source: Company reports, Crisil Intelligence

Product mix (fiscal 2025)

	Unsecured loans	Secured loans
CreditAccess Grameen	98.59%	1.41%
Svatantra Microfin (Consolidated)	86.77%	13.23%
Muthoot Microfin	100.00%	0.00%
Satin Creditcare (Consolidated)	92.80%	7.20%
Annapurna Finance	100.00%	0.00%
IIFL Samasta (IIFL Finance)	89.00%	11.00%

Source: Company reports, Crisil Intelligence

Product mix (fiscal 2024)

	Unsecured loans	Secured loans
CreditAccess Grameen	100.00%	0.00%
Svatantra Microfin (Consolidated)	87.65%	12.35%
Muthoot Microfin	NA	NA
Satin Creditcare (Consolidated)	93.62%	6.38%
Annapurna Finance	100.00%	0.00%
IIFL Samasta (IIFL Finance)	92.00%	8.00%

NA – not available

Source: Company reports, Crisil Intelligence

Financial parameters for NBFC-MFIs

Svatantra Microfin's interest income as a percentage of AAUM increased between fiscals 2024 and 2026, with a corresponding rise in net interest income. The company also recorded the highest increase in net interest income between fiscals 2024 and 2026

Amid industry wide asset quality concerns, industry witnessed a reduction in interest income due to reversal of interest income in

fiscal 2026. However, Svatantra was least affected by such reversal as the interest income stabilised at 18.99% in fiscal 2026, marginal increase from 17.97% in fiscal 2024, and net interest income rose to 13.06% from 10.47% during same period, posting highest increase among peers considered. Net interest income of Svatantra Microfin is higher also due to low cost of funds compared to peers.

Interest income and net interest income (standalone)

	Interest income				Net interest income			
%	FY24	FY25	FY26	Change FY24-26	FY24	FY25	FY26	Change FY24-26
CreditAccess Grameen	20.53%	21.07%	20.75%	0.23%	13.27%	13.67%	13.91%	0.64%
Svatantra Microfin	17.97%	19.64%	18.99%	1.02%	10.47%	12.30%	13.06%	2.59%
Muthoot Microfin	18.44%	19.30%	16.23%	-2.22%	10.35%	11.73%	9.59%	-0.76%
Satin Creditcare	18.88%	19.07%	18.32%	-0.56%	9.89%	10.40%	8.89%	-1.00%
Annapurna Finance	17.27%	16.91%	15.17%	2.10%	8.86%	9.09%	7.90%	-0.96%
IIFL Samasta	19.43%	17.57%	16.69%	-2.74%	12.32%	11.00%	9.58%	-2.74%
Average of Top 6 NBFC MFIs	18.75%	18.93%	17.69%		10.86%	11.37%	10.49%	
Average of Top 5 NBFC MFIs excl Svatantra Microfin	18.91%	18.78%	17.43%		10.94%	11.18%	9.97%	

Note: Svatantra Microfin interest income considered for FY24 are for the full year of Svatantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, MFIN, Crisil Intelligence

Interest income and net interest income (consolidated)

	Interest income			Net interest income		
%	FY24	FY25	FY26	FY24	FY25	FY26
Svatantra Microfin	17.33%	18.79%	18.26%	9.75%	11.41%	12.18%
Satin Creditcare	17.95%	18.51%	17.62%	9.36%	9.99%	8.23%

Note: Svatantra Microfin interest income considered for FY24 are for the full year of Svatantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Svatantra Microfin has the lowest cost of funds and borrowings in fiscal 2026 compared to peers owing to strong parentage and higher credit rating

Svatantra Microfin has the lowest cost of fund ratio at 5.94% in fiscal 2026, followed by Muthoot Microfin at 6.63%. Similarly, cost of borrowings is lowest at 8.15% in fiscal 2026. This could be attributed to strong group support and a higher concentration of low-interest term loans (73.15%).

Cost of funds and Cost of borrowings (standalone)

	Cost of Funds			Cost of Borrowings		
%	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	7.26%	7.40%	6.84%	9.08%	9.21%	8.62%
Svatantra Microfin	7.50%	7.34%	5.94%	9.45%	10.17%	8.15%
Muthoot Microfin	8.09%	7.58%	6.63%	11.61%	11.38%	10.01%
Satin Creditcare	8.99%	8.67%	9.76%	13.18%	12.67%	13.61%
Annapurna Finance	8.41%	7.82%	7.26%	11.47%	12.01%	11.19%
IIFL Samasta	7.11%	6.57%	7.10%	10.82%	10.42%	10.45%

	Cost of Funds			Cost of Borrowings		
%	FY24	FY25	FY26	FY24	FY25	FY26
Average of Top 6 NBFC MFIs	7.89%	7.56%	7.26%	10.94%	10.98%	10.34%
Average of Top 5 NBFC MFIs excl Svantra Microfin	7.97%	7.61%	7.52%	11.23%	11.14%	10.78%

Note: Svantra Microfin interest expense considered for FY24 are for the full year of Svantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Cost of funds and Cost of borrowings (consolidated)

	Cost of Funds			Cost of Borrowings		
%	FY24	FY25	FY26	FY24	FY25	FY26
Svantra Microfin	7.58%	7.37%	6.08%	NA	9.96%	8.14%
Satin Creditcare	8.60%	8.51%	9.38%	13.04%	12.56%	13.26%

Note: Svantra Microfin interest expense considered for FY24 are for the full year of Svantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Opex as a percentage of AAUM and Opex per branch increased for all peers between fiscals 2024 and 2026 on account of increased focus on recovery

Svantra Microfin's operating expenses as a percentage of AAUM increased to 7.36% in fiscal 2026 from 5.15% in fiscal 2024, and its operating expenses per branch increased to Rs. 6.24 million from Rs. 3.12 million during the same time. This reflects the company's strategy of investing in technology, robust processes for collection efficiency, ensuring lower case load on field officers, better credit underwriting quality to yield long-term operational efficiency.

Opex as a percentage of AAUM and opex per branch (standalone)

	Opex/AAUM			Opex/branch (million)		
%	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	4.40%	4.44%	4.88%	5.59	5.81	6.30
Svantra Microfin	5.15%	7.23%	7.36%	3.12	5.25	6.24
Muthoot Microfin	5.93%	7.18%	6.51%	4.74	5.49	5.09
Satin Creditcare	5.48%	6.14%	6.54%	4.39	5.00	4.79
Annapurna Finance	6.63%	8.12%	8.36%	4.94	5.76	5.56
IIFL Samasta	6.58%	7.17%	8.38%	5.59	5.49	5.53
Average of Top 6 NBFC MFIs	5.70%	6.71%	7.01%	4.73	5.47	5.59
Average of Top 5 NBFC MFIs excl Svantra Microfin	5.80%	6.61%	6.93%	5.05	5.51	5.45

Note: Svantra Microfin operating expenses considered for FY24 are for the full year of Svantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Opex as a percentage of AAUM and opex per branch (consolidated)

	Opex/AAUM			Opex/branch (million)		
%	FY24	FY25	FY26	FY24	FY25	FY26
Svantra Microfin	4.93%	6.78%	7.13%	3.42	5.52	6.49
Satin Creditcare	5.78%	6.46%	8.12%	4.52	5.23	5.15

Note: Svantra Microfin operating expenses considered for FY24 are for the full year of Svantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Svatantra Microfin maintained second best in class PPOP in fiscals 2025 and 2026 and second lowest cost to income ratio in fiscal 2026.

Svatantra Microfin has the second lowest cost to income ratio across fiscals 2024, 2025 and 2026 at 40.35%, 49.71% and 47.65% respectively. Svatantra Microfin maintained healthy pre-provisioning operating profits (PPOP) at 8.09% in fiscal 2026, the second highest among peers after CreditAccess Grameen (10.11%).

Cost to Income and Pre Provisioning Operating Profit (standalone)

	Cost to Income %			PPOP %		
%	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	30.50%	30.73%	32.54%	10.02%	10.02%	10.11%
Svatantra Microfin	40.35%	49.71%	47.65%	7.62%	7.32%	8.09%
Muthoot Microfin	45.70%	53.90%	56.96%	7.05%	6.14%	4.92%
Satin Creditcare	41.67%	47.76%	48.00%	7.67%	6.72%	7.08%
Annapurna Finance	49.90%	64.43%	77.00%	6.66%	4.49%	2.50%
IIFL Samasta	43.15%	52.09%	60.48%	8.67%	6.60%	5.48%
Average of Top 6 NBFC MFIs	41.88%	49.77%	53.77%	7.95%	6.88%	6.36%
Average of Top 5 NBFC MFIs excl Svatantra Microfin	42.18%	49.78%	55.00%	8.01%	6.79%	6.02%

Note: Svatantra Microfin figures considered for FY24 are for the full year of Svatantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Cost to Income and Pre Provisioning Operating Profit (consolidated)

	Cost to Income %			PPOP %		
%	FY24	FY25	FY26	FY24	FY25	FY26
Svatantra Microfin	41.99%	50.60%	49.73%	6.82%	6.62%	7.21%
Satin Creditcare	45.23%	50.57%	49.88%	7.00%	6.14%	6.63%

Note: Svatantra Microfin figures shown for FY24 are for the full year of Svatantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Svatantra Microfin has the highest RoAAUM among peers in fiscals 2025 and 2026

Fiscals 2025 and 2026 were marked by industry wide concerns and rising credit quality issues. Svatantra Microfin has remained resilient through the period of sectoral stress compared to the peers considered, with its return on average AUM (“**RoAAUM**”) being the highest among the peers considered in fiscals 2025 and 2026 at 2.90% and 3.57% respectively. Driven by an increase in net interest income and lower credit and borrowing costs, the company’s profitability has remained high.

Return on Average AUM (standalone)

	RoAAUM		
%	FY24	FY25	FY26
CreditAccess Grameen	6.06%	2.02%	2.80%
Svatantra Microfin	2.97%	2.90%	3.57%
Muthoot Microfin	4.20%	-1.81%	1.29%
Satin Creditcare	4.57%	1.98%	2.59%
Annapurna Finance	2.44%	0.65%	0.32%
IIFL Samasta	4.06%	0.16%	0.20%
Average of Top 6 NBFC MFIs	4.05%	0.98%	1.80%
Average of Top 5 NBFC MFIs excl Svatantra Microfin	4.27%	0.60%	1.44%

Note: Svatanttra Microfin profit after tax considered for FY24 are for the full year of Svatanttra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Return on Average AUM (consolidated)

	RoAAUM		
%	FY24	FY25	FY26
Svatanttra Microfin	2.71%	2.65%	3.17%
Satin Creditcare	4.16%	1.51%	2.38%

Note: Svatanttra Microfin profit after tax considered for FY24 are for the full year of Svatanttra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Svatanttra Microfin has clocked the highest return on average equity between fiscals 2025 and 2026 highlighting least volatility among the peers

Through fiscals 2025 and 2026, years of elevated credit costs and asset quality stress across microfinance sector, Svatanttra Microfin delivered the highest return on equity (RoE) at 13.66% and 15.00% respectively. Further, across fiscals 2024 to 2026, it delivered most stable and steady RoE with decline of only 2.08% in fiscal 2025 versus fiscal 2024 the smallest drop among the peer set on account of minimal volatility through the credit cycle downturn with consistent return on equity throughout fiscals 2024, 2025 and 2026.

Return on Average Equity (standalone)

	RoE			Average	Volatility
%	FY24	FY25	FY26	FY24-26	MAX (-) MIN
CreditAccess Grameen	24.77%	7.86%	10.51%	14.38%	16.91%
Svatanttra Microfin	15.74%	13.66%	15.00%	14.80%	2.08%
Muthoot Microfin	20.30%	-8.19%	6.21%	6.11%	28.48%
Satin Creditcare	18.46%	7.86%	10.27%	12.20%	10.60%
Annapurna Finance	16.60%	4.27%	2.13%	7.67%	14.47%
IIFL Samasta	30.20%	1.01%	1.04%	10.75%	29.19%
Average of Top 6 NBFC MFIs	21.01%	4.41%	7.53%		16.60%
Average of Top 5 NBFC MFIs excl Svatanttra Microfin	22.07%	2.56%	6.03%		19.51%

Note: Svatanttra Microfin profit after tax considered for FY24 are for the full year of Svatanttra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Return on Average Equity (consolidated)

	RoE		
%	FY24	FY25	FY26
Svatanttra Microfin	18.12%	15.00%	15.63%
Satin Creditcare	21.64%	7.53%	12.28%

Note: Svatanttra Microfin profit after tax considered for FY24 are for the full year of Svatanttra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;

Source: Company reports, Crisil Intelligence

Svatanttra Microfin has been able to maintain a healthy leverage and debt-to-equity

Svatanttra Microfin has leverage at 4.20 in fiscal 2026, indicating optimal use of equity to grow assets. This is reflected in the company's increased profitability. Additionally, it has healthy debt-to-equity ratio at 3.33 in fiscal 2026.

Leverage and debt-to-equity (standalone)

	Leverage			Debt: equity		
Times	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	4.09	3.89	3.75	3.32	2.94	3.01
Svatantra Microfin	5.30	4.71	4.20	4.43	2.71	3.33
Muthoot Microfin	4.83	4.52	4.80	3.00	3.01	3.34
Satin Creditcare	4.04	3.98	4.05	2.70	2.74	3.05
Annapurna Finance	6.82	6.59	6.73	4.36	4.22	4.52
IIFL Samasta	7.43	6.26	5.29	4.48	3.43	3.76
Average of Top 6 NBFC MFIs	5.42	4.99	4.80	3.72	3.18	3.50
Average of Top 5 NBFC MFIs excl Svatantra Microfin	5.44	5.05	4.92	3.57	3.27	3.54

NA – not available

Source: Company reports, Crisil Intelligence

Leverage and debt: equity (consolidated)

	Leverage			Debt: equity		
Times	FY24	FY25	FY26	FY24	FY25	FY26
Svatantra Microfin	6.69	5.66	4.93	5.45	3.36	3.93
Satin Creditcare	5.20	4.98	5.17	3.29	3.46	3.83

Source: Company reports, Crisil Intelligence

Capital to risk-weighted assets ratio (CRAR) and Tier I (standalone)

	CRAR			Tier I		
%	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	23.13%	25.43%	24.40%	22.24%	24.47%	23.63%
Svatantra Microfin	19.25%	26.33%	23.12%	14.91%	23.18%	22.83%
Muthoot Microfin	28.97%	27.85%	23.92%	28.97%	27.39%	23.92%
Satin Creditcare	27.66%	25.85%	25.39%	26.25%	25.21%	23.87%
Annapurna Finance	25.45%	29.61%	28.13%	19.02%	19.67%	NA
IIFL Samasta	23.99%	32.38%	26.54%	17.67%	26.00%	20.79%
Average of Top 6 NBFC MFIs	24.74%	27.91%	25.25%	21.51%	24.32%	23.01%
Average of Top 5 NBFC MFIs excl Svatantra Microfin	25.84%	28.22%	25.68%	22.83%	24.55%	23.05%

Source: Company reports, Crisil Intelligence

Asset quality

Svatantra Microfin has the lowest gross stage 3 ratio in fiscals 2025 and 2026 among the peers considered and stable impairment on financial instruments in last 3 fiscals underscoring its resilience in asset performance through stress periods

Svatantra Microfin reported the lowest gross stage 3 ratio in fiscal 2025 and 2026, at 2.24% and 1.19% respectively. The company also maintained a stable impairment on financial instruments as a percentage of average AUM throughout the industry-wide asset quality crisis, while the peers saw an uptick in the impairment on financial instruments in fiscal 2025. Impairment on financial instruments for Svatantra Microfin stands at 3.51% and 3.39%, lower than the industry level for NBFC MFIs in fiscal 2025 and 2026 that stands at 8.50% and 4.80% respectively. The company has observed the lowest volatility of 0.33% in last three fiscals among the peers considered. The company's proactive strategy to slow down disbursements in early fiscal 2024, while the industry faced early delinquencies, helped contain impairment on financial instruments in fiscal 2025.

Gross Stage 3 and Impairment loss on financial instrument (Standalone)

	Gross Stage 3			Impairment on financial instruments			Volatility
%	FY24	FY25	FY26	FY24	FY25	FY26	MAX (-) MIN
CreditAccess Grameen	1.18%	4.76%	3.17%	1.89%	7.33%	6.39%	5.44%
Svatantra Microfin	1.99%	2.24%	1.19%	3.72%	3.51%	3.39%	0.33%
Muthoot Microfin	2.29%	4.84%	3.89%	1.61%	8.49%	3.33%	6.88%
Satin Creditcare	2.49%	3.70%	3.12%	1.56%	4.59%	3.82%	3.03%
Annapurna Finance	2.69%	2.74%	2.87%	3.40%	3.64%	2.13%	1.51%
IIFL Samasta	1.91%	4.71%	3.78%	3.36%	6.06%	5.24%	2.70%
Overall MFI Industry*				2.66%	8.50%	4.80%#	5.84%
Average of Top 6 NBFC MFIs	2.09%	3.83%	3.00%	2.59%	5.60%	4.05%	3.01%
Average of Top 5 NBFC MFIs excl Svatantra Microfin	2.11%	4.15%	3.37%	2.36%	6.02%	4.18%	3.66%

*Note: Gross Stage 3 represents the GNPA reported by the respective company; *Data of Spandana Sphoorty, CreditAccess Grameen, Asirvad Microfinance, Muthoot Microfin, Satin Creditcare Network, Annapurna Finance, Fusion Finance, IIFL Samasta Finance, Svatantra Microfin, Belstar Microfinance, Arohan Financial Services, Chaitanya India Fin Credit Private Limited, Repco Micro Finance Limited has been considered; # FY26 data is on estimated basis; Svatantra Microfin impairment on financial instruments considered for FY24 are for the full year of Svatantra Microfin and 4 months (Dec 2023–Mar 2024) of CIFCPL;*

Source: Company reports, Crisil Intelligence

Svatantra Microfin had lowest net stage 3 ratio across fiscals 2024 to 2026 and the highest gross stage 3 loans loss allowance coverage ratio in fiscal 2026

Controlled gross stage 3 and net stage 3 ratio, and adequate gross stage 3 loans loss allowance coverage ratios in fiscal 2026 significantly reduced the risk of higher credit costs in the long term. This helps the company safeguard asset quality and maintain healthy profitability. **Svatantra Microfin recorded the lowest net stage 3 in fiscals 2024, 2025 and 2026, while the industry was recovering from credit quality issues in fiscals 2025 and 2026.**

Svatantra Microfin recorded the lowest net stage 3 for fiscals 2024, 2025 and 2026 at 0.22%, 0.41% and 0.28%, outperforming its peers. Robust credit policies, in-depth customer assessments and proactive collection methods helped the company provide loans to responsible customers and minimise delinquencies.

Net Stage 3 (standalone) and Gross Stage 3 Loans Loss Allowance Coverage Ratio (%)

	Net Stage 3			Gross Stage 3 Loans Loss Allowance Coverage Ratio		
%	FY24	FY25	FY26	FY24	FY25	FY26
CreditAccess Grameen	0.35%	1.73%	1.12%	70.75%	64.83%	65.40%
Svatantra Microfin	0.22%	0.41%	0.28%	88.98%	82.02%	76.90%
Muthoot Microfin	0.35%	1.34%	1.14%	60.99%	73.32%	71.53%
Satin Creditcare	0.99%	1.39%	0.85%	60.45%	62.35%	72.85%
Annapurna Finance	0.70%	0.99%	0.79%	74.56%	71.11%	76.04%
IIFL Samasta	0.30%	1.40%	1.20%	82.52%	70.53%	70.17%
Average of Top 6 NBFC MFIs	0.49%	1.21%	0.90%	73.04%	70.69%	72.15%
Average of Top 5 NBFC MFIs excl Svatantra Microfin	0.54%	1.37%	1.02%	69.85%	68.43%	71.20%

Note: Net Stage 3 represents the NNPA reported by respective companies; Source: Company reports, Crisil Intelligence

Svatantra Microfin has the lowest PAR 90+ among the peers considered in fiscals 2025 to 2026

Svatantra Microfin has maintained the strongest asset quality among peers over the fiscals 2025 and 2026. Its PAR 90+ stood at 1.99%, 2.24% and 1.19% for fiscals 2024, 2025 and 2026. Svatantra reported the lowest PAR 90+ among its peer set across fiscals 2025 and 2026, fiscals marked by credit quality stress, reflecting the effectiveness of its proactive monitoring framework and enhanced collection practices in sustaining healthy asset quality.

PAR 90+ trends (standalone)

	PAR 90+		
%	FY24	FY25	FY26
CreditAccess Grameen	0.94%	3.28%	2.28%
Svatantra Microfin	1.99%	2.24%	1.19%
Muthoot Microfin	2.30%	4.80%	3.89%
Satin Creditcare	2.49%	3.70%	3.12%
Annapurna Finance	NA	NA	NA
IIFL Samasta	NA	NA	NA

Note: NA – not available

Source: CRIF High Mark, company reports, Crisil Intelligence

Svatantra Microfin has the lowest NPA additions as a % of standard loans in fiscals 2025 and fiscal 2026, period marked by elevated asset quality stress

Svatantra Microfin has the lowest NPA addition in fiscals 2025 and 2026 at 4.47% and 3.20% respectively among the peers. The NPA additions are the least during the fiscals that witnessed high credit costs and over leveraging issues. This can be attributed to the company's strategy of cautious disbursements and providing adequately as can be seen from the high ECL%.

NPA additions as a % of Standard loans

%	FY24	FY25	FY26
CreditAccess Grameen	1.61%	8.72%	6.42%
Svatantra Microfin	2.20%	4.47%	3.20%
Muthoot Microfin	1.88%	11.85%	6.07%
Satin Creditcare	1.83%	7.21%	6.23%
Annapurna Finance	NA	NA	NA
IIFL Samasta	1.69%	4.76%	4.23%

NA: Not Available

Source: Company reports; Crisil Intelligence

Svatantra Microfinance has higher expected credit loss (ECL%) across all stages of asset which builds stronger risk buffers

Across fiscals, 2024, 2025 and 2026, Svatantra Microfinance has the highest provisions created across all stages, especially for stage 2 and stage 3 assets. This makes reported asset quality more credible and reduces the risk of future under-provisioning. If borrower defaults rise due to economic slowdown, sector stress, natural calamity, or regional disruption, the organisation already has provisions in place. This reduces the need for large sudden provisions later and protects profitability from sharp shocks. The stable credit cost of Svatantra Microfin is an output of a strong ECL provisioning policy.

ECL % stagewise

	FY24			FY25			FY26		
ECL %	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Credit Access Grameen	0.93%	56.04%	71.00%	1.08%	53.14%	65.02%	1.64%	55.93%	65.78%

	FY24			FY25			FY26		
ECL %	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Svatantra Microfin	3.13%	70.91%	88.98%	2.65%	55.65%	82.02%	2.42%	42.52%	76.90%
Muthoot Microfin	0.56%	1.06%	58.98%	1.61%	30.76%	73.32%	0.94%	8.70%	71.53%
Satin Creditcare	0.28%	41.45%	59.37%	0.52%	49.51%	61.13%	0.37%	51.39%	70.63%
Annapurna Finance	NA	NA	NA	NA	NA	NA	NA	NA	NA
IIFL Samasta	1.22%	20.80%	82.52%	1.07%	18.71%	70.53%	0.70%	15.83%	70.17%

Source: Company reports, Crisil Intelligence

Svatantra Microfin maintains finance cost efficiency by sourcing ~73.15% of its borrowings through term loans, the highest among peers analysed

With the parentage support, Svatantra Microfin can easily source term loans, making it highly cost effective and boosting profitability. Annapurna has the lowest concentration of term loans at 38.00% and the highest concentration of DA at 31.00%.

Borrowing profile

Borrowing mix as of FY26	Term loans	NCDs	Securitisation (DA+PTC)	Foreign borrowing	Subordinate debt	Others
CreditAccess Grameen	66.50%	3.00%	6.20%	24.30%	NA	NA
Svatantra Microfin**	73.15%	0.75%	22.82%	0.38%	2.90%	NA
Muthoot Microfin	53.50%	10.40%	20.85%	14.39%	NA	0.86%
Satin Creditcare	52.00%	10.30%	22.60%	14.90%	NA	0.20%
Annapurna Finance	38.00%	6.00%	31.00%	16.00%	9.00%	NA
IIFL Samasta	46.00%	36.00%	15.00%	NA	NA	3.00%^

NA – not available

** Data is on consolidated basis

^Others include refinancing

Source: Company reports, Credit rating reports; Crisil Intelligence

Svatantra Microfin is one of the highest-rated NBFC-MFIs among the industry in India as of March 31, 2026

Svatantra is supported by strong parentage and private equities which enhances the credibility of the company. Further, credit rating is positively impacted due to improvement of performance of the company in terms of asset quality and higher returns.

Credit ratings

Ratings as of FY26	Crisil	ICRA	Ind-Ra	CARE
CreditAccess Grameen	AA- (Stable)	AA- (Stable)	AA- (Stable)	
Svatantra Microfin#	AA (Stable)			AA (Stable)
Muthoot Microfin	AA- (Stable)*			BB- (Stable)
Satin Creditcare		A (Stable)		BBB+ (Stable)
Annapurna Finance	A- (Stable)	A- (Stable)		A- (Stable)
IIFL Samasta	AA- (Stable)		AA (Stable)	

Note: #Rating is on a standalone basis; * As of June 2026

Source: Company reports, Credit rating reports, Crisil Intelligence

Formulae used for calculation	
Interest income	Interest income/ Annual Average AUM
Net interest income	(Interest income - Interest expense)/ Annual Average AUM

Formulae used for calculation	
Cost of funds	Interest expense/Annual Average AUM
Cost of borrowings	Interest expense/ Annual Average borrowings
Cost to income	Operating expense/ (Net interest income+ Other income)
Opex/AAUM	Opex/ Annual Average AUM
Opex/branch	Opex/ Annual Average branches
Impairment on financial instruments/ Credit cost	Impairment on financial instrument/ Annual Average AUM
NPA additions as a % of Standard Loans	Gross NPA additions/ Standard Loans
PPOP	(Total income – Interest expense - Opex)/ Annual Average AUM
Stage 1 ECL%	Stage 1 ECL / Stage 1 Loan assets
Stage 2 ECL%	Stage 2 ECL / Stage 2 Loan assets
Stage 3 ECL%	Stage 3 ECL / Stage 3 Loan assets
RoAAUM	PAT/ Annual Average AUM
RoE	PAT/ Annual Average total net worth
Leverage	Annual Average AUM / Annual Average net worth
Debt: equity	Total borrowings/ Total equity
Active loans per active borrower	Outstanding per active borrower/ Outstanding per active loan
Branch per district	Total branches/ Total districts
Loan officer per branch	Total loan officers/ Total branches
Outstanding per active client	AUM/ Active clients
Ticket size based on disbursement	Disbursement/Loans disbursed
AUM per branch	Total AUM/ Total branches
AUM per loan officer	Total AUM/ Total loan officers
Clients per branch	Active clients/ Total branches
Clients per loan officer	Active clients/ Total loan officers

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks, assumptions and uncertainties. You should read “Forward-Looking Statements” on page 23 for a discussion of the risks and uncertainties related to those statements and “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 28, 339 and 434, respectively, for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company’s financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Information” on page 339. Also see, “Definitions and Abbreviations” on page 4 for certain terms used in this section. Our Company acquired 100.00% stake in Chaitanya India Fin Credit Private Limited, an NBFC-MFI, which became our wholly owned subsidiary with effect from November 23, 2023. Subsequently, Svantra Holdings Private Limited and Chaitanya India Fin Credit Private Limited were amalgamated into our Company under Sections 230 to 232 of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026. For further information, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively” on page 290 of this Draft Red Herring Prospectus.

As of the date of this Draft Red Herring Prospectus, Svantra Micro Housing Finance Corporation Limited, which offers housing finance, is our wholly owned Subsidiary. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, are to Svantra Microfin Limited on a consolidated basis while references to “the Company” or “our Company” are to Svantra Microfin Limited on a standalone basis. Further, in this section, unless context requires otherwise, references to “MFI entity” or “MFI” pertain to our Company, Svantra Microfin Limited, while references to “Housing Finance entity” or “Housing Finance” pertain to our Subsidiary, Svantra Micro Housing Finance Corporation Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “The microfinance industry in India” dated August 2026 (the “**CRISIL Report**”) prepared and issued by CRISIL MI&A, pursuant to an engagement letter dated April 14, 2026. The CRISIL Report has been exclusively commissioned and paid for by us in connection with the Offer. The CRISIL Report is available on the website of our Company at <https://svantramicrofin.com/investor-relations/initial-public-offerings>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further information, see “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL MI&A, exclusively commissioned and paid for by us for such purpose and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 59. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 26.*

OVERVIEW

About us

We are an inclusion-focused non-banking financial company, enabling financial independence for households and empowering grassroots entrepreneurs within the Indian economy. We enable financial inclusion by providing access to credit for individuals and small entrepreneurs, helping strengthen livelihoods and support economic participation across communities. Our portfolio primarily comprises microfinance loans, complemented by secured lending products viz. affordable housing finance, including loans against property, offered through our Subsidiary, Svantra Micro Housing Finance Corporation Limited. We are promoted by Ananya Birla, our Chairperson and Non-Executive Director, who represents the next generation of the Aditya Birla Group’s legacy. Our Company was the first institution to receive the NBFC-MFI license, which was introduced by the Reserve Bank of India in 2011. (Source: CRISIL Report)

As of March 31, 2026, our consolidated assets under management (“**AUM**”) stood at ₹ 238,177.77 million, having grown at a three-year CAGR of 38.18%, supported by a pan-India footprint spanning 2,253 branches across 23 states and union territories and 446 districts, with a borrower base of approximately 4.31 million. Microfinance, which continues to be the cornerstone of our operations, contributed 88.56% (₹ 210,932.22 million) of our AUM as of March 31, 2026, while secured lending products, which support portfolio diversification, contributed 11.44% (₹ 27,245.55 million).

Our Company is the second largest non-banking financial company – microfinance institution (“**NBFC-MFI**”) in India as of March 31, 2026, 2025 and 2024 in terms of microfinance assets under management (“**AUM - MFI**”). (Source: CRISIL Report) Our

Company was the fastest growing NBFC-MFI in India over the last three Fiscals, with AUM - MFI growing at a CAGR of 20.87% from ₹ 144,378.72 million as of March 31, 2024 to ₹ 210,932.22 million as of March 31, 2026, among the peers considered (“**MFI Peers**”, defined as the top six NBFC-MFIs in terms of AUM as of March 31, 2026). (Source: CRISIL Report) Our Company’s share of the total AUM - MFI in India increased from 3.26% as of March 31, 2024 to 6.37% as of March 31, 2026, reflecting our Company’s resilient growth through economic cycles. (Source: CRISIL Report) As of March 31, 2026, our Company is also the largest NBFC-MFI in Bihar and Uttar Pradesh, based on AUM - MFI. (Source: CRISIL Report)

Our Company’s microfinance operations are supported by a diversified geographic footprint and deep district-level penetration, with a network of 2,123 branches across 20 states and 394 districts across India as of March 31, 2026. This network is complemented by an on-ground presence comprising 24,594 employees, including 15,575 field officers, which has enabled our Company to serve 4,266,316 active borrowers as of March 31, 2026 in our microfinance business.

Over the last three Fiscals, our Company has demonstrated the ability to grow while maintaining asset quality through industry headwinds and external disruptions on account of a combination of macroeconomic conditions and increased borrower leverage, including the Karnataka crisis. (Source: CRISIL Report) Our Company reported the lowest Gross Stage 3 Ratio among the MFI Peers in Fiscals 2025 and 2026, at 2.24% and 1.19%, respectively. (Source: CRISIL Report) Our Company’s performance has been supported by geographic diversification, disciplined underwriting, borrower-centric product offerings and collection mechanisms. For instance, no single district contributed more than 2.74%, 2.60% and 2.35% of our Company’s AUM – MFI as of March 31, 2026, 2025 and 2024, respectively, while no single state contributed more than 23.02%, 21.66% and 20.72% of our Company’s AUM – MFI as of the same dates. Further, the amalgamation of Chaitanya India Fin Credit Private Limited into our Company, with effect from March 21, 2026, complemented our existing geographic presence, particularly given its established presence in southern India, and further strengthened our pan-India presence while maintaining a diversified geographic portfolio. Fiscals 2025 and 2026 were marked by industry wide concerns and rising credit quality issues. (Source: CRISIL Report) Our Company has remained resilient through the period of sectoral stress compared to MFI Peers, with our Company’s return on average AUM (“**RoAAUM**”) being the highest among the MFI Peers in Fiscals 2025 and 2026, at 2.90% and 3.57%, respectively. (Source: CRISIL Report) Through Fiscals 2025 and 2026, years of elevated credit costs and asset quality stress across microfinance sector, our Company delivered the highest return on equity (“**ROE**”) at 13.66% and 15.00%, respectively. (Source: CRISIL Report) Further, across Fiscals 2024 to 2026, our Company delivered most stable and steady ROE, with decline of only 2.08% in Fiscal 2025 versus Fiscal 2024, which was the smallest drop among the MFI Peers, on account of minimal volatility through the credit cycle downturn with consistent ROE throughout Fiscals 2026, 2025 and 2024. (Source: CRISIL Report)

The following sets forth an overview of our Company’s microfinance operations:

Svatantra Microfin: MFI Business Overview

Scale #2 Largest NBFC-MFI in India ⁽¹⁾ By MFI AUM ^{(1),(3)}	Growth Fastest Growing NBFC-MFI ^{(1),(3)} Backed by productivity	Network 2,123 Branches across India (FY26) Pan-India district-level reach	Asset Quality Stable With lowest Gross Stage 3 ^{(1),(2)} and Net Stage 3 ^{(1),(3)} Effective Risk Management	Return Profile Highest RoAAUM ⁽²⁾ and RoE ⁽³⁾ among peers ⁽¹⁾ With Lowest RoE Volatility ⁽¹⁾
₹2,10,932.22 mn AUM FY26	3.26% 6.37% Industry AUM share ⁽¹⁾ FY24 FY26	24,594 Employees FY26	1.19% Gross Stage 3 Ratio FY26	3.57% 15.00% RoAAUM RoE FY26
₹1,93,876.54 mn Disbursement FY26	41.16% 20.87% AUM CAGR FY23–FY26 FY24–FY26	15,575 2,256 Field officers Collections team FY26	0.28% Net Stage 3 Ratio FY26	14.80% 2.08% 3Y Average RoE RoE Volatility ⁽⁴⁾ FY24–FY26
4.27 mn Active Borrowers FY26	₹99.36 mn 11.76% AUM per branch FY26 CAGR FY24–FY26	20 394 States Districts FY26	3.39% Impairment on financial instruments as a % of Average AUM FY26	23.12% Total CRAR FY26

(1) Source: CRISIL Report, (2) Over the last 2 fiscals (FY25 & FY26), (3) Over the last 3 fiscals (FY24, FY25 & FY26); (4) Volatility is defined as the difference between the maximum and minimum values as of the end of the last three fiscal years (FY24, FY25, and FY26)

Microfinance Operations

As part of our microfinance operations, our Company provides credit solutions to the economically weaker section and financially underserved borrowers, with a particular focus on women borrowers in the rural and semi-urban segments. Women borrowers comprised 99.61% of our Company’s total active borrowers as of March 31, 2026.

Our Company primarily operates through the joint liability group (“JLG”) model, which forms the core of our sourcing, underwriting and collections framework, fostering community-based repayment discipline and sustained borrower engagement. This borrower-centric approach is reflected in our offering of income-generating loans with tenures of predominantly 24 months, aligned with borrower cash flow cycles. In addition to JLG loans, our Company offers individual loans to borrowers who demonstrate stable income profiles and repayment capacity. These loans are primarily offered to individual borrowers in a non-JLG form, and are sourced through distinct channels and evaluated through separate underwriting and servicing processes.

Our Company’s operating model combines physical branch infrastructure and field-force execution with digital processes across sourcing, underwriting, disbursements and collections. Since commencement of operations, all disbursements by our Company have been cashless, directly into borrower bank accounts, thereby enhancing operational efficiency and reducing cash-handling risks.

Acquisition of CIFICPL

In November 2023, we acquired Chaitanya India Fin Credit Private Limited (“CIFICPL”), which has been amalgamated with our Company with effect from March 21, 2026. We have undertaken operational integration with CIFICPL across key functions, while maintaining growth, asset quality and profitability of our Company and CIFICPL during the integration period. We have also strengthened our organisational capabilities through the addition of CIFICPL’s management team and field force. For further information, see “*History and Certain Corporate Matters - Share Purchase Agreement dated August 8, 2023, entered into by and between Navi Finserv Limited, Navi Technologies, our Company and Chaitanya India Fin Credit Private Limited*” and “*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively*” on pages 289 and 290, respectively, of this Draft Red Herring Prospectus.

The acquisition of CIFICPL enabled our Company to create a combined microfinance footprint of 2,123 branches across 394 districts, as of March 31, 2026, compared to 966 branches across 335 districts prior to the effective date of the acquisition, being November 23, 2023. The acquisition also enhanced our geographic diversification through a complementary branch network and borrower franchise, with CIFICPL historically having a higher presence in southern India and our Company having a presence across northern and western India. We believe this complementary geographic presence has strengthened our pan-India distribution capabilities and enhanced portfolio resilience through a more diversified operating footprint. We were also able to leverage the talent pool at CIFICPL to grow our microfinance operations.

Risk Management Framework

Our Company’s microfinance operations are supported by a multi-layered risk management architecture based on Board-level oversight, executive risk leadership and a three-lines-of-defence model. Business units and front-line teams constitute the first line, owning and managing risk within defined thresholds. The risk management function, along with other control functions such as quality control and credit, constitutes the second line, formulating policy, establishing controls, monitoring adherence, and escalating deviations. Internal and field audit constitutes the third line, providing independent assurance to the Board and the Audit Committee. Our Board’s Risk Management Committee maintains oversight of our Company’s risk profile, risk appetite, and the effectiveness of the risk management framework, enabling structured review of risk exposures, emerging risks, and risk-based strategic decisions. Our Chief Risk Officer leads the risk management function and reports independently to the Risk Management Committee. The CRO also leads an Executive Risk Management Committee which reviews emerging and existing risks, provides regular guidance to the executive leadership, ensuring risk considerations are integrated into executive decision-making.

Our underwriting and risk management framework is further supported by technology-enabled risk filters and automated decisioning tools that facilitate consistent application of credit policies across our branch network. Through integrated credit bureau checks, household-level indebtedness assessment, policy limit validations, a codified business rules engine (“BRE”) with embedded guardrails and geo-tagged field monitoring, our systems support disciplined underwriting, strengthen portfolio quality and enable scalable growth with built-in risk controls. Such guardrails include district-level exposure limits, caps on borrower indebtedness, limits on the number of lenders per borrower and other risk filters.

A key pillar of our Company’s microfinance risk management strategy is diversification across geographies. Our Company’s pan-India branch network supports scale, enhancing our ability to withstand regional, social, economic or political instability. Our Company’s strategic risk mitigation is reflected in our geographic diversification, with our top district, top 10 districts, top 50 districts and top 100 districts each contributing not more than 2.74%, 17.49%, 48.28% and 68.36% of our AUM - MFI, respectively, as of March 31, 2026. Notably, no single state of our Company has more than 23.02% AUM - MFI concentration as of March 31, 2026, lowest among the MFI Peers. (Source: CRISIL Report)

Our Company’s asset quality metrics further demonstrate the effectiveness of the risk management framework we deploy. Our Company recorded the lowest Net Stage 3 Ratio in Fiscals 2026, 2025 and 2024, at 0.28%, 0.41% and 0.22%, respectively, outperforming the MFI Peers. (Source: CRISIL Report) Our Company had the lowest NPA additions among the MFI Peers in Fiscals 2025 and 2026, being the Fiscals that witnessed high credit costs and over leveraging issues. (Source: CRISIL Report) Our Company’s disciplined approach to risk is further reflected in our impairment on financial instruments to Average AUM - MFI

ratio. Our Company maintained a stable impairment loss on financial instrument as a percentage of average AUM throughout the industry-wide asset quality crisis, while the MFI Peers saw an uptick in the impairment loss on financial instrument in Fiscal 2025. (Source: CRISIL Report) Impairment on financial instruments for our Company stood at 3.51% and 3.39%, lower than the industry level for NBFC MFIs in Fiscals 2025 and 2026, that stood at 8.50% and 4.80%, respectively. (Source: CRISIL Report) Our Company has observed the lowest volatility of 0.33% in the last three Fiscals among the MFI Peers. (Source: CRISIL Report)

Our Company's collections infrastructure also supports our asset quality performance. As of March 31, 2026, our Company had a dedicated in-house collection team of 2,256 personnel for microfinance, handling accounts more than 60 days past due ("DPD"). Our Company has made a recovery against loans written off amounting to ₹ 570.01 million, ₹ 289.12 million and ₹ 61.21 million in Fiscals 2026, 2025 and 2024, respectively. Our Company's digital collections have continued to increase as a proportion of overall collections, accounting for 20.78%, 13.37% and 9.86% of our Company's total collections in Fiscals 2026, 2025 and 2024, respectively.

Housing Finance Operations

In addition to our core microfinance business, we operate a secured lending business through our Subsidiary, Svatanttra Micro Housing Finance Corporation Limited ("SMHFCL"). We entered the secured lending business through the acquisition of Micro Housing Finance Corporation Limited in September 2018, with the objective of diversifying our retail lending franchise. SMHFCL primarily focuses on offering housing loans and non-housing loans (including loans against property) to borrowers from low- and middle-income groups. These products are designed to address the financing requirements of self-employed and salaried individuals, micro-entrepreneurs, first-time home buyers and borrowers with formal, informal or semi-formal income profiles.

Our housing finance business provides us strategic portfolio diversification by adding a secured asset class with longer tenures and collateral backing, thereby enhancing resilience across credit cycles. Our housing finance business caters to a distinct borrower category and operates through separate branch infrastructure, dedicated teams and an independent sourcing, underwriting and collections framework from our microfinance operations.

Over the last two Fiscals, we have focused on strengthening and scaling our housing finance platform through investments in branch expansion, specialised human capital, technology and governance. Our secured AUM has increased from ₹ 20,337.40 million as of March 31, 2024 to ₹ 27,245.55 million as of March 31, 2026, while our branch network has expanded from 25 to 130, our employee base has grown from 1,017 to 2,241, and our presence has increased from 10 states and union territories to 14, as of March 31, 2026. These investments have also strengthened our capabilities across sales, credit, technical, legal, collections, risk management and business support functions.

We have also strengthened our product capabilities through a mix of housing loans and non-housing loans (including loans against property). In last three Fiscals, the share of non-housing loans has increased from 14.79% of AUM – Housing Finance as of March 31, 2024 to 26.40%, as of March 31, 2026. Non-housing loans enable us to address a broader range of customer financing requirements and diversify the composition of our secured lending portfolio, with better yield profiles.

Our housing finance business operates through an independent sourcing model, primarily internal sourcing through dedicated field teams and branch networks, as well as third-party channels such as direct sales agents and connector networks. Our underwriting approach for the housing finance business is based on detailed, independent credit assessment, including income estimation for borrowers with informal income sources, cash flow analysis, internal risk scoring models and credit approval processes, supported by property due diligence and valuation. We also undertake legal verification of collateral and title documentation to ensure enforceability of security. Our collections framework is supported by a dedicated in-house collections team comprising 192 members as of March 31, 2026.

Our housing finance business is supported by a scalable, cloud-based digital technology architecture designed to support loan origination, servicing, collections, analytics, accounting and reporting. We have developed an in-house loan origination system ("LOS"), which supports the end-to-end loan origination process. Our technology ecosystem extends beyond our core lending systems and includes internally developed digital applications that support various stages of the customer lifecycle. These include a dedicated sales application for field-based customer acquisition and onboarding, a connector application for managing leads sourced through business partners, a customer application for facilitating customer interactions and servicing, and a collection application that supports field collections and portfolio monitoring.

Liability Franchise

Our operations are supported by a diversified liability franchise, underpinned by 56 lender relationships as of March 31, 2026. Our established lender base as of March 31, 2026 includes 37 banks (21 private sector, 9 public sector banks and 7 foreign banks), 14 non-banking financial companies and financial institutions, 5 development finance institutions, including securitization and direct assignment counterparties. Our total borrowings mix by value comprised 21.98% from public sector banks, 46.97% from private sector banks, 21.64% from foreign banks, 4.83% from non-banking financial companies and financial institutions, and 4.58% from development finance institutions, each as of March 31, 2026.

Our funding mix comprises term loans, capital market borrowings and off-balance sheet transactions, which provides flexibility across market cycles and reduces concentration risk. As of March 31, 2026, our borrowings mix by value comprised 73.15% term loans, 0.38% external commercial borrowings, 3.65% capital market instruments (including listed and unlisted non-convertible debentures and subordinated debt) and 22.82% securitization (PTC and direct assignment) transactions, with leverage levels (*defined as Average AUM/ Average Total Equity*) of 4.93 times. Our Company had the lowest cost of fund ratio at 5.94% in Fiscal 2026 and the lowest cost of borrowings, at 8.15%. (*Source: CRISIL Report*) This could be attributed to strong group support and a higher concentration of low-interest term loans (73.15%). (*Source: CRISIL Report*)

Our Company's credit profile is supported by AA / Stable ratings obtained from CRISIL and CareEdge Ratings on July 3, 2026 and April 23, 2026, respectively. These position our Company as one of the highest-rated NBFC-MFIs among the industry in India as of March 31, 2026. (*Source: CRISIL Report*)

Further, our Company has also been graded as "M1" in capacity assessment by SMERA, which is the highest available grading on an eight-point scale for microfinance capacity assessment and "C1" in code of conduct assessment by SMERA, which is the highest available grading on a five-point scale for code of conduct assessment.

Management, Board and Marquee Investors

Our Board is led by Ananya Birla, our Individual Promoter, Chairperson and Non-Executive Director and comprises a diverse group of experienced directors and industry professionals. These include Vineet Bijendra Chatree, Managing Director, and Anand Rao, Joint Managing Director.

Our governance framework is supported by the backing of institutional investors, Violicina Limited (an affiliate of Advent International) and Multiples PE, who provide capital support and strategic guidance for our growth. Through their representatives on our Board, including Renuka Ramnath and Shweta Jalan, who have over 37 and 26 years of experience, respectively, we benefit from financial services expertise, investment experience and governance oversight. In addition, our Board includes independent directors such as NG Shankar, Mamta Suri, Balasubramanian Ganesh, Mathew Joseph, Ashish Razdan, who contribute sectoral expertise and significant board-level experience.

Awards and Recognitions

We have received multiple awards and recognitions from industry bodies for our growth, technology initiatives and contribution to financial inclusion, including the following:

- Microfinance Company of the Year at the National Awards for Excellence (2024)
- 'Most Influential Microfinance Company of the Year' at the Bharat NBFC and Fintech Summit and Awards (2024)
- 'Microfinance Organisation of the Year' at the Inclusive Finance India Awards (2021)
- 'Excellence Award' at the Microfinance & NBFCs Exhibition cum Conference (2019)
- 'SKOCH Order of Merit - Top 80 Technology Projects in India' (2017)
- 'Gold Award for Start-Up' at the Skoch Financial Inclusion and Deepening Award organised by the SKOCH Group (2014)

Select Financial and Operational Metrics

Particulars	Units	As of/ For the year ended March 31, 2026	As of/ For the year ended March 31, 2025	As of/ For the year ended March 31, 2024*
Number of active borrowers ⁽¹⁾	(Number)	4,311,956	4,074,503	4,138,471
Number of branches ⁽²⁾	(Number)	2,253	2,065	1,840
Number of branches - MFI ⁽³⁾	(Number)	2,123	2,020	1,815
Number of field officers ⁽⁴⁾	(Number)	16,583	15,378	11,883
Number of field officers - MFI ⁽⁵⁾	(Number)	15,575	14,975	11,535
AUM ⁽⁶⁾	(₹ million)	238,177.77	171,744.56	164,716.12
AUM - MFI ⁽⁷⁾	(₹ million)	210,932.22	149,020.66	144,378.72
AUM - Housing Finance ⁽⁸⁾	(₹ million)	27,245.55	22,723.90	20,337.40
AUM Growth ⁽⁹⁾	(%)	38.68%	4.27%	82.45%
Disbursement ⁽¹⁰⁾	(₹ million)	202,419.85	131,916.90	97,298.76
Disbursement Growth ⁽¹¹⁾	(%)	53.44%	35.58%	39.97%
Gross Stage 3 Ratio ⁽¹²⁾	(%)	1.37%	2.34%	2.00%
Gross Stage 3 Ratio - MFI ⁽¹³⁾	(%)	1.19%	2.24%	1.99%
Net Stage 3 Ratio ⁽¹⁴⁾	(%)	0.48%	0.67%	0.42%
Net Stage 3 Ratio - MFI ⁽¹⁵⁾	(%)	0.28%	0.41%	0.22%
Total assets	(₹ million)	238,373.83	159,338.30	156,816.78
Equity share capital	(₹ million)	8,030.77	4,922.75	2,120.46
Equity share pending for issuance	(₹ million)	-	2,155.60	2,101.33
Instruments entirely equity in nature	(₹ million)	-	-	11,000.00
Other equity	(₹ million)	39,349.30	28,618.84	8,476.27

Particulars	Units	As of/ For the year ended March 31, 2026	As of/ For the year ended March 31, 2025	As of/ For the year ended March 31, 2024*
Total equity	(₹ million)	47,380.07	35,697.19	23,698.06
Interest Income	(₹ million)	37,425.17	31,609.51	22,098.02
Total Revenue from operations	(₹ million)	41,209.11	34,410.23	24,292.26
Total income	(₹ million)	41,888.41	34,940.08	24,652.00
Finance Cost	(₹ million)	12,460.36	12,406.27	9,670.73
Net Interest Income ⁽¹⁶⁾	(₹ million)	24,964.81	19,203.24	12,427.29
Net Total Income ⁽¹⁷⁾	(₹ million)	29,382.51	22,533.81	14,981.27
Operating Expense ⁽¹⁸⁾	(₹ million)	14,611.71	11,403.12	6,291.22
Impairment on financial instruments	(₹ million)	6,227.54	5,279.13	4,159.65
Profit for the year after tax	(₹ million)	6,493.99	4,453.82	3,451.38
Total Borrowings ⁽¹⁹⁾	(₹ million)	186,132.63	119,883.71	129,172.82
Portfolio Yield ⁽²⁰⁾	(%)	20.70%	21.64%	19.71%
Portfolio Yield - MFI ⁽²¹⁾	(%)	21.93%	23.13%	20.89%
Cost of borrowings ⁽²²⁾	(%)	8.14%	9.96%	N.A.
Average Cost of Incremental Borrowings ⁽²³⁾	(%)	8.27%	9.25%	9.60%
Net Interest Income as percentage of Average AUM ⁽²⁴⁾	(%)	12.18%	11.41%	9.75%
Net Total Income as percentage of Average AUM ⁽²⁵⁾	(%)	14.34%	13.39%	11.75%
Operating Expense as percentage of Average AUM ⁽²⁶⁾	(%)	7.13%	6.78%	4.93%
Cost to Income Ratio ⁽²⁷⁾	(%)	49.73%	50.60%	41.99%
Impairment on financial instruments as a percentage of Average AUM ⁽²⁸⁾	(%)	3.04%	3.14%	3.26%
Impairment on financial instruments as a percentage of Average AUM - MFI ⁽²⁹⁾	(%)	3.39%	3.51%	3.72%
Return on Average AUM ⁽³⁰⁾	(%)	3.17%	2.65%	2.71%
Return on Average AUM - MFI ⁽³¹⁾	(%)	3.57%	2.90%	2.97%
Return on Average Equity ⁽³²⁾	(%)	15.63%	15.00%	18.12%
Return on Average Equity - MFI ⁽³³⁾	(%)	15.00%	13.66%	15.74%
Tier I CRAR – our Company ⁽³⁴⁾	(%)	22.83%	23.18%	14.91%
Tier I CRAR – Housing Finance ⁽³⁵⁾	(%)	28.20%	30.43%	32.56%
Total CRAR – our Company ⁽³⁶⁾	(%)	23.12%	26.33%	19.25%
Total CRAR - Housing Finance ⁽³⁷⁾	(%)	29.11%	31.93%	34.76%
Debt to Equity Ratio ⁽³⁸⁾	(times)	3.93	3.36	5.45
Basic Earnings per Share ⁽³⁹⁾	(₹)	9.17	8.18	7.21
Diluted Earnings per Share ⁽⁴⁰⁾	(₹)	9.13	8.15	7.17
Net Asset Value per Equity Share ⁽⁴¹⁾	(₹)	58.82	50.27	40.65

*Includes the impact of the acquisition of CIFCPL with effect from November 23, 2023 to March 31, 2024.

Notes:

- (1) Number of active borrowers represents the aggregate number of borrowers who have an active loan account as of the last day of the relevant year.
- (2) Number of branches represents aggregate number of branches as of the last day of relevant year.
- (3) Number of branches - MFI represents aggregate number of branches of our MFI entity as of the last day of the relevant year.
- (4) Number of field officers represents aggregate number of field officers as of the last day of relevant year.
- (5) Number of field officers - MFI represents aggregate number of field officers for our MFI entity of the last day of relevant year.
- (6) AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year.
- (7) AUM - MFI represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for our MFI entity.
- (8) AUM - Housing Finance represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for the Housing Finance entity.
- (9) AUM Growth represents percentage growth in AUM for the relevant year over AUM of the previous year.
- (10) Disbursement represents the aggregate of all loan amounts extended to our borrowers in the relevant year excluding corporate loans of ₹ 2,500.00 million in Fiscal 2024.
- (11) Disbursement Growth represents percentage growth in disbursement for the relevant year over disbursement of the previous year.
- (12) Gross Stage 3 Ratio represents the Gross Stage 3 loans outstanding as a percentage of Gross Loans as of the last day of the relevant year.
- (13) Gross Stage 3 Ratio - MFI represents the Gross Stage 3 loans of MFI entity outstanding as a percentage of Gross Loans of MFI entity as of the last day of the relevant year.
- (14) Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.
- (15) Net Stage 3 Ratio - MFI is calculated as Gross Stage 3 Loans of MFI entity outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans of MFI entity reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.
- (16) Net Interest Income represents Interest Income for the relevant year reduced by Finance Costs for the relevant year.
- (17) Net Total Income represents Total Income reduced by Finance Costs and Net loss on fair value changes for the relevant year.
- (18) Operating Expense represents Employee benefit expenses, depreciation and amortization expenses and other expenses for the relevant year.
- (19) Total Borrowings represent the aggregate of our Debt securities, Borrowings (other than debt securities) and Subordinated liabilities as of the last day of the relevant year.
- (20) Portfolio yield represents interest income divided by Average Gross Loans. Average Gross Loans is calculated as the simple average of total gross loans as of the last day of the relevant year and the total gross loans as of the last day of the immediately preceding year.

- (21) Portfolio yield - MFI represents interest income for the MFI entity divided by Average Gross Loans – MFI. Average Gross Loans – MFI is calculated as the simple average of total gross loans of MFI entity as of the last day of the relevant year and the total gross loans of MFI entity as of the last day of the immediately preceding year.
- (22) Cost of borrowings represents the finance costs divided by the average borrowings for the relevant year. Average borrowings is calculated as the simple average of total borrowings as of the last day of the relevant year and the total borrowings as of the last day of the immediately preceding year.
- (23) Average Cost of Incremental Borrowings represents the weighted average cost of borrowings, with weights being additional borrowings during the relevant year.
- (24) Net Interest Income as percentage of Average AUM is the ratio of our Net Interest Income for the relevant year to our Average AUM for the relevant year. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (25) Net Total Income as percentage of Average AUM is the proportion of net total income for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (26) Operating Expense as percentage of Average AUM is the proportion of operating expenses for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (27) Cost to Income Ratio represents Operating Expense as a percentage of Net Total Income for the relevant year.
- (28) Impairment on financial instruments as a percentage of Average AUM is the proportion of impairment on financial instruments for the year expressed as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (29) Impairment on financial instruments as a percentage of Average AUM – MFI is the proportion of impairment on financial instruments for MFI entity for the relevant year expressed as a percentage of Average AUM of MFI entity. Average AUM of the MFI entity is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.
- (30) Return on Average AUM represents profit for the relevant year as a percentage of Average AUM. Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (31) Return on Average AUM – MFI represents profit of MFI entity for the relevant year as a percentage of Average AUM of MFI entity. Average AUM of the MFI entity is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.
- (32) Return on Average Equity is calculated as Profit for the year after tax divided by Average Total Equity. Average Total Equity is calculated as the simple average of total equity as of the last day of the relevant year and total equity as of the last day of the immediately preceding year.
- (33) Return on Average Equity - MFI is calculated as Profit for the year after tax of MFI entity divided by Average Total Equity of MFI entity. Average Total Equity – MFI is calculated as the simple average of total equity of MFI entity as of the last day of the relevant year and total equity of MFI entity as of the last day of the immediately preceding year.
- (34) Tier I CRAR – our Company is calculated as Tier I Capital divided by risk weighted assets of MFI entity, as of the last day of the relevant years computed in accordance with relevant RBI guidelines.
- (35) Tier I CRAR- Housing Finance is calculated as Tier I Capital divided by risk weighted assets of Housing Finance entity, as of the last day of the relevant years computed in accordance with relevant RBI guidelines.
- (36) Total CRAR – our Company is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets of MFI entity.
- (37) Total CRAR - Housing Finance is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets of Housing Finance entity.
- (38) Debt to Equity Ratio represents total borrowings of the Company (comprising Debt securities, Borrowings (other than debt securities), and subordinated liabilities) divided by total equity, as of the last day of the relevant years.
- (39) Basic earnings per share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding, as per IND AS 33, Earnings per share.
- (40) Diluted earnings per share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding which includes the effects of potential equity shares on Employee Stock Options outstanding, as per IND AS 33, Earnings per share.
- (41) Net Asset Value per Equity Share represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPS, and employee stock options vested as at the end of the relevant year.

Further, we raised ₹ 5,000.18 million through a rights issue in the last week of Fiscal 2026. As these funds remained unutilised as of March 31, 2026, our adjusted ROE for Fiscal 2026, excluding this capital infusion, is 16.63%.

STRENGTHS

1. India's second largest and fastest growing NBFC-MFI, with consistent growth across volatile macroeconomic conditions

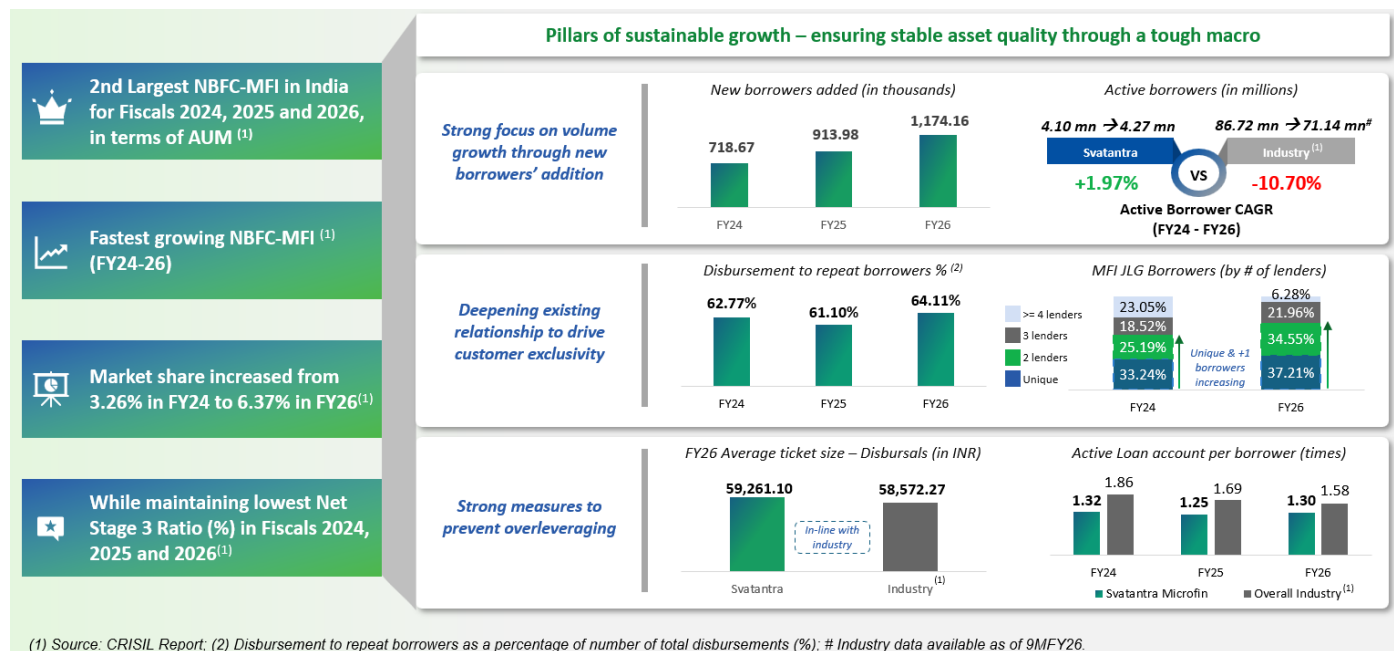
Our Company is the second largest NBFC-MFI in India as of March 31, 2026, 2025 and 2024 in terms of AUM – MFI. (Source: CRISIL Report) Our Company is the fastest growing NBFC-MFI in India over the last three Fiscals, with MFI AUM growing at a CAGR of 20.87% from ₹ 144,378.72 million as of March 31, 2024 to ₹ 210,932.22 million as of March 31, 2026, among the MFI Peers (Source: CRISIL Report) reflecting a track record of execution-led growth. In terms of annual growth rate, our Company's AUM - MFI grew at a rate of 41.55%, 3.22% and 92.52% in Fiscals 2026, 2025 and 2024, respectively, compared to the microfinance industry average growth rates of (13.18)%, (13.89)% and 26.80%, respectively, for the same years, demonstrating consistent outperformance relative to the sector. (Source: CRISIL Report) As of March 31, 2024, the impact of the acquisition of the CIFCPL is reflected in our AUM, and in our growth compared to March 31, 2023.

Over the last three Fiscals, our Company has demonstrated the ability to grow while maintaining asset quality through industry headwinds and external disruptions on account of a combination of macroeconomic conditions and increased borrower leverage, including the Karnataka crisis. (Source: CRISIL Report) Our Company reported the lowest Gross Stage 3 Ratio among the MFI Peers in Fiscals 2025 and 2026, at 2.24% and 1.19%, respectively. (Source: CRISIL Report) This growth has been driven by expansion in both value and volume terms, supported by a steady increase in our Company's microfinance borrower base from 4,102,810 active borrowers as of March 31, 2024 to 4,266,316 active borrowers as of March 31, 2026. Our microfinance borrower base grew at a CAGR of 1.97% from March 31, 2024 to March 31, 2026 despite a contraction of approximately 10.70% in the broader microfinance industry borrower base on account of a challenging macroeconomic period. (Source: CRISIL Report)

Our Company's ability to consistently onboard borrowers at scale is further evidenced by the number of new borrowers added in recent periods. We added 718,666 new borrowers in Fiscal 2024, which increased to 913,980 new borrowers in Fiscal 2025 and further added 1,174,162 new borrowers in Fiscal 2026 within our MFI business. At the same time, our Company has continued to

deepen our engagement with existing borrowers, as reflected in our Company's disbursement to repeat borrowers of 64.11%, 61.10% and 62.77% in Fiscals 2026, 2025 and 2024, respectively, resulting in a balanced mix of new and repeat borrowers within our microfinance business. We have also witnessed an increase in borrower exclusivity, with the proportion of exclusive borrowers in our microfinance JLG portfolio being 33.24% as of March 31, 2024, 30.45% as of March 31, 2025 and increasing to 37.21% as of March 31, 2026.

Further, our Company has been able to maintain consistent active loans per borrower at 1.30, 1.25 and 1.32 for Fiscals 2026, 2025 and 2024, respectively, lower than the industry ratio for the same time period, (*Source: CRISIL Report*) reflecting our calibrated approach towards borrower leverage.



This sustained performance has translated into continuous microfinance market share gains, with our Company's share of the total microfinance AUM in India increasing from 3.26% as of March 31, 2024 to 6.37% as of March 31, 2026. (*Source: CRISIL Report*)

Our Company's growth in the core microfinance business has also been supported by an extensive distribution footprint, field-force and branch network. The growth in our Company's branch network, field-force strength and productivity metrics for our microfinance business over the last three Fiscals is set out in the table below, illustrating our Company's execution-led growth further:

Particulars	As of March 31, 2026	As of March 31, 2025	As of March 31, 2024	CAGR (%)
Number of branches - MFI	2,123	2,020	1,815	8.15%
Number of field officers - MFI	15,575	14,975	11,535	16.20%
AUM - MFI (₹ million)	210,932.22	149,020.66	144,378.72	20.87%
AUM - MFI per branch (₹ million)	99.36	73.77	79.55	11.76%
AUM - MFI per field officer (₹ million)	13.54	9.95	12.52	4.02%

Our Company's expansion strategy is focused on a combination of deepening presence in contiguous geographies and selective entry into new districts, enabling efficient scaling of our distribution network. Within our microfinance business, we seek to optimise branch density and coverage by maintaining an appropriate service radius and borrower base per branch, which supports borrower engagement, supervision and collections. Overall, our Company's proven ability to deliver execution-led growth across economic cycles, while outperforming the microfinance industry on scale and borrower acquisition, positions us favourably to further consolidate our market leadership.

2. Strong legacy with marquee institutional investors and an experienced Board and management team

Promoted by Ananya Birla, our Chairperson and Non-Executive Director, our inclusion-focused platform is her first entrepreneurial venture, and also benefits from the legacy, strategic guidance and lineage of the Aditya Birla Group. Ananya Birla serves as a director on the board of various companies such as Grasim Industries Limited, Hindalco Industries Limited, Aditya Birla Lifestyle Brands Limited, Aditya Birla Fashion and Retail Limited, Aditya Birla Management Corporation Private Limited, Birla Cosmetics Private Limited and SMHFCL, amongst others.

Ananya Birla's efforts in her entrepreneurial journey have been recognised and felicitated by various Government entities. She was invited to participate by the Prime Minister of India, Shri Narendra Modi, at Champions of Change initiative. She was also

recognised for her role in empowering rural Indian women by the Chief Minister of Maharashtra, Shri Devendra Fadnavis. She was presented with the Kamala Rising Star Award by the Governor of Maharashtra, in 2022. She is also recognised among Fortune's Most Powerful Women (2025), Fortune India's '40 under 40' (2025), The Economic Times' 40 Under 40 (2024), and Business Today's Most Powerful Women in Business (2025).

As of the date of this Draft Red Herring Prospectus, our Board comprises 10 Directors, including five Independent Directors. The experience of Ananya Birla, our Individual Promoter, and her relationship with the Aditya Birla Group, enhances our credibility with key stakeholders, including borrowers, lenders, investors and employees, and supports our ability to execute long-term growth strategies.

Additionally, we are supported by marquee institutional investors such as Violicina Limited (an entity affiliated with Advent International) and Multiples PE. As of March 31, 2026, their combined investment represents the largest private equity investment received by an NBFC-MFI in India, reflecting institutional conviction in our business model. (*Source: CRISIL Report*)

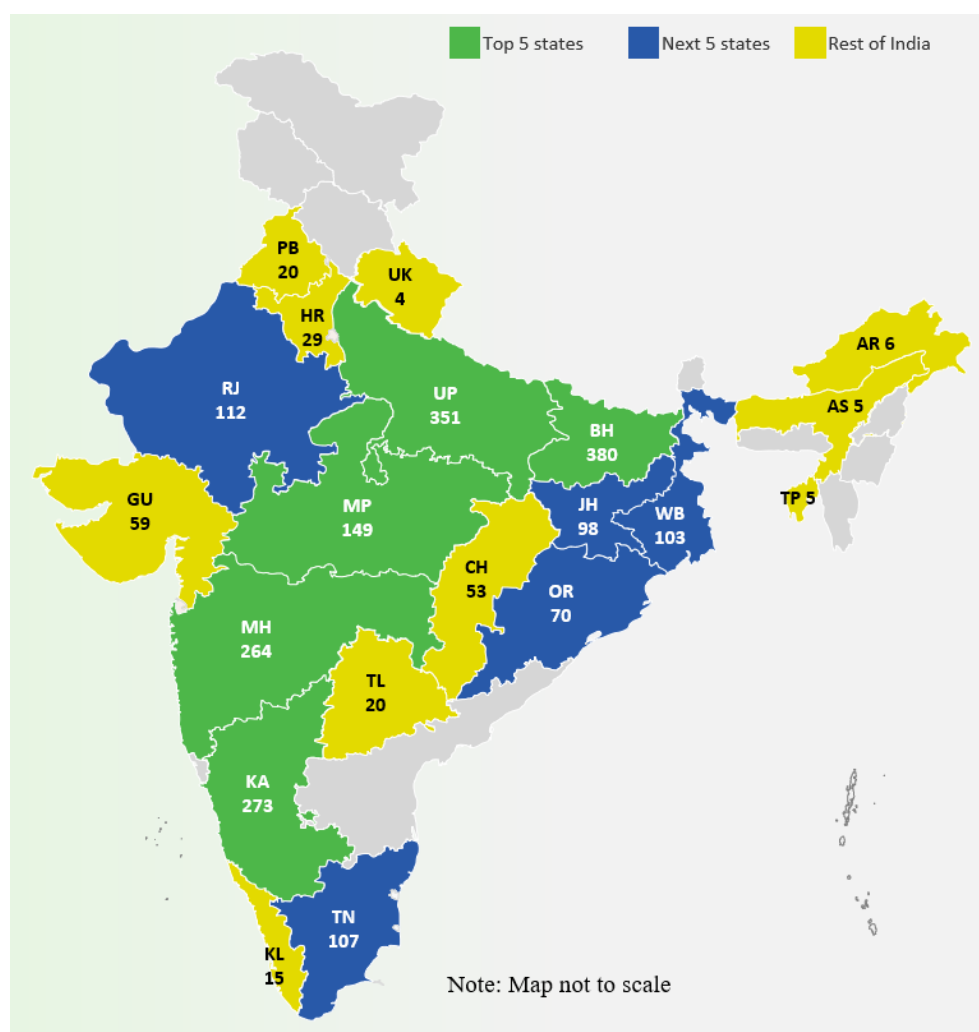
Our Board includes industry professionals such as Vineet Bijendra Chattree, Managing Director, who has over 28 years of work experience, including prior roles at Aditya Birla Management Corporation Private Limited as a senior president, Tata Strategic Management Group as a consultant, Kline India Research and Consulting Private Limited as a director - business development, National Organic Chemical Industries Limited as a process engineering officer and Stratbiz Consulting Private Limited as a consultant. Anand Rao, Joint Managing Director, has over 16 years of experience, including prior roles at the erstwhile Chaitanya India Fin Credit Private Limited as the managing director. Our Board also benefits from the experience of representatives of our institutional investors, including Renuka Ramnath and Shweta Jalan as Non-Executive Directors. Collectively, our Board members bring an average of over 26 years of experience across financial services, lending, risk management, governance, private equity and capital markets, supporting oversight of our business operations and strategic direction.

Our Key Managerial Personnel include Vineet Bijendra Chattree, Managing Director and Anand Rao, Joint Managing Director. They are supported by Vrushali Vishal Mahajan, Chief Financial Officer, with over 24 years of work experience; and Surinder Kumar Bhatia, Company Secretary and Chief Compliance Officer, with over 22 years of work experience.

Our Senior Management Personnel have an average of over 21 years of experience across financial services, microfinance, operations, risk, audit and human resources, and support the execution of our business strategy and day-to-day operations.

3. Geographically diversified microfinance network with pan-India, granular state and district-level penetration

As of March 31, 2026, our Company operated 2,123 branches across 20 states and 394 districts in India. Our Company's microfinance branch network has expanded from 1,815 branches as of March 31, 2024 and increased to 2,123 branches as of March 31, 2026. Set forth below is our branch distribution as of March 31, 2026:



Our microfinance portfolio is diversified across multiple states and districts in India, which helps us mitigate geographic concentration risk within our AUM - MFI and reduces our dependence on any single region, as reflected in our state-level and district-level distribution of AUM across top states and districts over the years presented below:

Particulars	As of March 31, 2026		As of March 31, 2025		As of March 31, 2024	
	AUM - MFI (₹ million)	Percentage of total AUM - MFI (%)	AUM - MFI (₹ million)	Percentage of total AUM - MFI (%)	AUM - MFI (₹ million)	Percentage of total AUM - MFI (%)
State-level diversification						
Top state	48,559.13	23.02%	32,280.94	21.66%	29,918.98	20.72%
Top three states	115,349.82	54.69%	79,977.82	53.67%	74,911.00	51.89%
Top five states	154,808.25	73.39%	109,946.73	73.78%	104,951.03	72.69%
Top 10 states	195,747.31	92.80%	137,926.87	92.56%	133,078.20	92.17%
District-level diversification						
Top district	5,787.31	2.74%	3,880.79	2.60%	3,387.30	2.35%
Top 10 districts	36,888.98	17.49%	25,979.93	17.43%	23,821.67	16.50%
Top 50 districts	101,838.76	48.28%	72,774.48	48.84%	68,418.66	47.39%
Top 100 districts	144,189.57	68.36%	102,781.84	68.97%	98,461.12	68.20%

This geographic diversification provides insulation against localised economic slowdowns, state-specific legal and regulatory changes, political developments, social disruptions and environmental adversities, thereby supporting portfolio resilience. Our Company's diversified state and district-level presence also insulates us from risks arising from region-specific borrower stress, loan waivers and other policy interventions, reducing the potential impact of localised events on our overall business performance. The granular distribution of our microfinance portfolio across districts enables us to better absorb the effects of natural calamities and local repayment disruptions, which may affect borrower behaviour in specific markets. Our Company's wide footprint also allows us to continue penetrating underserved markets, acquire new borrowers and facilitate cross-regional growth, while preserving diversification benefits across geographies.

4. Robust microfinance asset quality, backed by borrower-centric offerings, risk management architecture and collections mechanisms

Our Company has adopted a ‘risk-first’ approach, focussed on early identification and containment of delinquencies. Following the industry stress period beginning in September 2024, our Company’s Impairment on financial instruments to Average AUM – MFI was 3.39% and 3.51% in Fiscals 2026 and 2025. In comparison, credit costs for the MFI Peers increased to 5.84% in Fiscal 2025 from 2.25% in Fiscal 2024, and was 4.29% in Fiscal 2026. (Source: CRISIL Report) As of March 31, 2026 and March 31, 2025, our Company maintained MFI Gross Stage 3 Ratios at 1.19% and 2.24%, respectively, which was the lowest among MFI Peers in these years. (Source: CRISIL Report)

Our Company’s asset quality is underpinned by a multi-layered risk management framework embedded across the credit lifecycle through a ‘three lines of defence model’ with clearly segregated responsibilities across business, control and audit functions, and with independence and separate escalation lines. For further information, see “- Business Operations” on page 251.

Our microfinance asset quality is also an outcome of our disciplined underwriting and analytical borrower selection, in addition to our technology-enabled monitoring systems and borrower-centric offerings. The following illustrate how our Company’s operating model is designed to align closely with the needs of our borrowers within the microfinance business:

- Our Company focuses on offering income-generating loans, which supports better borrower outcomes and repayment behaviour. (Source: CRISIL Report)
- Our Company offers loan tenures predominantly of 24 months, which are aligned to our Company’s borrowers’ repayment capacity and cash flow cycles.
- Our Company follows a disciplined approach to incremental lending, with a limited number of secondary loans extended only after reassessment of eligibility, with adherence to fixed obligations to income ratio (“FOIR”) thresholds. As a result, our Company has been able to maintain consistent active loans per borrower at 1.30, 1.25 and 1.32 for Fiscals 2026, 2025 and 2024, respectively, lower than the industry ratio for the same time period, (Source: CRISIL Report) supporting prudent borrower leverage.
- Our Company undertakes a comprehensive household assessment, including income evaluation, indebtedness checks and credit bureau checks. Household income is validated both through on-field assessments and annual on-ground statistical surveys, and we adopt the lower of the two estimates in our underwriting process.
- Our Company provides flexible repayment options, including fortnightly and monthly instalments, tailored to borrower income patterns and local business cash flows.
- Our Company consciously avoids cross-selling practices and offers only credit life insurance.

Borrower selection and prudent leverage controls

Our Company deploys differential risk-based pricing frameworks, enabling us to reward long-standing borrower relationships and positive credit behaviour. This is supported by our Company’s JLG framework, which embeds collective borrower accountability and peer-supported repayment discipline at the borrower level, and we believe this group-based lending structure strengthens credit behaviour and enables early identification of stress through close community-level engagement. Further, we have implemented other guardrails such as caps on borrower indebtedness to maintain prudent borrower leverage. The proportion of our MFI JLG AUM comprising borrowers for whom our Company is the sole lender increased from 30.55% as of March 31, 2024 to 36.93% as of March 31, 2026, reflecting our calibrated approach towards borrower selection, increasing borrower exclusivity and portfolio quality.

Institutionalised operational risk management practices

Our Company’s microfinance asset quality is supported by established operational risk management practices, including technology-enabled checks, periodic branch audits and independent quality reviews. Fraud risk arises from employee and borrower misrepresentation. Fraud risks stemming from employees are measured and monitored through an early warning system for frauds, while risks stemming from borrowers are observed based on borrower behaviour with other lenders and field audits by an independent field audit team. Our Company also manages personnel-related risk through measures such as periodic rotation of branch managers and incentives linked to branch audit outcomes, disbursement volumes and collections, rather than disbursement ticket size, which avoids misselling by field officers and helps us maintain asset quality.

Collections framework and early delinquency management

We believe that our Company’s ability to identify emerging portfolio stress early and respond with agility is a key component of our collections and risk management framework, as demonstrated by actions taken beginning in early 2024, when we proactively strengthened our field collections capacity by increasing the number of field officers, thereby reducing the number of microfinance borrowers managed per field officer from approximately 356 as of March 31, 2024 to 274 as of March 31, 2026, improving borrower oversight and enabling more effective management of collections during periods of sectoral stress. We aim to optimise the number

of borrowers handled per field officer to enable differentiated borrower service and collection follow-ups for soft bucket collections (<60 DPD). Our Company has also demonstrated the ability to assess emerging risks and calibrate our strategy accordingly. For instance, our Company proactively identified signs of borrower overleveraging in Fiscal 2024 and chose to increase collections focus instead of prioritising rapid growth within our microfinance business.

Our Company's collections framework also combines field-force capability with analytical intervention models and early delinquency controls and is further supported by a dedicated in-house microfinance collections team of 2,256 personnel as of March 31, 2026, responsible only for hard bucket collections (>60 DPD). As part of our operating procedure, our Company undertakes pre-delinquency calling, technology-enabled tracking of field officer visits and targeted early bucket collections interventions through early warning systems and trend analytics, which enable proactive risk management and support the quality of our microfinance loan portfolio. In Fiscals 2026, 2025 and 2024, our Company's operating expenses were ₹ 13,248.46 million, ₹ 10,611.60 million and ₹ 5,654.09 million and operating expenses to Average AUM – MFI was 7.36%, 7.23% and 5.15%, respectively. These reflect our decision to invest in infrastructure, field capabilities and risk management processes to support the maintenance of asset quality.

At a consolidated level, we also maintain a balanced mix of unsecured and secured portfolio exposure through our Subsidiary, SMHFCL, which supports risk diversification through offering affordable collateral backed housing finance to borrowers from the economically weaker sections and middle income groups, including salaried borrowers and self-employed borrowers and borrowers with an informal, formal or semi-formal sources of income.

5. Lowest cost of borrowings, anchored by one of the highest credit ratings, strong liability franchise and established lender relationships

Our ability to consistently access funds at competitive rates reflects the strength of our liability franchise and treasury management, supported by a large lender base of 56, 57 and 67 lenders as of March 31, 2026, 2025 and 2024, respectively. Our MFI business's portfolio performance has been recognised externally through our Company's credit ratings of "AA / Stable" by CRISIL and CareEdge Ratings, obtained on July 3, 2026 and April 23, 2026, respectively, making our Company one of the highest-rated NBFC-MFIs among the industry in India as of March 31, 2026. (*Source: CRISIL Report*) Our Company's credit ratings have also been upgraded over time, as indicated below, reflecting improvement in our asset quality and financial performance:

Instrument	Credit Rating Agency	Rating			
		As of this Draft Red Herring Prospectus	As of March 31,		
			2026	2025	2024
Non-convertible debentures	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Long-term fund based facilities	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Commercial papers	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Subordinate Debt	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Short Term Debt	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Non-convertible debentures	CareEdge	-	Withdrawn ⁽¹⁾	CARE AA-/ Stable	CARE AA-/ Stable
Long-term bank loans	CareEdge	CARE AA/ Stable	CARE AA/ Stable	CARE AA-/ Stable	CARE AA-/ Stable
Subordinate Debt	CareEdge	-	-	-	Withdrawn
Non-convertible debentures	India Ratings	IND AA-/ Stable ⁽²⁾	-	-	-

Note:

(1) Rating for non-convertible debentures was withdrawn on account of redemption of the tranche.

(2) CIFCPL was assigned ratings from India Ratings for its non-convertible debentures. Following the acquisition of CIFCPL and as of the date of this Draft Red Herring Prospectus, our Company has consequently been assigned this rating by India Ratings.

Our credit ratings are supported by our scaling-up of operations, improving asset quality and consistent growth in AUM. Our credit profile enables us to raise funds at competitive rates from a diverse pool of lenders. Our established lender base as of March 31, 2026 includes 37 banks (21 private sector, 9 public sector banks and 7 foreign banks), 14 non-banking financial companies and financial institutions, 5 development finance institutions, including securitization (PTC and direct assignment) counterparties. Over the last three Fiscals, our funding mix has evolved, with the share of public sector banks changing from 28.19% as of March 31, 2024 to 21.98% as of March 31, 2026, private sector banks from 40.30% to 46.97%, foreign banks from 7.74% to 21.64%, non-banking financial companies from 10.62% to 4.83%, development finance institutions from 13.14% to 4.58%, reflecting increased diversification across funding sources. As of March 31, 2026, no single lender contributed more than 15.00% of our total borrowings.

We have borrowings at fixed and floating rates across instruments, including short and long-term loans from banks, non-convertible debentures, PTCs, and subordinated debt. Our Company has the lowest cost of funds ratio compared with MFI Peers, at 5.94% in Fiscal 2026. (*Source: CRISIL Report*)

Our interest income amounted to ₹ 37,425.17 million, ₹ 31,609.51 million and ₹ 22,098.02 million in Fiscals 2026, 2025 and 2024, respectively, while our finance costs amounted to ₹ 12,460.36 million, ₹ 12,406.27 million and ₹ 9,670.73 million, respectively. Our net interest margin on a consolidated basis was 12.18%, 11.41% and 9.75% in Fiscals 2026, 2025 and 2024, respectively, reflecting consistent improvement. The improvement in net interest margin was supported by a reduction in our average cost of incremental borrowings, which reduced from 9.60% in Fiscal 2024 to 8.27% in Fiscal 2026.

Our diversified borrowing mix across lenders and instruments reduces concentration risk and aims to support a balanced maturity profile, and strengthen our overall liquidity position and asset-liability management (“ALM”). We actively monitor and manage cash flow mismatches across tenors through a structured ALM framework, ensuring alignment of asset and liability maturities and maintaining adequate liquidity buffers to meet our obligations across business cycles. As of March 31, 2026, our liquidity coverage ratio stood at 295.89%. Our treasury and ALM framework enables prudent liability planning, optimal tenor management and diversified funding access, thereby mitigating refinancing risk and supporting long-term growth. This framework also ensures continued access to debt capital and supports our ability to scale our operations.

6. *Technology-enabled and phygital operating model that facilitates borrower acquisition, underwriting, disbursals and collections at scale*

Our Company has developed a technology-led and phygital operating model that integrates digital processes with on-ground field execution, enabling last-mile delivery across our pan-India branch network. Within our microfinance business, we harness digital platforms such as our field force-focused mobile applications, BRE and multiple backend interfaces across the entire lifecycle, from sourcing, validations, underwriting, disbursal, collections, to grievance redressal, which we believe enhances process efficiency and control standards.

Our microfinance borrower onboarding and disbursal processes are supported by application programming interface (“API”)-enabled validations linked to national databases, including the Electronic Electoral Photo Identity Card (“ePIC”) portal and Aadhaar-based e-sign systems, enabling real-time identity and documentation verification while adding an additional layer of risk control and strengthening the integrity of our underwriting process. Since commencement of operations, our Company has undertaken completely cashless disbursals directly into borrower bank accounts, which reduces operational risk and increases security.

Our Company’s core lending system is supported by “Finpage”, our third-party loan origination system (“LOS”) that enables end-to-end mobile-first origination across the entire field workforce. The LOS supports digital borrower onboarding through integrated KYC verification, digital document capture, and OTP-based authentication, eliminating the need for physical documentation and creating a paperless process. The system is further strengthened through an AI-powered third-party credit underwriting platform “Scienaptic AI”, where BRE rules are codified. This automates credit decisioning by evaluating credit bureau data, household-level indebtedness, policy limits compliance and risk filters at the point of application, thereby reducing manual intervention in the underwriting process and ensuring consistent application of credit standards across the branch network. Our Company also leverages a third-party AI-powered mobile-cloud platform, “SpotWays” for field force management and geo-tagging capabilities, enabling us to maintain employee travel records by capturing and verifying the precise geographic coordinates of the distance travelled by our employees, and centre meeting locations, leading to transparent travel reimbursements and efficient last mile execution. Our Company has its cloud infrastructure on modern day hyper-scalers, which provide the speed, security and seamlessness to rapidly deploy solutions at scale.

Our Company's post-disbursement operations are supported by “Temenos”, our loan management system (“LMS”) that manages the full loan lifecycle. The LMS operates on a modern core banking system (“CBS”) architecture that ensures data consistency, regulatory reporting accuracy, and operational scalability.

Our Company deploys specialised mobile applications across microfinance operations for communication and calling, real-time field monitoring, analytics driven audit, and efficient collection management enhancing the overall operations.

Portfolio Monitoring	Collections		Audit
Field 360	Sampark App (Calling App)	Collections App	Audit Planning Tool
Mobile-first dashboards providing field teams with real-time visibility into business performance	In-house cloud telephony solution with embedded CRM functionality	Digital collection interface enabling frontline to prioritize the right customers and track follow-ups	Analytics-driven risk-based audit planning tool with Gen AI based report generation

Note: Only for MFI, CRM – Customer Relationship Management

Our Company's integrated technology and digitally orchestrated last-mile operating model facilitates scalable growth and efficient last-mile borrower servicing. Our microfinance operations are supported by a cloud-native infrastructure with built-in disaster recovery, cybersecurity controls and data governance frameworks, and we continue to invest in modernising our technology platforms to support scalability, product diversification and future growth, including the selective deployment of automation and AI-led use cases to enhance operational efficiency and decision-making, subject to applicable regulatory and internal approvals.

7. Track record of resilient financial performance

We have a demonstrated track record of resilient financial performance, reflected in our consistent growth, profitability and capital efficiency across business cycles, while maintaining asset quality. Our Company's RoAAUM has remained the highest among MFI Peers in India through Fiscals 2025 and 2026. (Source: CRISIL Report) Our Company clocked the highest return on average equity between Fiscals 2025 and 2026, highlighting the least volatility among MFI Peers. (Source: CRISIL Report) Through Fiscals 2025 and 2026, years of elevated credit costs and asset quality stress across microfinance sector, our Company delivered the highest ROE at 13.66% and 15.00%, respectively. (Source: CRISIL Report) Further, across Fiscals 2024 to 2026, our Company delivered most stable and steady ROE, with decline of only 2.08% in Fiscal 2025 versus Fiscal 2024, which was the smallest drop among the MFI Peers. This indicates minimal volatility through the credit cycle downturn with consistent ROE throughout Fiscals 2026, 2025 and 2024. (Source: CRISIL Report) These illustrates the resilience of our Company's business model and our ability to navigate challenging market conditions while maintaining our profitability. Our Company's Interest Income for Fiscal 2026, Fiscal 2025 and Fiscal 2024 was ₹ 34,182.23 million, ₹ 28,813.34 million and ₹ 19,716.03 million, respectively, and our Company's Profit after tax for Fiscal 2026, Fiscal 2025 and Fiscal 2024 was ₹ 6,423.62 million, ₹ 4,252.03 million and ₹ 3,255.33 million, respectively

Our performance is further evidenced by the following metrics in connection with our Company's microfinance business:

Particulars	Units	As of/ For the year ended March 31, 2026	As of/ For the year ended March 31, 2025	As of/ For the year ended March 31, 2024
AUM – MFI ⁽¹⁾	(₹ million)	210,932.22	149,020.66	144,378.72
Average AUM - MFI ⁽²⁾	(₹ million)	179,976.44	146,699.69	109,686.40
Interest Income/ Average AUM - MFI ⁽³⁾	(%)	18.99%	19.64%	17.97%
Return on Average Equity – MFI ⁽⁴⁾	(%)	15.00%	13.66%	15.74%
RoAAUM - MFI ⁽⁵⁾	(%)	3.57%	2.90%	2.97%
Average AUM – MFI / Average Total Equity (Leverage) ⁽⁶⁾	times	4.20	4.71	5.30

Notes:

- (1) AUM – MFI represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for our MFI entity.
- (2) Average AUM - MFI is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.
- (3) Interest Income / Average AUM – MFI is the proportion of total interest income for the year expressed as a percentage of Average AUM - MFI, for the MFI entity. Average AUM - MFI is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.

- (4) *Return on Average Equity - MFI is calculated as Profit for the year after tax of MFI entity divided by Average Total Equity of MFI entity. Average Total Equity – MFI is calculated as the simple average of total equity of MFI entity as of the last day of the relevant year and total equity of MFI entity as of the last day of the immediately preceding year.*
- (5) *Return on Average AUM – MFI represents profit of MFI entity for the relevant year as a percentage of Average AUM of MFI entity. Average AUM of the MFI entity is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.*
- (6) *Leverage represents the ratio of Average AUM - MFI for the year to Average Total Equity for the year, for the MFI entity. Average AUM - MFI is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.*

Further, we raised ₹ 5,000.18 million through a rights issue in the last week of Fiscal 2026. As these funds remained unutilised as of March 31, 2026, our Company's adjusted ROE for Fiscal 2026, excluding this capital infusion, is 15.93%.

Our track record of delivering growth and resilient financial performance across economic cycles is an outcome of our geographic diversification, disciplined underwriting with built-in system guardrails, borrower-centric products and collections mechanisms. Across Fiscals, 2024, 2025 and 2026, our Company had the highest provisions created across all stages, especially for Stage 2 and Stage 3 assets, which makes reported asset quality more credible and reduces the risk of future under-provisioning. (*Source: CRISIL Report*) In addition, our secured lending business through housing finance provides a strategic diversification benefit to our broader portfolio by complementing our unsecured microfinance business with secured, asset-backed exposures.

We believe this dual-engine lending model supports portfolio resilience, mitigates earnings volatility across business cycles and strengthens the quality of our consolidated asset base. While our housing finance business is currently in an expansion phase and we continue to invest in scaling the platform, we believe its continued growth will further diversify our portfolio mix and strengthen the resilience of our overall financial performance over time. For additional details of our financial performance in Fiscals 2026, 2025 and 2024, see “- Overview—Select Financial and Operations Metrics” on page 239.

STRATEGIES

1. *Strengthen our leading position in our core microfinance business*

Within our microfinance operations, we intend to increase our market share and exclusivity across borrowers while growing at a rate ahead of the industry growth. Our Company's strategy is focused on deepening our presence in existing districts that we identify as having high potential, while selectively entering new geographies to diversify our physical footprint. Our presence in underpenetrated states and districts also provides opportunities to further increase microfinance market penetration. We will continue to leverage our branch network, localised underwriting capabilities and borrower retention capabilities to drive organic growth through a combination of new microfinance borrower acquisition and repeat lending to existing borrowers, consistent with our historical growth drivers. We also intend to deepen relationships with our existing borrower base by increasing share of wallet among eligible borrowers through higher borrower exclusivity and repeat lending, while continuing to maintain disciplined underwriting and portfolio quality standards.

Our Company has historically increased productivity per branch and per field officer, with AUM – MFI per branch increasing from ₹ 79.55 million as of March 31, 2024 to ₹ 99.36 million as of March 31, 2026. Our Company's AUM – MFI per field officer has also increased from ₹ 12.52 million as of March 31, 2024 to ₹ 13.54 million as of March 31, 2026. We intend to similarly continue increasing productivity per branch and per field officer through data-led sales enablement and improved process automation.

In addition, we aim to drive consistent growth while delivering sustainable returns and maintaining impairment on financial instruments within a defined range.

2. *Diversify our portfolio further by scaling our secured affordable housing loans through our Subsidiary, Svantra Micro Housing Finance Corporation Limited*

In addition to our core microfinance franchise, we have built a secured lending platform through our Subsidiary, SMHFCL, with an AUM of ₹ 27,245.55 million as of March 31, 2026, comprising 11.44% of our total AUM. We intend to continue expanding our secured lending portfolio as part of our long-term strategy to achieve a diversified product mix and portfolio resilience across credit cycles.

Our housing finance business primarily focuses on serving borrowers in the informal segment, particularly borrowers from the low- and middle-income groups, through a diversified product suite including housing loans and non-housing loans (including loans against property). This business operates through a distinct channel and independent architecture across sourcing, underwriting and collections, thereby providing structural diversification across borrower profiles, risk characteristics and collateral-backed products.

In Fiscal 2026, we have scaled this business through investments in branch infrastructure, expansion of our team, and the development of dedicated capabilities across sourcing, underwriting and collections. We have also strengthened our operating model through the creation of zonal structures, product-specific verticals and a systemic and organised risk management framework, with a continued focus on improving customer experience, turnaround times, portfolio quality and collection efficiency. We intend to

continue investing in branch infrastructure, talent and underwriting capabilities within our housing finance business. We believe secured lending offers improved portfolio stability, builds resilience through economic downturns and reduces earnings volatility.

3. Scale our individual loan portfolio to support product diversification

In addition to our JLG-based microfinance loans, our Company also offers unsecured individual loans. These loans are offered to borrowers who are distinct from borrowers of our Company's JLG-based loans. For our individual loans, we leverage a distinct team from our JLG loans, comprising 449 members as of March 31, 2026. Individual loans are subject to separate origination, in-person verification processes, credit underwriting, including detailed credit appraisal and credit approval memorandum along with cashless collections through Electronic National Automated Clearing House ("eNACH") and other cashless repayment mechanisms.

We intend to scale our individual loan portfolio as part of our broader diversification strategy. We believe that scaling this portfolio in a calibrated manner will allow us to diversify our product mix and complement our JLG-based microfinance business while maintaining prudent risk management standards. We also intend to expand this portfolio through dedicated sourcing and distribution channels, including deepening relationships in existing markets and leveraging our local market presence and borrower sourcing capabilities to selectively scale the business.

4. Continue to strengthen our technology-led operations, data-led analytics and AI-enabled risk management framework, credit underwriting and collections mechanisms

As our operations expand, we intend to continue strengthening our technology-led operating model across sourcing, underwriting, collections and branch-level controls to support scalable growth while maintaining asset quality. We plan to further enhance our API-based validation systems, digital workflows and process automation capabilities to improve operational efficiency, strengthen control mechanisms and reduce turnaround time from loan origination to disbursement. We also intend to further institutionalise branch-level control frameworks and real-time portfolio monitoring systems to strengthen oversight and enable timely identification and mitigation of emerging risks.

We intend to deepen the use of data analytics and early-warning risk models across sourcing, underwriting and collections to further strengthen our risk assessment and portfolio management capabilities. Our strategy includes leveraging behavioural and portfolio-level analytics to enhance credit underwriting, monitor borrower performance, identify emerging delinquency trends and improve collections effectiveness, which we believe will support credit quality across business cycles.

Our Company is piloting the use of artificial intelligence ("AI") and generative AI ("GenAI")-based tools across select operational processes, including audit report generation, KYC and document validation, and borrower and field-force engagement through voice-based interfaces. We intend to expand the use of AI-led interventions across credit decisioning, fraud detection, behavioural risk monitoring and collections outreach. In our microfinance business, we are additionally evaluating AI-led use cases across collections, training and underwriting support functions to further enhance operational efficiency and control frameworks

5. Continue to strengthen our liability franchise, capital position and lender relationships

We intend to continue strengthening our liability profile through a diversified and stable mix of funding sources, including term borrowings from banks and financial institutions, funding from development finance institutions, capital market issuances and securitization (PTC and direct assignment) transactions.

Our strategy is focused on broadening and deepening lender relationships across existing and new counterparties in order to enhance funding access, maintain our net interest margins, while reducing concentration on any single source of borrowings. We continue to focus on optimising our borrowing costs through a diversified liability mix and established lender relationships.

We will also continue to broaden our liability base to extend the tenor of our borrowings, while maintaining a prudent approach towards asset-liability management across all time buckets in order to mitigate liquidity risks, which we believe will support our ability to maintain our credit ratings and maintain or lower our borrowing costs.

In addition, we intend to augment our Company's Tier I capital base through the Net Proceeds of the Offer, to meet our future business requirements which are expected to arise out of growth of our business, including but not limited to, onward lending under our Company's lending verticals and other permissible purposes, and to ensure compliance with regulatory requirements on capital adequacy prescribed by the RBI from time to time. For further information, see "*Objects of the Offer*" on page 120.

6. Optimise operating expenses through operating leverage and continued productivity enhancements

We intend to optimise our operating expenses by utilising the inherent operating leverage in our business model as our asset base continues to scale. Our strategy is focused on driving productivity improvements across our branch network and field-force, including increasing AUM per branch and per field officer, thereby enabling growth without commensurate increases in operating expenses.

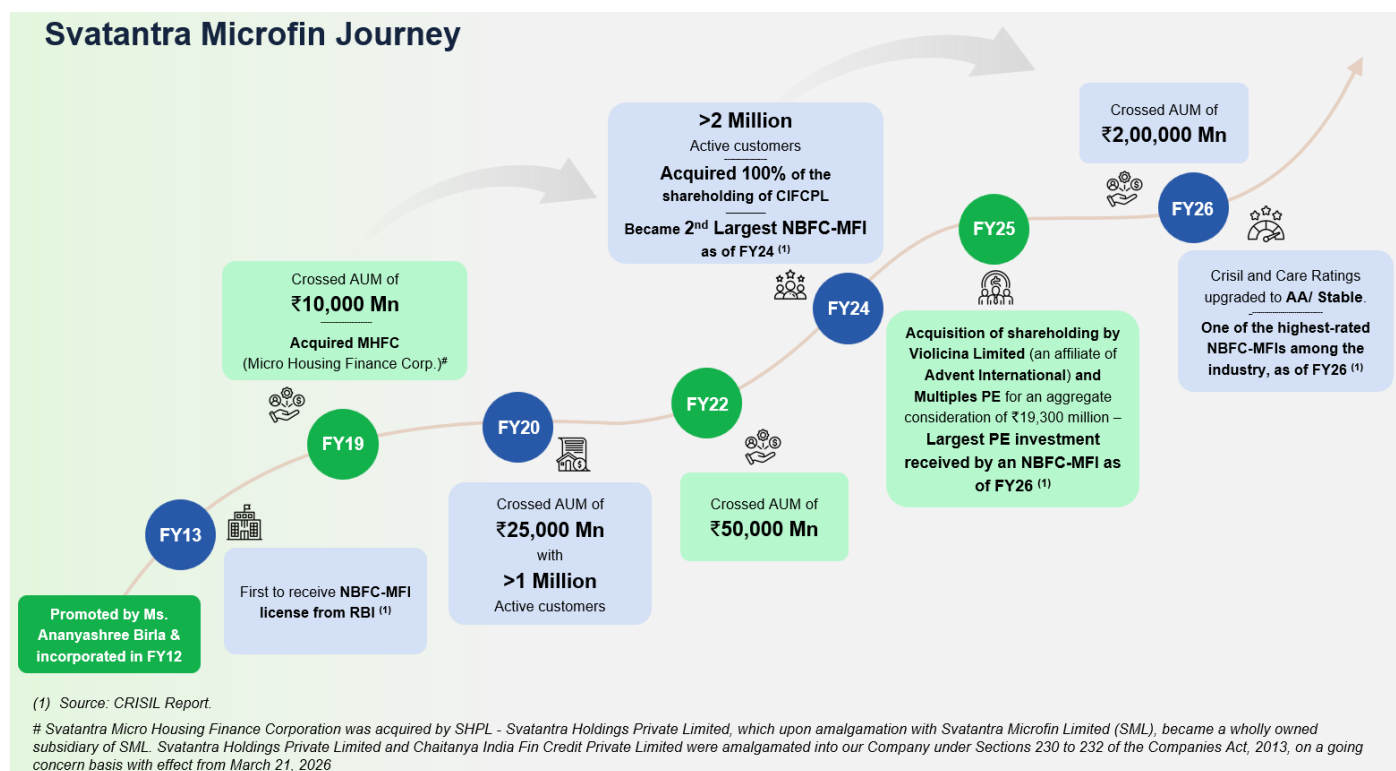
In addition, we have undertaken measures to rationalise our cost structure and enhance efficiency, including optimisation of organisational layers, improved span of control and disciplined management of operating expenses. We intend to continue to focus on cost efficiency through prudent expense management and process efficiencies, while maintaining investments in infrastructure, technology and risk management to support sustainable growth and asset quality.

7. Explore opportunities for inorganic growth in future

We may pursue selective inorganic growth opportunities in the future to supplement our organic expansion and support growth in scale and market presence. We have demonstrated successful integration of our acquisitions, including the acquisition of CIFCPL to expand our microfinance operations and the acquisition of Micro Housing Finance Corporation, which has enabled us to diversify our portfolio and grow our operations. Similarly, we may evaluate acquisitions that enable expansion of our geographic presence, branch network and borrower franchise across existing and new markets. We may also consider opportunities that support portfolio diversification and strengthen our presence in adjacent lending segments.

While no acquisitions are contemplated as of the date of this Draft Red Herring Prospectus, any such opportunities in the future will be assessed based on strategic fit, regulatory considerations and disciplined capital allocation.

BUSINESS OPERATIONS



Our Products

Our lending portfolio primarily comprises microfinance loans to the economically weaker section and financially underserved borrowers. Our core microfinance loans are offered through the JLG lending framework, with a particular focus on women borrowers in the rural and semi-urban segments.

In addition, we offer individual loans to select borrowers through a distinct lending channel supported by a dedicated team, catering to non-JLG borrowers sourced through open-market networks and evaluated through separate underwriting and servicing processes.

Further, through our Subsidiary, SMHFCL, we operate our secured housing finance business.

The table below sets forth details of our product-wise AUM as of the dates indicated:

Particulars	As of March 31, 2026		As of March 31, 2025		As of March 31, 2024	
	AUM (₹ million)	Percentage of total AUM (%)	AUM (₹ million)	Percentage of total AUM (%)	AUM (₹ million)	Percentage of total AUM (%)
Microfinance loans	210,932.22	88.56%	149,020.66	86.77%	144,378.72	87.65%
- JLG-based loans	209,159.06	87.82%	147,333.91	85.79%	142,849.57	86.72%
- Individual loans	1,773.16	0.74%	1,686.75	0.98%	1,529.15	0.93%
Housing finance	27,245.55	11.44%	22,723.90	13.23%	20,337.40	12.35%

Particulars	As of March 31, 2026		As of March 31, 2025		As of March 31, 2024	
	AUM (₹ million)	Percentage of total AUM (%)	AUM (₹ million)	Percentage of total AUM (%)	AUM (₹ million)	Percentage of total AUM (%)
- Housing Loans	20,051.91	8.42%	18,827.61	10.96%	17,328.49	10.52%
- Non-Housing Loans	7,193.64	3.02%	3,896.29	2.27%	3,008.91	1.83%
Total	238,177.77	100.00%	171,744.56	100.00%	164,716.12	100.00%

Microfinance

Microfinance loans through the JLG model constitute our principal product offering and are extended to borrowers. These loans are primarily designed to finance income-generating activities across agriculture and allied activities, animal husbandry and other businesses.

Microfinance loans through the JLG model are extended for ticket sizes primarily ranging from approximately ₹ 5,000 to ₹ 150,000 per borrower, with loan tenures ranging from 12-36 months, but predominantly of 24 months. Repayments are structured as fortnightly or monthly instalments, aligned with borrower income cycles. These loans are unsecured, and disbursements are made directly into the borrower's bank account. As of March 31, 2026, the rate of interest as per our pricing policy is 22.75% to 24.00% per annum, and a loan processing fee of 1.50% (plus applicable GST) is charged. No penal charges or prepayment charges are levied on microfinance loans. As of March 31, 2026, there were 4.25 million JLG loan borrowers.

Individual Loans

We offer individual loans to support the evolving financing needs of entrepreneurs, particularly borrowers in rural and semi-urban markets who demonstrate stable income profiles and repayment capacity. Individual loans are positioned as a progression product within our lending channels, and are intended to enable borrowers to start, expand or stabilise small businesses, including transition towards more formalised micro-enterprise or MSME-oriented activities. These borrowers are distinct from our JLG borrowers.

Individual loans are extended for ticket sizes ranging from approximately ₹ 100,000 to ₹ 250,000 per borrower, with loan tenures typically of 18 to 36 months. Repayments are structured as monthly instalments. These loans are unsecured, and disbursements are made directly into the borrower's bank account. The rate of interest as of March 31, 2026 is 23.75% to 24.00% per annum, and a loan processing fee of approximately ₹ 3,000 (plus applicable GST) is charged.

As of March 31, 2026, individual loans were extended to approximately 0.02 million borrowers.

Housing Finance

Through our Subsidiary, SMHFCL, we operate a secured housing finance business catering to borrowers from the low- and middle-income groups, including self-employed borrowers, micro-entrepreneurs, first time home buyers and those with informal sources of income. Our housing finance portfolio includes housing loans and non-housing loans. Our housing finance business is spearheaded by Deepabh Jain, managing director and chief executive officer, who brings several years of experience across the banking and financial services sector. Prior to joining our housing finance business, he has been associated with AU Small Finance Bank and Tata Capital Financial Services Limited in various leadership capacities.

Housing Loans

SMHFCL offers housing loans for purposes such as home purchase, self-construction, home extension and are secured by collateral. Housing loans are appraised under a distinct underwriting and risk framework tailored to secured lending and longer tenures.

Housing loans are extended for ticket sizes ranging from ₹ 100,000 to ₹ 2,500,000 per borrower with an average ticket size of ₹ 1,076,000 for Fiscal 2026. Our housing loans have maximum tenures of 240 months, as of March 31, 2026. Repayments are structured as monthly instalments. The rate of interest of our housing loans as of March 31, 2026 ranges from approximately 11.00% to 16.00% per annum, determined by risk-based pricing. A loan processing fee ranging from 2% to 3% (plus applicable GST), depending upon the ticket size of the loan sanctioned, is charged. As of March 31, 2026, housing loans were extended to approximately 35,445 active borrowers.

Non-housing Loans

In addition to housing loans, we offer non-housing loans, which include loans against residential property, for personal requirements of the customer, and top up loans for the same. Loans against property provide financing against the mortgage of properties for a range of customer requirements, including but not limited to business expenses, medical expenses, marriage expenses, educational expenses, and other personal.

Our non-housing loans have ticket sizes ranging from ₹ 100,000 to ₹ 2,500,000 per borrower, with an average ticket size of ₹ 689,000 for Fiscal 2026. Our non-housing loans have maximum tenures of 180 months, as of March 31, 2026 and top up loans have a maximum tenure of 20 years. The rate of interest as of March 31, 2026 ranges from approximately 14.00% to 25.00% per annum.

A loan processing fee ranging from 2% to 3% (plus applicable GST), depending upon the ticket size of the loan sanctioned, is charged.

The table below sets forth details of our product-wise AUM within our housing finance business as of March 31, 2026:

Particulars	As of March 31, 2026		As of March 31, 2025		As of March 31, 2024	
	AUM – Housing Finance (₹ million)	Percentage of AUM – Housing Finance (%)	AUM – Housing Finance (₹ million)	Percentage of AUM – Housing Finance (%)	AUM – Housing Finance (₹ million)	Percentage of AUM – Housing Finance (%)
Housing loans	20,051.91	73.60%	18,827.61	82.85%	17,328.49	85.21%
Non-housing loans	7,193.64	26.40%	3,896.29	17.15%	3,008.91	14.79%

Distribution Network

On a consolidated basis, our distribution network as of March 31, 2026 comprises a pan-India footprint spanning 23 states and union territories, 446 districts and 2,253 branches, with an active borrower base of over 4.31 million and an on-ground force of 16,583 field officers. The acquisition of CIFCPL complemented our existing geographic footprint, as our standalone operations had a relatively higher presence in northern and western India, while CIFCPL operated primarily across southern India. This geographic complementarity enabled us to expand our pan-India branch network with limited overlap between the respective branch networks.

In our Company's microfinance business, as of March 31, 2026, we are present across 20 states and 394 districts in India, serving approximately 4.27 million active borrowers through 2,123 branches and supported by 15,575 field officers.

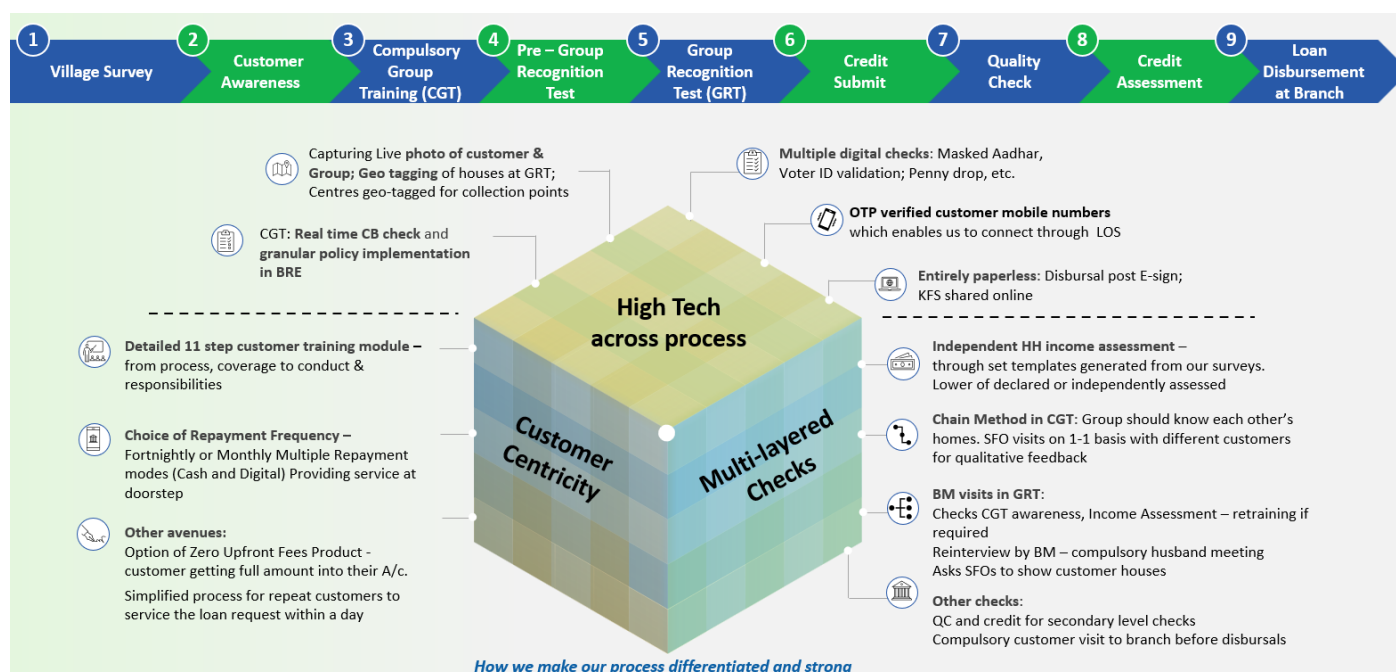
In our housing finance business, as of March 31, 2026, we are present across 14 states and union territories and 195 districts in India, serving approximately 0.05 million active borrowers through 130 branches and supported by 1,008 field officers.

Business Model

Microfinance Loans

Our Company primarily caters to women borrowers operating through the JLG lending model, which forms the core of our microfinance sourcing, credit appraisal, disbursement and collections framework. Under the JLG model, borrowers are organised into small groups of individuals drawn from similar geographic and economic backgrounds. Group members are jointly responsible for ensuring timely repayment of loans taken by each member of the group. We believe this structure facilitates peer support, collective accountability and social reinforcement of repayment behaviour. As of March 31, 2026, we organise our borrowers into centres up to maximum of 24 members, each comprising groups up to maximum of seven members.

The JLG framework enables us to assess borrower stability not only at the individual household level but also at the group level, as group composition, inter-member familiarity and community standing provide qualitative inputs into credit assessment. Regular group meetings also enable ongoing monitoring, collections and engagement.



Village survey and selection

The origination process begins with village-level profiling based on census data and demographic analysis. Branch teams, in coordination with unit managers, identify high-potential villages based on proximity to the branch and population density. The branch team then prepares a shortlist of target villages for a structured village survey, which is conducted by field officers who have completed a minimum of six months of operational tenure within our Company. The resulting data is captured in a standardised survey form retained at the branch level. Completion of a village survey is a necessary condition, while not sufficient, for the village being activated for lending. As part of the survey process, field officers are also required to prepare a village map including identifying entry and exit points and capturing the contact details of villagers interviewed. Village dynamics assessed during this stage include the potential borrower base, competitors, and the major income source for the village. Final village selection is approved at the branch level following structured discussions between the field officers and the branch manager.

Borrower awareness

Upon branch-level approval of a village, the branch team initiates a borrower awareness programme as the first point of engagement with prospective borrowers. Using the leads generated during the village survey, field officers conduct awareness sessions at a common gathering point within the village, covering our Company's background, the microfinance model, group loan structures, product features, and repayment procedures. These sessions are conducted in accordance with our Company's standardised training manual and require a minimum of six participants, with attendance open to both men and women. Prospective borrowers are required to present the Know Your Customer ("KYC") documentation for themselves and their spouses (as applicable) at the next meeting. Following the completion of awareness training, field officers inform borrowers about the next meeting and urge them to spread awareness about our Company and its loan features to other interested villagers. The field officers issue acknowledgement forms to interested participants and initiate preliminary credit assessment procedures, including soft credit bureau pulls and credit behaviour checks, prior to progressing to subsequent stages of the origination cycle. After members' qualification, compulsory group training is scheduled.

Compulsory Group Training ("CGT")

Prior to loan sanction, all group members are required to undergo a structured orientation and engagement programme conducted by field officers. These sessions are designed to ensure comprehensive borrower awareness of loan terms, repayment schedules, joint liability obligations, meeting discipline, acceptable repayment practices, pre-closure and toll-free support. The objective of the CGT process is to align borrower expectations with our Company's operating framework and to reinforce the principle of collective responsibility that underpins the JLG model.

The CGT stage begins with the group formation by the interested members facilitated by the field officer. The field officer also conducts credit checks against the KYC details to exclude ineligible clients. Following the group formation and orientation sessions, the field officer conducts individual house visits at each prospective borrower's residence. During these visits, the field officer captures and uploads photographs, KYC documentation, occupation details, household-level information, and bank account details into our Company's LOS. As an additional layer of verification, the field officer confirms household proximity within the group, which is typically within an approximate radius of one kilometre, and validates mutual acquaintance among group members through a chain verification method. Income sources are assessed and recorded at the household level, and the field officer captures the geo-coordinates (latitude and longitude) of each borrower's residence for location verification purposes. The borrower's contact information is also uploaded in the LOS after an inbuilt OTP-based verification. Upon completion of the onboarding data capture, the CGT is submitted at the centre level.

Pre-Group Recognition Test ("GRT")

Following CGT submission, the branch manager or assistant branch manager conducts a branch-level review of all uploaded borrower documentation prior to authorising the field visit for the GRT. This review encompasses verification of document clarity and completeness, assessment of the credit bureau status of each income earning adult household member, evaluation of existing EMI obligations, and a preliminary income assessment based on the household-level data captured by the field officer during the CGT stage. This pre-GRT checkpoint functions as a branch-level quality gate.

GRT

The GRT is a field-level assessment conducted by the branch manager or assistant branch manager and serves as the primary gateway for validating borrower and group readiness prior to loan sanction. The GRT process encompasses multiple verification dimensions designed to confirm borrower preparedness, documentation integrity, and group quality.

During the GRT, the branch manager or assistant branch manager confirms each applicant's understanding of our Company's background, the role of the branch and field officer, CGT attendance records, coverage of the CGT training script, applicable loan terms, and the FOIR threshold, which is capped at 50% and the designation of the centre leader. The branch manager or assistant branch manager simultaneously conducts a document verification exercise, cross-checking original KYC documents and bank passbooks against the digital records collated during the CGT stage.

The branch manager or assistant branch manager also performs a risk assessment at the individual and group level, evaluating borrower occupation profiles, stated loan purpose, potential cross-lending exposure, group formation quality, house ownership status, and migration risk. Members assessed as high-risk on any of these parameters are removed from the group prior to

finalisation.

As an additional verification layer, the branch manager or assistant branch manager conducts a meeting with the husbands or nominees of prospective borrowers to confirm their awareness of the loan amount, tenure, joint liability obligations, and meeting attendance requirements. In cases where the branch manager or assistant branch manager identifies deficiencies, the field officer is instructed to repeat the CGT process and a fresh GRT is scheduled.

Upon conclusion of the GRT, the field team updates the borrower training register, captures group photographs, marks attendance, and ensures that borrowers prepare original documents in advance of house visits.

Following this, there is GRT house visit stage, where the branch manager or assistant branch manager independently verifies house ownership status, updates occupation details, and uploads house visit photographs in our Company's application. The centre leader or designated member's residence is visited last, as the geo-coordinates captured at that location are used to record an accurate meeting location for the centre, with latitude and longitude tagged for ongoing verification purposes.

Credit Submission

At this stage, the branch manager or assistant branch manager conducts a comprehensive verification of all loan application data entered in the LOS to ensure accuracy, completeness of supporting documentation, and adherence to applicable policy limits along with FOIR thresholds and perform penny validation before submission.

Quality Check

Our Company maintains a separate, independent quality check function staffed by a dedicated team of 184 personnel as of March 31, 2026, who operate outside the branch reporting structure. This team is responsible for verifying branch-entered data against attached documentary proof using a standardised quality control checklist. The scope of the quality check encompasses credit bureau validations, penny-drop verification of bank account details, KYC document verification, and validation of family-related details. The quality check process is supported by technology-driven interventions designed to optimise turnaround time while maintaining verification rigour, thereby ensuring that the additional control layer does not create any delays in the origination cycle.

Credit assessment

Borrowers with higher obligation levels are subject to a second tier of income assessment conducted by an independent credit department that operates separately from the branch origination and quality check team. The credit department independently validates occupation and income details as entered by the branch manager or assistant branch manager during earlier stages of the process, through direct telephonic interaction with the borrower. This additional underwriting layer is designed to ensure that loan disbursements are directed to appropriately assessed borrowers and that income representations are independently corroborated before sanction.

Sanction and Disbursement

Loan sanction is undertaken after completion of the steps above. Once sanctioned, loan amounts are disbursed directly into the borrower's bank account after completion of Aadhaar-based e-sign. This enhances transparency, reduces operational and reconciliation risks and enables end-to-end tracking of loan flows. Our Company's loan journey overall is paperless, which reduces borrower inconvenience in presenting physical copies of documents. Repayment schedules are reiterated to borrowers during group meetings and disbursement communications.

Collections

Repayments are typically collected through periodic group meetings, where borrowers make instalment payments in the presence of other group members. This approach reinforces repayment discipline through peer support and social accountability. Our Company's collections framework is supported by a dedicated in-house collections team for hard bucket collections (>60 DPD). As of March 31, 2026, our Company's dedicated in-house collections team comprised 2,256 personnel. Accounts are tracked across delinquency buckets, and early engagement is undertaken through pre-delinquency follow-ups and structured escalation mechanisms. Where stress emerges, targeted collections interventions and on-ground engagement are deployed to contain slippages and improve recoveries.

Borrower Engagement and Repeat Borrowing

Ongoing borrower engagement is embedded within our operating model through regular group meetings and field interactions. These touchpoints allow us to monitor repayment behaviour, address borrower concerns and reinforce financial discipline. Repeat borrowing is offered based on demonstrated repayment track record, continued eligibility and stable income generation, subject to internal policies on ticket size and overall indebtedness. This approach supports gradual progression of borrowers while maintaining conservative leverage at the household level. In Fiscal 2026, our Company's repeat borrowers accounted for 64.11% of MFI disbursements, which reflects continued engagement with our existing borrower base.

Housing Finance

In addition to the above, we also operate a secured lending business through our housing finance subsidiary, SMHFCL, which primarily focuses on affordable housing loans to borrowers from the economically weaker sections and middle income groups. This business follows a distinct underwriting and risk framework and provides portfolio diversification through asset-backed exposures.

Loan-to-Value (“LTV”) Ratio and EMI

We set an LTV ratio range for each of our loan products that is within the relevant range prescribed by the regulatory authorities. Our housing finance loans had an average loan-to-value ratio of 49.63% as of March 31, 2026.

While approving a loan application, we review the borrower's repayment capacity, which is determined by factors such as the borrower's age, number of dependents and the stability and continuity of the borrower's income. If applicable, we also review a co-applicant's income, assets and liabilities, and cash flows, as required. The amount of the loan is determined on the basis of our evaluation of the repayment capacity of a borrower and the value of the relevant property, and is also subject to regulatory limits. Loans are required to be repaid in equated monthly instalments (“EMIs”) over an agreed period. The tenure of our housing loans can be for a period up to 20 years and vary according to the purpose of the loan, the borrower's age and the borrower segment.

Interest Rates, Fees and Collateral

The pricing of our loans is linked to our prime lending rate, which serves as the reference or benchmark rate for determining the interest rate applicable to our loan products and is reviewed and determined by us from time to time. The actual interest rate charged to a borrower may be higher than or lower than such reference rate and is determined by applying an appropriate spread or adjustment based on factors including the nature and tenure of the loan product, location and type of the underlying project, prevailing market conditions, cost of funds and the borrower's credit profile, repayment capacity, credit score and overall risk assessment. Accordingly, the reference rate does not represent the minimum interest rate offered to all borrowers or to borrowers meeting a specified credit score. Our reference rate was 14.75% as of March 31, 2026.

We require our borrowers to pay certain processing fees and charges prior to the disbursement of the loans at different stages of the loan application. These fees and charges are subject to change from time to time based on market conditions and regulatory requirements. The underlying collateral for a housing finance loan is the house or property towards which the loan is provided. The security is created primarily through a registered mortgage of immovable property. We also offer our borrowers an option to take an insurance cover for the home, with the sum assured cover of at least the home loan amount, which offers an additional cover for any damage to the collateral.

Loan sourcing

Our affordable housing finance business operates through an independent sourcing model, including internal sourcing through dedicated field teams and branch networks, as well as third-party channels such as direct sales agents and connector networks. As of March 31, 2026, our internal sales team comprised 1,362 members. Further, we have a network of 4,297 connectors as of March 31, 2026. We enter into agreements for the appointment of our direct sales agents and connector networks. These agreements are entered into on a principal-to-principal basis and govern our arrangements for the appointment, termination and compensation of these external sourcing channels. These agreements also specify the responsibilities and requirements that these sources have to satisfy in the conduct of their activities while dealing with our borrowers. The leads generated or borrowers sourced by these external sourcing channels are subject to our internal credit approval and disbursement process in accordance with our internal policies.

Credit approval and disbursement process

For credit underwriting, we use both technology as well as manual verification methods through our trained field officers. Through a mix of technology and manual verification, our credit team can underwrite borrowers belonging to both formal and informal employment segments. We verify KYC documents and income of borrowers from the formal employment segment using technology led solutions (for example, the online verification of PAN, Aadhar number, voter identification data, and manual verification of EPF contribution, salary slips, and income tax returns). For all borrowers, the credit officer visits the borrower's business as well as the residential premises and assesses the income of the borrower according to pre-defined policies and processes.

For all our loan applications, we utilize branch-led processing through our field team for on-ground verification. We onboard our borrowers through digital means, wherein a member of our sales team meets the borrower in person and captures demographic details, income details, KYC documents, and income documents through a mobile application. Once the sales team submits the file, it moves into processing along with all data and documents stored digitally.

Once the loan application is submitted digitally, our quality check team verifies the loan application and supporting documents. If the application is found to be complete, it is simultaneously routed to the credit, legal and technical teams for further processing.

Our credit officers and technical managers thereafter schedule personal discussions with the borrower. The technical manager visits the borrower's current residence, place of occupation or business and the property proposed to be financed. Geo-tagged photographs and other relevant documentation arising from such visits are uploaded to our systems. In parallel, the legal team undertakes legal

due diligence of the collateral property and title documents, while the credit team evaluates the borrower's credit bureau report, assesses the borrower's repayment capacity and prepares the credit assessment. Based on the credit assessment, together with the technical appraisal and legal due diligence, the proposal is placed before the Credit Committee for approval or rejection.

Following approval by the Credit Committee, the proposal is reviewed by the Risk Containment Unit ("RCU"), which independently verifies the underlying processes and supporting documentation to validate their authenticity and identify any discrepancies or indicators of fraudulent activity. Upon satisfactory completion of the RCU review, the loan is processed for disbursement in accordance with our internal policies and procedures.

Loan collection and monitoring

Our collections framework is managed entirely through in-house employees, comprising dedicated field collection executives, tele-calling teams and supervisory personnel, enabling us to maintain direct oversight over customer interactions, service quality and regulatory compliance. We follow a structured and technology-enabled collection process that includes pre-due payment reminders, automated repayments through the National Automated Clearing House, timely follow-up on overdue accounts, defined delinquency escalation protocols and, where required, legal recovery proceedings in accordance with applicable laws, including the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Our collection personnel undergo inductions and regular training on ethical collection practices, customer engagement, regulatory and industry requirements. Collection activities are monitored through defined performance metrics, periodic management reviews and system-based tracking of customer interactions and delinquency status. We also maintain a structured customer grievance redressal mechanism to address complaints relating to collection practices, with a focus on fair treatment, transparency and regulatory compliance.

Risk Management Framework

Microfinance Loans

Our Company's microfinance business is exposed to risks inherent in unsecured lending, large-scale field operations and geographically diverse borrowers from economically vulnerable households across rural and semi-urban India. Effective enterprise risk management is a critical component of our Company's business strategy. Our commitment to managing risks in a proactive and systematic manner is an essential part of our efforts to achieve our business objectives and minimize the negative impact of potential risks.

Accordingly, risk management forms an integral part of our operating framework and underpins our approach to scaling our microfinance business while maintaining credit discipline, portfolio resilience, operational effectiveness and regulatory compliance. The ability to identify, measure, and respond to risk with speed and precision is central to our purpose and sustainability.

Our risk management structures ensure risk governance is embedded at the highest levels of our Company, risk intelligence is operationalised through policies, processes, models, analytics and effective monitoring.

Risk Governance Architecture

Effective risk management begins at the level of our Board of Directors. The governance of risk is structured to ensure independence, accountability, and continuous oversight at every level of our Company.

Board-Level Oversight: Our Board of Directors hold ultimate accountability for risk governance. The Board defines the overall risk appetite of our Company and overall direction on risk management. The Risk Management Committee of the Board maintains oversight of our Company's risk profile and the adequacy of the risk management systems. The Risk Management Committee enables structured review of risk exposures, including emerging risks arising from changing industry dynamics, and provide recommendations on appropriate actions to the Board.

Executive Risk Leadership: The Chief Risk Officer leads the risk management function and reports to the Risk Management Committee and our Board. This independent reporting line is separate from the operational business chain, ensuring that risk assessments and escalations are free from commercial influence. The Chief Risk Officer also leads an Executive Risk Management Committee which reviews emerging and existing risks and provides regular guidance to the executive leadership, ensuring risk considerations are integrated into executive decision-making.

Three Lines of Defence: Our Company's risk governance structure operates on the three-lines-of-defence model. Business units and support teams constitute the first line, owning and managing risk within defined thresholds. The risk management function, along with other control functions such as quality control and credit, constitutes the second line, establishing controls, monitoring adherence, and escalating deviations. Internal audit constitutes the third line, providing independent assurance to the Audit Committee.

This multi-layered risk management architecture enables each layer to operate with independence and clear escalation lines while also allowing risk management to be integrated across layers within our Company. This structure is intended to ensure that risk ownership, risk oversight and independent assurance remain distinct, while collectively supporting disciplined execution across

sourcing, underwriting, disbursals and collections. Set out below is a description of this model:

First line: Our Company's first line of defence within our microfinance operations comprises our business and frontline operating teams, which includes sales and collection personnel, and comprises 22,519 employees as of March 31, 2026. The business and support units are responsible for day-to-day execution of controls, policies, and compliance with laws and regulations. This line of defence is supported by technology-enabled controls including automated bureau checks, KYC checks and backend validation mechanisms. Our Company utilises a codified BRE with embedded guardrails, caps on borrower indebtedness, limits on the number of lenders per borrower and other risk filters that are reviewed and enhanced periodically, enabling disciplined underwriting at the point of sourcing and disbursal.

Second line: Our Company's second line of defence, with 467 employees as of March 31, 2026, consists of independent risk and control functions who are responsible for enterprise risk management by ensuring risks are identified, assessed, managed, and reported, and provides the Risk Management Committee and the Board with all relevant risk-related information. They measure, monitor and pro-actively manage risk through detailed portfolio monitoring including off-us behaviours, robust early-warning systems measuring credit and fraud risk, village to state-level exposure limits to manage concentration risk amongst others. Our Company leverages analytics to identify patterns of emerging risk within our microfinance business. The credit and quality control teams are responsible for credit policy implementation, credit oversight, borrower validation and designing assessment practices. Our approach is complemented by household-level assessments covering income, indebtedness and borrower stability, which are designed to promote prudent leverage and repayment discipline to ensure quality of underwriting at the point of sourcing.

Third line: Our Company's third line of defence comprises internal independent field and functional audit teams. Internal field audit is strengthened by a dedicated ground-level audit team, with 621 employees, each overseeing a maximum of three branches at a particular time, ensuring supervision and implementation of controls at the field level. This is supported by a functional audit team of 10 members as of March 31, 2026, that undertakes process and control audits, including higher frequency of audits for branches identified as risky, to identify structural and systemic gaps and strengthen enterprise-wide risk governance.

Risk Management Framework

Our Company's risk management framework is designed to provide comprehensive, enterprise-wide coverage of all risk categories inherent in our business. It sets out the necessary components to carry out enterprise risk management within the Company. The framework supports the integration of Internal Control Adequacy Assessment Process ("ICAAP") as per scale-based regulation rolled out by the RBI, where risk appetite and applicable limits have been defined. The framework also outlines our philosophy, strategy, and principles of enterprise risk management, the tools needed to implement it, the governance structure and an effective classification system for risks.

The framework governs the identification, assessment, management, and monitoring of risks. Some of the key risk areas have been identified below:

Credit Risk - These arise from potential repayment delays or defaults by borrowers due to income variability, over-leveraging or localised stress events. These are assessed across the borrower lifecycle from sourcing to collections, with tools such as our proprietary acquisition models to acquire new borrowers, extensive early warning system architectures, portfolio monitoring including customer behaviour with other lenders, industry benchmarking, borrower profiling, amongst others. With clear metrics defined for various parameters, these parameter assessments are monitored on a regular basis through field or management level monitoring meetings such as the Executive Risk Management Committee, centralised control towers, fraud committees, zonal risk committees, amongst others.

Further, we aim to mitigate credit risk through government-backed guarantee coverage by availing credit insurance in the form of a guarantee under the Credit Guarantee Fund for Micro Units ("CGFMU") scheme for our incremental loan disbursements. This provides government-backed protection against borrower defaults on eligible loans. Our Company has maintained credit insurance coverage equivalent to 48.51% of the Total Gross Loans as of March 31, 2026, but no such coverage was in place as of March 31, 2025 and March 31, 2024. This coverage is intended to moderate the volatility of cycle credit losses and support consistency in our returns, reinforcing the resilience of our profitability as we scale our operations.

Operational Risk (includes process failures, fraud risk) - Operational risk arises from internal process breakdowns, documentation errors, fraud risks and deviations from prescribed borrower protection practices. Operational risk management is strengthened through standardised process manuals that are governed by our risk management functions. Potential risks that can arise from process breakdowns are well documented with mitigating measures to ensure that a risk and control self-assessment process is defined and assessed periodically through technology-enabled checks, periodic branch audits and independent quality reviews. Feedback loops from audits and quality assessments are used to further strengthen controls, reinforce accountability and drive corrective actions across the operating process. Fraud risk arises from employee and borrower misrepresentation. Fraud risks stemming from employees are measured and monitored through an early warning system for frauds, while risks stemming from customers are

observed based on behaviour with other lenders and field audits by an independent field audit team. These ensure that fraud risk from employees is measured.

Liquidity Risk - We are exposed to liquidity and funding risks, including refinancing risk, cost-of-funds volatility and maturity mismatches. These risks are managed through a structured asset-liability management framework that monitors cash flows across time buckets and maintains appropriate liquidity buffers. The RBI issued revised guidelines on liquidity risk management in November 2019 to strengthen the liquidity risk management process in NBFCs and prescribed additional liquidity risk management measures. Our Company's asset-liability management policies prescribe the liquidity risk management process to be followed as prescribed by RBI guidelines, the details of which are presented to the Asset-Liability Management Committee every quarter in its meeting.

Regulatory and Compliance Risk - Our business is regulated by the RBI and subject to applicable laws and guidelines governing NBFC-MFIs. Compliance risk is managed through independent control and compliance functions, periodic audits and ongoing monitoring of regulatory requirements. Segregated reporting and escalation structures are intended to support adherence to regulations, internal policies and borrower protection standards.

Technology and Cyber Security Risk - Our operations depend on technology platforms deployed across sourcing, underwriting, disbursements, collections and audit. Technology-related risks include system downtime, data integrity issues, cybersecurity incidents and third-party service disruptions. We operate on a cloud-enabled technology infrastructure with disaster recovery arrangements, access controls and cyber-security frameworks designed to safeguard systems, borrower information, and support business continuity. In line with regulatory guidelines, our Company has an IT Strategy Committee of the Board to oversee the IT risk management framework, our cyber-security and cyber crisis management plan, among others. We undertake measures such as periodic risk assessments, audits, drills, business continuity plan testing, with all exceptions reported to the IT Strategy Committee of the Board and the Board on a quarterly basis.

Concentration Risk - Our microfinance portfolio is exposed to region-specific economic, social or regulatory developments. A key pillar of our risk strategy is geographic diversification, supported by a wide branch footprint across states and districts. Portfolio performance and concentration is monitored at granular levels from village to branches to identify concentration risks. This diversification supports resilience against localised disruptions.

Housing Finance

Within our housing finance business, we primarily cater to self-employed and salaried borrowers across the low-and middle-income groups, with both formal and informal income profiles. Accordingly, we place significant emphasis on prudent underwriting, comprehensive due diligence and continuous portfolio monitoring. Our risk management framework incorporates multiple risk mitigation measures across the credit lifecycle, including assessment of borrowers' repayment capacity and cash flows, verification of credit history through credit information bureaus, field-level verification of residential and business premises, validation of KYC and other relevant documentation, independent technical and legal due diligence of collateral properties, prudent loan-to-value ratios and insurance coverage for eligible borrowers and secured assets, where applicable.

Our risk management framework is designed to identify, assess, monitor and mitigate risks across our operations through defined policies, approval matrices, internal controls and periodic portfolio reviews. As part of our risk governance architecture, our Board of Directors and various committees oversee risk management policies and processes. We have established internal risk management mechanisms covering credit underwriting, collections, fraud control, treasury management, operational controls, compliance monitoring and information security. Our risk management and internal audit teams undertake periodic reviews to assess adherence to policies, portfolio performance, early warning indicators and the effectiveness of internal controls.

Internal Audit and Internal Control

Our internal audit and internal control framework forms a key component of our governance structure and is designed to provide reasonable assurance regarding the effectiveness of internal controls, reliability of financial and operational information, safeguarding of assets, adherence to internal policies and compliance with applicable laws and regulatory requirements. The framework is structured to support our large-scale, geographically dispersed operations and to enable consistent execution and timely identification and remediation of control gaps.

The internal audit function operates independently of business operations and is responsible for providing objective assurance on the adequacy and effectiveness of internal controls and risk mitigation processes. Audit coverage spans branch operations, field-level activities, credit and collections processes, support functions and compliance-related areas. For our housing finance business, this coverage also extends to technical, legal, post-disbursement activities and loan file documentation. Audit planning follows a risk-based approach, with audit scope and frequency determined based on factors such as volume of business and complexities of operations, business strategy, risk appetite, proposed change in lines of business, new regulatory guidelines and amendment to existing guidelines, management inputs on key risks, changes in managerial personnel, consideration of size, observations in the RBI inspection report and NHB inspection report, as applicable, external audit reports, considerations of management priority, previous internal assessment reports and compliances, time elapsed since the last audit, portfolio risk characteristics, geographic dispersion, scale of operations, among others. Branch audits are conducted at periodic intervals and are supplemented by

process-level and thematic audits. These audits assess adherence to internal policies and procedures, effectiveness of control mechanisms, accuracy and completeness of records, and compliance with regulatory and borrower protection requirements. Audit observations are recorded through structured reporting mechanisms and tracked for closure within defined timelines.

Internal audit activities are supported by analytics-driven tools that enable risk-based audit planning, prioritisation of higher-risk branches or processes and flagging of issues necessitating remediation actions. This approach allows for broader coverage across the branch network and more timely identification of control deficiencies, while reducing reliance on purely manual sampling.

In addition to internal audit, our internal control environment includes independent quality control and supervisory review mechanisms that operate alongside audit processes. These controls are intended to validate borrower eligibility, documentation, process adherence and alignment with internal credit and operational policies. The segregation between business execution, quality control and audit functions is designed to maintain objectivity and reduce the risk of conflicts of interest. We also maintain internal controls over financial reporting, including controls around accounting processes, authorisation of transactions and reconciliation mechanisms. These controls are intended to support the accuracy and integrity of financial information and compliance with applicable accounting standards.

Findings from internal audits and control reviews are periodically updated to the senior management and placed on a quarterly basis before the Audit Committee of the Board, along with updates on remediation status and systemic issues identified. This reporting framework supports Board-level oversight and monitoring of control effectiveness across the organisation. Corrective actions arising from audit findings are implemented through structured remediation plans and monitored until closure.

Information Technology

Microfinance

Our Company's information technology ("IT") infrastructure forms a core part of our operating framework and is integral to the execution of our technology-enabled, borrower-centric and phygital business model. Our Company has developed a technology-led and phygital operating model that integrates digital processes with on-ground field execution, enabling last-mile delivery across our pan-India branch network. Within our microfinance business, we harness digital platforms such as our field force-focused mobile applications, BRE and multiple backend interfaces across the entire lifecycle, from sourcing, validations, underwriting, disbursal, collections, to grievance redressal, which we believe enhances process efficiency and control standards.

Phygital Sourcing and Validation

Our microfinance borrower onboarding and disbursal processes are supported by API-enabled validations linked to national databases, including the ePIC portal and Aadhaar-based e-sign systems, enabling real-time identity and documentation verification.

Our Company's core lending system is supported by "Finpage", our LOS that enables end-to-end mobile-first origination across the entire field workforce. The LOS supports digital borrower onboarding through integrated KYC verification, digital document capture, and OTP-based authentication.

Credit Underwriting

For underwriting, our Company uses an AI-powered credit underwriting platform "Scienaptic AI", where BRE rules are codified. This automates credit decisioning by evaluating credit bureau data, household-level indebtedness, policy limits compliance and risk filters at the point of application, thereby reducing manual intervention in the underwriting process and ensuring consistent application of credit standards across the branch network.

Disbursals and Cashless Operations

Our Company undertakes 100.00% cashless disbursals, with loan proceeds credited directly into borrower bank accounts and no-cash disbursements. This approach reduces cash-handling and reconciliation risks, improves transparency and supports end-to-end auditability of transactions.

Collections, Borrower Engagement and Field Productivity

Our Company also leverages an AI-powered mobile-cloud platform, "SpotWays" for field force management and geo-tagging capabilities, enabling us to capture and verify the precise geographic coordinates of distance travelled by employees and centre meeting locations, leading to efficient last mile execution. Our Company has its cloud infrastructure on modern day hyper-scalers, which provide the speed, security and seamlessness to rapidly deploy solutions at scale.

Our Company's post-disbursement operations are supported by "Temenos", our LMS that manages the full loan lifecycle. The LMS operates on a modern core banking system architecture that ensures data consistency, regulatory reporting accuracy, and operational scalability.

Our Company deploys specialised mobile applications across microfinance operations for communication and calling, real-time

field monitoring, analytics driven audit, and efficient collection management enhancing the overall operations.

Audit, Controls and Analytics

Our internal audit and control functions are supported by an analytics-driven, risk-based audit planning tool with generative AI-enabled report generation capabilities. This tool strengthens audit coverage, enables timely identification of control gaps and supports data-driven audit execution across our operations.

Information Security, Cybersecurity and Data Governance

Our Company has implemented an information security and cybersecurity framework to protect information assets, borrower data and technology infrastructure. Our Company's information security governance is overseen by committees such as the IT Strategy Committee and Information Security committee.

We have business continuity, disaster recovery and backup arrangements for our critical business applications, infrastructure and resources for which we also have defined recovery point and recovery time objectives. We also conduct periodic vulnerability assessments, penetration testing, and cyber security awareness sessions for employees. We maintain role-based access control and monitoring mechanisms to safeguard systems and borrower data.

Security monitoring and incident response processes are in place to detect, analyze and respond to cybersecurity events. Logs from critical systems and security tools are monitored to identify suspicious activities, policy violations, unauthorized access attempts, and other security events.

Our Company has deployed security controls across our technology environment including endpoint security, network security, perimeter protection, secure remote access, email security, vulnerability assessment, patch management and backup controls.

Customer Grievance Redressal Mechanism ("CGRM")

Our Company has implemented various measures aimed at minimizing borrower complaints and strengthening the grievance redressal framework, including enhancing operational controls and monitoring mechanisms, conducting regular training programs for branch employees and borrower-facing teams on effective handling of borrower queries and borrower interactions, increasing borrower awareness regarding fraud prevention and safe financial practices, upgrading our borrower relationship management and complaint tracking systems, and prioritizing the resolution of escalated and high-impact cases. Our Company also undertakes periodic reviews of complaint trends and root causes to identify process gaps and implement corrective and preventive measures.

Our Company's grievance redressal function is managed by a dedicated in-house CGRM team of 26 personnel as of March 31, 2026, reflecting our commitment to complaint resolution as a distinct operational capability. Complaints are handled in coordination with our Company's independent field audit function to ensure an unbiased assessment that collates both business and borrower perspectives before resolution.

Our Company operates a proprietary CGRM portal, which is an in-house system designed to provide end-to-end complaint capture, tracking, and resolution. The portal is built to integrate evolving regulatory requirements, ensuring that changes in applicable grievance redressal norms are operationalised without disruption to complaint workflows. All complaint data is retained within the system in an auditable format, accessible for both internal review and external regulatory examination.

The CGRM portal is also integrated with a communication technology company which enables automated call routing based on agent availability, real-time retrieval of borrower data at the point of interaction, and systematic logging of all borrower communications. This integration eliminates manual data look-ups during complaint handling, reduces resolution turnaround time, and provides a centralised database of all borrower interactions for audit and trend analysis purposes.

As of March 31, 2026, our Company recorded a Net Promoter Score of 90% following grievance redressal, reflecting borrower satisfaction with the complaint resolution process.

Compliance with NBFC MFI Directions and NBFC Scale Based Regulations Directions

Our Company is registered with the RBI as an NBFC-MFI, which requires us to comply with the NBFC Scale Based Regulations Directions and NBFC MFI Directions. The table below sets forth details in relation to the current status of our compliance with the NBFC Scale Based Regulations Directions and the NBFC MFI Directions:

Criteria	NBFC Scale Based Regulations Directions and NBFC MFI Directions	Our Compliance Status
Loan portfolio – qualifying assets	At least 60.00% of total assets to be in the nature of “qualifying assets” as defined in the NBFC MFI Directions.	We comply with this norm. “Qualifying assets” constituted 67.69% of our total assets, as of March 31, 2026.
Household income	Total annual household income of the borrower is required to be below ₹300,000.	We comply with this norm in relation to our microfinance loan products.

Criteria	NBFC Scale Based Regulations Directions and NBFC MFI Directions	Our Compliance Status
Policy on maximum repayment outflows from account of the borrower	NBFC-MFIs are required to have a Board-approved policy regarding the limit on outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income. 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.
Collateral	Loans are required to be extended without collateral.	We comply with this norm in relation to our microfinance loan products.
Mode of Repayment	NBFC-MFIs are required to have a Board-approved policy to provide flexibility of repayment periodicity on microfinance loans, as per the borrower's requirement.	We comply with this norm.
Disclosure of pricing-related information	A standardized simplified fact sheet is required to be shared with all borrowers, including details such as the effective interest rate and other pricing-related information.	We comply with this norm.
Insurance premium	The actual cost of insurance for group life, livestock, life and health of the borrower and spouse can be recovered. Administrative charges may be recovered only in accordance with guidelines issued by the IRDA.	We comply with this norm. We cover only credit life insurance for borrowers and their nominee.
Security deposit	No security deposit or margin should be taken from the borrower.	We comply with this norm in relation to our microfinance loan products.
Asset classification	A standard asset is one where 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. Any asset where principal or interest remains overdue for more than 90 days is required to be classified as an NPA. Special Mention Accounts ("SMAs") are classified based on days past due (SMA-0: <31 days; SMA-1: 31–60 days; SMA-2: 61–90 days) as per the RBI (NBFC – Income Recognition, Asset Classification and Provisioning) Directions, 2025.	We comply with this norm as per extant prudential norms on income recognition, asset classification and provisioning. In accordance with Ind AS 109, we also classify our financial assets into Stage 1, Stage 2 and Stage 3 and recognise Expected Credit Loss allowances in respect thereof.
Loan provisioning	Loan provisioning 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; (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.	

For further details, see "Key Regulations and Policies in India" on page 267.

Capital Adequacy Ratios

Our Company is required to comply with the capital adequacy norms prescribed by the RBI. Under the applicable RBI Master Directions and prudential norms, the Company is required to maintain a minimum capital to risk-weighted assets ratio ("CRAR"), comprising Tier I and Tier II capital of not less than 15.00% of its aggregate risk-weighted assets on-balance sheet and the risk-adjusted value of its off-balance sheet items. In addition, the total amount of Tier II capital cannot exceed 100.00% of Tier I capital at any point in time. We compute our CRAR in accordance with the extant RBI Master Directions and prudential norms applicable to NBFC-MFIs. The adequacy of capital is actively monitored by management to support business growth while maintaining compliance with regulatory capital requirements.

Set forth below are details of our Company's capital adequacy ratio as of the relevant dates:

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Tier I Capital	39,121.20	31,112.58	18,735.64
Tier II Capital	507.78	4,224.70	5,457.32
Tier I + Tier II Capital	39,628.98	35,337.28	24,192.96
Risk Weighted Assets	171,373.75	134,214.07	125,685.11
Tier I CRAR (%)	22.83%	23.18%	14.91%
Tier II CRAR (%)	0.29%	3.15%	4.34%
Total CRAR (%)	23.12%	26.33%	19.25%

Set forth below are details of SMHFCL's capital adequacy ratio as of the relevant dates:

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Tier I Capital	4,237.93	3,657.99	3,473.50

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Tier II Capital	137.24	179.81	234.47
Tier I + Tier II Capital	4,375.17	3,837.80	3,707.97
Risk Weighted Assets	15,027.20	12,020.33	10,668.72
Tier I CRAR (%)	28.20%	30.43%	32.56%
Tier II CRAR (%)	0.91%	1.50%	2.20%
Total CRAR (%)	29.11%	31.93%	34.76%

For more information, see “Risk Factors – As an NBFC-MFI, our Company and our Subsidiary, Svatantra Micro Housing Finance Corporation Limited being a housing finance company, are subject to the regulatory framework governing the financial services industry, including various regulatory requirements of the RBI and the NHB. Non-compliance with applicable regulations or changes in existing regulations could adversely affect our business, financial condition, results of operations and cash flows.” on page 36.

Credit Ratings

The table below sets forth details of our Company’s credit ratings as of the dates indicated:

Instrument	Credit Rating Agency	Rating			
		As of this Draft Red Herring Prospectus	As of March 31,		
			2026	2025	2024
Non-convertible debentures	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Long-term fund based facilities	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Commercial papers	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Subordinate Debt	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Short Term Debt	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Non-convertible debentures	CareEdge	-	Withdrawn ⁽¹⁾	CARE AA-/ Stable	CARE AA-/ Stable
Long-term bank loans	CareEdge	CARE AA/ Stable	CARE AA/ Stable	CARE AA-/ Stable	CARE AA-/ Stable
Subordinate Debt	CareEdge	-	-	-	Withdrawn
Non-convertible debentures	India Ratings	IND AA-/ Stable ⁽²⁾	-	-	-

Note:

(1) Rating for non-convertible debentures was withdrawn on account of redemption of the tranche.

(2) CIFCPL was assigned ratings from India Ratings for its non-convertible debentures. Following the acquisition of CIFCPL and as of the date of this Draft Red Herring Prospectus, our Company has consequently been assigned this rating by India Ratings.

For more information, see “Risk Factors – Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, financial condition, results of operations and cash flows” on page 35.

Corporate Social Responsibility

In compliance with the requirements of Section 135 of the Companies Act read with the Companies (Corporate Social Responsibility) Rules, 2014, our Board has constituted a Corporate Social Responsibility (“CSR”) Committee pursuant to which we conduct various CSR activities. Our CSR philosophy is aimed at advancing financial inclusion and supporting the sustainable development of underserved and low-income communities. Our CSR initiatives are designed to complement our women-centric microfinance model and accordingly, we intend to continue undertaking projects in the fields of promotion of healthcare, including sanitation, education, women empowerment, and other allied areas. Across these areas, our programs are designed and delivered in collaboration with implementation partners, who bring on-ground execution capabilities that complement our reach and resources.

Women's Empowerment and Gender Equality - This focus area is aligned with our women-centric microfinance model and is reinforced through our programmes that advance women's agency, safety, and representation. Through NEEMAR, we provide residential facilities and empowerment opportunities for girl children implemented through the Ananya Birla Foundation. Through Empowering Women for Grassroot Governance program, we strengthen the leadership capabilities of elected women representatives, enabling them to function as effective decision-makers and govern with confidence. Through Project Unlearn, implemented in collaboration with the Prison Department, we engage men incarcerated for gender-based offences, with the aim of working towards shifts in mindset and attitude that may translate into behavioural change.

Education and Skill Development - We undertake education-oriented initiatives that promote access to education, skill development among tribal communities. We intend to collaborate with the Tribal Development Department, Government of Maharashtra and the Ministry of Tribal Affairs, by implementing two programmes that support the well-being and career development of tribal children in Grades 6 to 8 and Grades 9 and 11. Through the first, we provide structured exposure to an arts-based curriculum, intended to enhance well-being and improve classroom engagement. Through the second, we offer counselling support via a dedicated, trained

counsellor, intended to strengthen emotional resilience and support informed career development.

Healthcare - Our initiatives in this domain comprise community-based interventions in health awareness and mental health support, undertaken to enhance the overall well-being and resilience of borrower communities. Through our Community Mental Health Programme, we integrate clinical and psychosocial support systems within the community to promote treatment-seeking behaviour and ensure that individuals living with mental illness receive appropriate care. Through our Emergency Medical Care Support Programme, we provide timely assistance in time-sensitive and life-threatening medical cases.

Environmental Sustainability - In furtherance of our commitment to environmental protection, we have undertaken an afforestation initiative in collaboration with Grow-Trees.

From a sustainability perspective, our business model aligns with several United Nations Sustainable Development Goals, particularly those relating to poverty reduction, women's economic empowerment, financial inclusion and inclusive economic growth. Through our focus on women borrowers under the JLG model, income-generating loans for underserved households and affordable housing finance, we believe we contribute to broader developmental objectives including SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities) and SDG 11 (Sustainable Cities and Communities).

Competition

Our Company faces significant competition from the microfinance lending of banks, small finance banks, NBFCs and other NBFC-MFIs. In certain geographies, we also compete with informal and unorganised sources of credit, such as moneylenders and local intermediaries, which operate outside the regulated financial system.

For more information, see *“Risk Factors – Our inability to compete effectively in an increasingly competitive industry may adversely affect our market share, business and financial condition”* on page 40.

Awards and Accreditations

For a list of awards and accreditations that we have received in recent years, see *“History and Certain Corporate Matters – Key awards, accreditations and recognitions”* beginning on page 287.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, we have applied for the registration of the trademark of ‘Svatantra’ and , our corporate logo under Classes 35 and 36, which are currently under examination by the Registrar of Trade Marks. Further, as of the date of this Draft Red Herring Prospectus, our Company has five registered trademarks under classes 35 and 36 of the Trademarks Act and has one registered domain, svatantramicrofin.com. For more information, also see *“Risk Factors - We do not own the trademark registration or other form of intellectual property protection in relation to our name and our corporate logo and any inability to obtain and enforce our intellectual property rights in relation to our name and logo, could adversely affect our business, results of operations and financial condition.”* on page 41.

Insurance

We maintain insurance coverage under various policies to safeguard against potential risks associated with our operations. We have obtained directors' and officers' liability insurance. In relation to our microfinance loans, we have obtained an all-risk policy to cover credit life insurance for MFI borrowers, directors and officers insurance, office protection insurance covering electronic equipment, breakdown of office appliances, fire and allied perils, burglary and other perils. We have availed general office insurance policy covering fidelity guarantee, money insurance and public liability insurance among others. We also provide employee insurance cover, including group medical cover, group term life insurance and group personal accident insurance to eligible employees.

For more information, see *“Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, financial condition, results of operations and cash flows”* on page 57.

Human Resources

As of March 31, 2026, we had a total of 26,835 employees, of which 24,594 were our Company's employees and 2,241 were SMHFCL's employees. The table below sets forth the break-up of our Company's employees across functions as of March 31, 2026:

S. No.	Function	Number of employees
1.	Business Management ⁽¹⁾	20,263
2.	Collection	2,256
3.	Audit	621
4.	Quality Control and Credit	451
5.	Human Resource	223

S. No.	Function	Number of employees
6.	Corporate and others	151
7.	Learning and Development	128
8.	IT and Infosec	92
9.	Admin	59
10.	Finance, Accounts and treasury	49
11.	CGRM	26
12.	Risk	16
13.	Legal and Secretarial	11
14.	Others	193
15.	Total permanent on-roll employees	24,539
16.	Apprenticeship	55
Total employees		24,594

i. Primarily includes field officers, assistant branch managers, branch managers, and other operational personnel.

The following sets forth the break-up of SMHFCL's employees across functions as of March 31, 2026:

S. No.	Function	Number of Employees
1.	Sales	1,362
2.	Collections	192
3.	Credit	220
4.	Technical & Legal	141
5.	Operations	201
6.	Risk	14
7.	Internal Audit	7
8.	Product & Strategy	6
9.	Systems & IT	20
10.	HR & Admin	38
11.	Finance & Accounts	19
12.	Others	21
Total Employees		2,241

Given the human-intensive nature of our operations, our employees play an important role in our business operations and growth. We focus on employee recruitment, training, performance management and employee engagement to support operational efficiency and workforce continuity.

Talent Acquisition and Recruitment

We follow structured recruitment processes for key operational roles, including a two-round interview process.

As part of our employee verification framework, we undertake background verification processes for field employees, including house visits, criminal background verification and credit bureau checks. These processes are intended to support operational integrity and governance standards across our branch network.

Learning and Development

Newly recruited field officers undergo an approximately 21-day induction programme comprising classroom-based training and on-the-job training at branch locations under the supervision of experienced employees and branch managers. The training programme covers operational processes, borrower engagement, compliance, collections and group lending methodologies.

In addition to induction programmes, we conduct periodic refresher training, leadership development initiatives and functional capability enhancement programmes across employee categories. We also conduct executive development programmes, e-learning modules, virtual instructor-led training and classroom-based sessions supported through a learning management system and learning application. These programmes are intended to support employee productivity, operational processes, borrower servicing standards and compliance with internal policies and regulatory requirements.

Internal Talent Development and Career Progression

We maintain a performance management framework comprising periodic appraisals and monthly performance scorecards across functions to facilitate performance evaluation. Career progression and promotions are linked to performance outcomes, and most field-level roles are filled through internal promotions undertaken on a continuous basis.

Our talent management framework incorporates performance metrics and evaluation mechanisms to identify employees for internal growth opportunities across operational and managerial roles. We also maintain a reward and recognition framework, including performance-linked incentives for employee categories, such as monthly incentives for field employees and periodic incentives for support and head office functions.

Employee Engagement and Connect Initiatives

We undertake employee engagement and communication initiatives, including periodic townhall sessions for field staff conducted by leadership teams, “Call 2 Care” initiatives led by the human resources team, branch visits by human resources and business leaders, attrition workshops focused on employee retention and a “Gemba” approach involving on-ground interaction with branch employees to understand operational challenges and employee concerns. These initiatives are intended to facilitate communication and employee engagement across the organisation.

Employee Grievance Redressal Mechanism

We have established employee grievance redressal mechanisms, including a centralized employee helpdesk and “HR Mitra” support channels for employee guidance and issue resolution. These mechanisms are intended to address employee concerns in a structured manner.

We undertake initiatives relating to workplace inclusion, employee safety and employee well-being, including periodic engagement initiatives for female employees focused on workplace culture, safety and well-being. We also provide one-on-one employee support programmes and counselling assistance through an Employee Assistance Program to enable employees to seek guidance on personal and workplace-related concerns.

We provide accommodation facilities for branch staff and certain support amenities, including reimbursement of LPG refilling costs and basic household items.

Properties

Our Company’s Registered Office is located at Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India and our Corporate Office is located at 8th Floor, Block B, Brigade Software Park, 27th Cross, Banashankari, 2nd Stage, Bangalore – 560070, Karnataka, India, both of which are leased. Details of our Company’s offices as of the date of this Draft Red Herring Prospectus are provided below:

Property	Address	Arrangement (Owned/ Leased)	Name of lessor	Name of lessee	Date of expiry of lease	Whether leased from related party
Registered Office	Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India	Leased	Khimji Kunverji Realty Holding LLP and Khimji Kunverji Properties India LLP	Our Company	December 31, 2027	No
Corporate Office	8th Floor, Block B, Brigade Software Park, 27 th Cross, Banashankari, 2 nd Stage, Bangalore – 560070, Karnataka, India	Leased	Sneha Rakesh and Rajath V.	Our Company	August 31, 2027	No
Office	17th Floor, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013, Maharashtra, India	Leased	Yashvi Commercial Premises LLP	Our Company	February 28, 2029	No
Office	602, 6th Floor, Block B, Brigade Software Park, 27th Cross, Banashankari, 2nd Stage, Bangalore – 560070, Karnataka, India	Leased	B. Venkatnarayan and Vidya Rangasayee Narayan	Our Company	January 31, 2031	No
Office	4 th Floor, M Square IT Park, 241, Road No. 33, Ambica Nagar, Wagle Estate, Thane West – 400604 Thane, Maharashtra	Leased	Zon Collabhub Private Limited	Our Company	December 31, 2028	No

In addition, as of March 31, 2026, our Company has leased 2,279 properties across India, which includes 2,123 branches.

For more information, see *“Risk Factors – We do not own any of the premises where our branch offices are located, including our Registered Office and our Corporate Office. Any termination or failure by us to renew the lease and license agreements in a favorable and timely manner, or at all, could adversely affect our business, financial condition, results of operations and cash flows. Additionally, we may be unable to enforce our rights under agreements with third parties due to inadequate stamping or non-registration of such agreements.”* on page 51.

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain key sector-specific laws, regulations and policies in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publicly available legislations, rules, regulations, guidelines and circulars notified by regulatory agencies, including the judicial, regulatory, and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to the investors and is neither designed nor intended to substitute for professional legal advice.

For details of regulatory approvals obtained by our Company, in compliance with applicable regulations, see “Government and Other Approvals” beginning on page 483.

Industry-specific regulations

The Reserve Bank of India Act, 1934 as amended (“RBI Act”)

The RBI is entrusted with the responsibility of regulating and supervising NBFCs by virtue of powers vested in Chapter IIIB of the RBI Act. The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may, with the previous approval of the Central Government, and by notification in the Official Gazette, specify.

A company would be categorised as an NBFC-MFI if it is a non-deposit taking NBFC which has a minimum of 60 per cent of its total assets (netted off by intangible assets) deployed towards microfinance loans on an ongoing basis. Further, an NBFC-MFI shall comply with the registration requirements specified under Chapter III of the NBFC Scale Based Regulation Directions.

Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared by such company. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 (“NBFC Scale Based Regulation Directions”)

The NBFC Scale Based Regulation Directions divide NBFCs into four layers based on their size, activity, and perceived risk. The lowest layer is the base layer (“NBFC-BL”), followed by the middle layer (“NBFC-ML”), upper layer (“NBFC-UL”) and top layer (“NBFC-TL”).

- **Base layer:** The base layer comprises (a) non-deposit taking NBFCs with assets worth up to ₹ 10,000 million and (b) NBFCs undertaking the following activities – (i) NBFC-Peer to Peer Lending Platform (“NBFC-P2P”), (ii) NBFC-Account Aggregator (“NBFC-AA”), (iii) Non Operative Financial Holding Company (“NOFHC”) and (iv) NBFC not availing public funds and not having any customer interface.
- **Middle layer:** The middle layer comprises (a) all deposit-taking NBFCs irrespective of asset size, (b) non-deposit-taking NBFCs with assets worth ₹ 10,000 million or more, and (c) NBFCs undertaking activities such as (i) Standalone Primary Dealer (“SPD”), (ii) Infrastructure Debt Fund-Non-Banking Financial Company (“IDF-NBFC”), (iii) Core Investment Company (“CIC”), (iv) housing finance company and (v) Non-Banking Financial Company Infrastructure Finance Company (“NBFC-IFC”).
- **Upper layer:** The Upper Layer shall comprise those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on the set of parameters and scoring methodology as provided in these regulations.
- **Top layer:** The NBFC Scale Based Regulation Directions require the top layer to ideally remain empty unless, in the opinion of the RBI, there is a substantial increase in the potential systemic risk from specific NBFCs in the upper layer. Such NBFCs will be moved from the upper layer to the top layer.

Under the NBFC Scale Based Regulation Directions, all regulations applicable to an NBFC-BL are also applicable to an NBFC-ML, unless specified otherwise. Further, since October 1, 2022, all references to NBFC-ND (i.e., non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and

NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be.

Our Company is classified as NBFC-ML.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institutions) Directions, 2025 (“NBFC MFI Directions”)

Pursuant to the NBFC MFI Directions, NBFC-MFIs must maintain at least 60 per cent of their total assets in microfinance loans on an ongoing basis and a capital adequacy ratio of minimum 15 per cent (with tier 2 capital not exceeding 100 per cent of tier 1 capital). Assets are classified as standard or non-performing (overdue beyond 90 days), with provisioning requirements of the higher of 1 per cent of outstanding portfolio or 50-100 per cent of overdue instalments based on ageing. NBFC-MFIs must join at least one RBI-recognised self-regulatory organisation and comply with applicable RBI Directions on Credit Facilities, Responsible Business Conduct, and Managing Risks in Outsourcing, whilst other NBFCs may extend microfinance loans up to 25 per cent of total assets. Loans extended as channelising agents for government schemes are treated as a separate business segment excluded from the 60 per cent qualifying asset calculation, with distinct accounting, reporting to credit information companies, and provisioning norms (except where no credit risk is borne).

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 (“NBFC Governance Directions”)

The NBFC Governance Directions primarily focus on strengthening governance, risk management, and transparency. The application of these directions differs among various levels of NBFCs. The broad compliance requirements are as follows:

Constitution of committees

Set out below are the committees required to be constituted by all NBFC-MLs:

- **Audit committee:** An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013, shall be the audit committee for the purposes of the NBFC Governance Directions as well, and its powers and functions shall be as provided under Section 177 of the Companies Act, 2013. The Audit Committee shall ensure that an information system audit of the internal systems and processes is conducted as per the periodicity prescribed in the NBFC Outsourcing Directions, to assess operational risks faced by an NBFC.
- **Nomination and remuneration committee:** NBFCs are required to constitute a nomination and remuneration committee to ensure ‘fit and proper’ status of proposed or existing directors, which shall have the same powers and functions as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act, 2013.
- **Risk management committee:** NBFCs are required to constitute a risk management committee for evaluating the overall risks faced by the NBFC including liquidity risk.

Certain additional corporate governance requirements applicable to all NBFC-MLs pursuant to the NBFC Governance Directions include:

- Key managerial personnel of such NBFCs are prohibited from holding office in any other NBFC-ML or NBFC-UL. However, such key managerial personnel can continue as a director on the board of directors of a subsidiary of such NBFC.
- Independent directors on board of directors of such NBFCs are prohibited from being appointed on the board of directors of more than three NBFCs (NBFC-ML or NBFC-ULs) at the same time.
- Such NBFCs are required to adopt a board approved compensation policy which is required to provide for, at minimum, (i) principles for fixed and variable pay structures and (ii) malus/claw back provisions.

In addition to the above mentioned, all NBFCs are required to have at least one director that has work experience in a bank or an NBFC.

Further, NBFCs from NBFC-ICC, NBFC-IFC, NBFC-MFI, NBFC-Factors and IDF-NBFC categories with an asset size of more than ₹ 50,000 million are required to appoint a chief risk officer. The chief risk officer shall be a senior official in the hierarchy of an NBFC and shall possess adequate professional qualification/experience in the area of risk management and shall be involved in the process of identification, measurement and mitigation of risks.

Fit and proper criteria: NBFCs are, *inter alia*, required to (a) maintain a policy approved by the board of directors for

ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the NBFC Governance Directions; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the NBFC Governance Directions; (c) obtain a deed of covenant signed by directors, in the format prescribed under the NBFC Governance Directions; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director/CEO of the NBFCs that fit and proper criteria in selection of the directors have been followed. The RBI reserves the right to examine the ‘fit and proper’ criteria of directors of any NBFC irrespective of the asset size of such NBFC.

Disclosure and transparency: NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following: (i) progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned NBFC; and (ii) conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

Further, NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Acquisition of Shareholding or Control) Directions, 2025 (“NBFC Acquisition Directions”)

Under the NBFC Acquisition Directions, NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26 per cent or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26 per cent is due to buy-back of shares or reduction in capital where it has approval of a competent court however, the same must be reported to the RBI within one month of the occurrence). Further, a public notice shall be given in at least one leading national and in one leading local (covering the place of registered office) vernacular newspaper, at least 30 days before effecting: (i) the transfer of the ownership of the company by sale of shares, or (ii) transfer of control of the company, with or without sale of shares.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025 (“NBFC Financial Services Directions”)

Under the NBFC Financial Services Directions, NBFCs require prior RBI approval for establishing subsidiaries, joint ventures, or overseas investments subject to conditions including investment only in regulated financial entities, aggregate overseas investment capped at 100 per cent of net owned funds with single entity limit of 15 per cent, post-investment CRAR compliance, net NPAs not exceeding 5 per cent, and three years’ profitability; NBFCs investing in AIFs must observe individual contribution limit of 10 per cent of scheme corpus (aggregate limit 20 per cent for all regulated entities) with 100 per cent provision required where contribution exceeds 5 per cent and the AIF has downstream investment in the NBFC’s debtor company; NBFCs may establish insurance joint ventures with maximum 50 per cent equity holding subject to minimum owned fund of ₹ 5,000 million, minimum CRAR of 15 per cent, maximum net NPAs of 5 per cent, and three years’ profitability, whilst insurance agency on fee basis requires no RBI approval subject to compliance with the IRDAI regulations and prohibition of restrictive practices; NBFCs distributing mutual funds shall comply with the relevant SEBI regulations, avoid restrictive practices, act solely as forwarding agents without guaranteed returns or secondary market trading, and maintain board-approved policies; non-deposit accepting NBFCs may act as money transfer service scheme sub-agents without RBI approval, and non-Base Layer NBFCs meeting CRAR and profitability requirements may provide National Pension System Point of Presence services after PFRDA registration with T+0 deposit of subscriptions.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 (“NBFC Credit Facilities Directions”)

Pursuant to the NBFC Credit Facilities Directions, NBFCs are subject to credit facility regulations covering: (a) digital lending through lending service providers (“LSP”) with enhanced due diligence, full NBFC responsibility for LSP actions, direct disbursement and repayment (no pass-through accounts), minimum one-day cooling-off period, data stored only in India with prior consent, and default loss guarantee cover limited to 5 per cent invoked within 120 days overdue; (b) gold and silver lending requiring credit assessment for loans above ₹ 0.25 million, no re-pledging, 12-month tenor limit for consumption bullet repayment, weight limits of 1 kg (gold ornaments) and 50 grammes (gold coins) per borrower, and LTV ratios of 85 per cent (up to ₹ 0.25 million), 80 per cent (₹ 0.25 – 0.50 million), and 75 per cent (above ₹ 0.50 million); (c) microfinance with monthly repayment limited to 50 per cent of monthly household income, repayment flexibility, and board-approved pricing policy; (d) project finance requiring financial closure and DCCO prior to disbursement, repayment tenor limited to 85 per cent of economic life, minimum exposure floor of 10 per cent (projects up to ₹ 15,000 million) or 5

per cent/₹ 1,500 million whichever is higher (projects exceeding ₹ 15,000 million), and land availability of 50 per cent (PPP infrastructure) or 75 per cent (other projects); (e) partial credit enhancement by Middle Layer and above NBFCs with exposure capped at 50 per cent of bond issue, only for bonds rated minimum BBB- by two external credit assessments (“ECAs”) drawn tranche repayable within 30 days (NPA if outstanding 90 days or more), and aggregate partial credit enhancement (“PCE”) not exceeding 20 per cent of tier 1 capital; and (f) other restrictions including ₹ 10 million ceiling per borrower for IPO financing, prohibition on lending against own shares, 50 per cent LTV for loans against share collateral (NBFCs with asset size ₹ 1,000 million and above), and demand or call loans with cut-off date not exceeding one year.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025 (“NBFC Credit Risk Management Directions”)

Notified NBFCs (NBFC-Factors, NBFC-D, and non-deposit taking NBFCs with asset size of ₹ 5,000 million or more) shall perform independent credit appraisal without reliance on borrower’s consultants, conduct sensitivity and scenario analysis (particularly for infrastructure projects), verify promoter equity quality and directors against defaulter lists, and ensure parent debt is not infused as subsidiary or SPV equity. For NBFC-ML and above, loans of ₹ 50 million or more to directors, relatives, and connected entities require board or committee sanction with disclosure and recusal safeguards, smaller exposures require Board reporting, and senior officers cannot sanction credit to their relatives. NBFCs are prohibited from lending against their own shares or debentures (except tax-exempt bonds), may participate in credit default swaps (“CDS”) only as users to hedge credit risk on corporate bonds held (no selling protection), must ensure non-individual borrowers with aggregate exposure of ₹ 50 million or more obtain legal entity identifier (“LEI”) codes (no new exposure, renewal, or enhancement without LEI, subject to government agency exemptions), obtain relationship declarations for certain large loans with recall provisions for false declarations, disclose aggregate amounts in annual financial statements, and file charges and security interests with CERSAI to reduce fraud and multiple-lending risks.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025 (“NBFC Investment Portfolio Directions”)

Pursuant to the NBFC Investment Portfolio Directions, NBFCs must have board-approved investment policies covering classification criteria (determined at acquisition per accounting standards), with inter-class transfers restricted to half-year start dates with board approval at lower of book/market value (depreciation provided, appreciation ignored, no set-off). Government securities transactions must be through permitted accounts following the guidelines framed by the RBI, whilst secondary market over the counter (“OTC”) corporate bond trades must be reported within 15 minutes on stock exchanges. Valuation norms for non-Ind AS NBFCs include quoted current investments at lower of cost/market (category-wise with depreciation recognised), unquoted equity at lower of cost/break-up value (₹1 valuation if balance sheet unavailable for two years), and unquoted government securities (“G-Secs”) / commercial paper at carrying cost. Income recognition distinguishes dividend (generally cash basis, accrual permitted once declared and right established) from interest on bonds/debentures/G-Secs (accrual basis subject to pre-determined rate and regular servicing), whilst AIF investments are prohibited where the scheme has downstream investments in the NBFC’s debtor company (excluding equity), requiring liquidation within 30 days or 100 per cent provisioning, with full capital deduction for subordinated units under priority distribution structures. NBFCs may use currency futures/options and interest rate futures primarily for hedging (with specified reporting), whilst NBFC-ML/UL have additional permissions for repo in corporate debt and participation in certain derivatives markets subject to capital adequacy treatment.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 (“NBFC Stressed Assets Directions”)

Pursuant to the NBFC Stressed Assets Directions, NBFCs must have board-approved policies for stressed-asset resolution and compromise settlements/technical write-offs (with Board approval mandatory for fraud/wilful defaulter cases). Early stress recognition requires special mention accounts (“SMA”) classification (SMA-0/1/2 for up to 30/60/90 days overdue) with mandatory central repository of information on large credits (“CRILC”) reporting for exposures ₹ 50 million or more, and accelerated provisioning for non-reporting or evergreening. For Part A NBFCs (asset size ₹ 5,000 million or more for non-deposit taking, all deposit-taking), resolution includes a 30-day Review Period, inter-creditor agreements for multi-lender exposures (75 per cent value/60 per cent number voting), independent credit evaluation for large cases (RP4-or-better threshold), and additional provisioning if no viable plan is implemented (20 per cent after 180 days from end of Review Period, rising to 35 per cent total after 365 days from commencement). Restructuring causes immediate NPA downgrade with upgrade permitted only after satisfactory performance and investment-grade rating for larger exposures, fraud/wilful defaulter borrowers are generally ineligible except in change-in-ownership or post-removal cases, compromise settlements are discretionary with settlements exceeding three months treated as restructuring, and technical write-offs require 12-month minimum cooling period before fresh exposures.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 (“NBFC Prudential Norms Directions”)

Pursuant to the NBFC Prudential Norms Directions, all NBFC-MLs are required to maintain capital to risk weighted asset ratio of minimum 15 per cent of the NBFC’s aggregate risk weighted assets. The tier 1 capital in respect of NBFC-MLs, at any point of time, shall not be less than 10 per cent. The tier 2 capital of the NBFC-ML, at any point of time, shall not exceed 100 per cent of tier 1 capital. The NBFC shall restrict the total exposure to an obligor including that covered by way of CDS within an internal exposure ceiling considered appropriate by the Board of the NBFC in such a way that it shall not breach the single/group borrower exposure limit prescribed by the Reserve Bank. The above capital adequacy requirements are not applicable to NBFC-MFIs.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements, Presentation, and Disclosures) Directions, 2025 (“NBFC Financial Statements, Presentation, and Disclosures Directions”)

In accordance with the NBFC Financial Statements, Presentation, and Disclosures Directions, an NBFC shall hold impairment allowances as required by Ind AS. In parallel, the NBFC shall also maintain the asset classification and compute provisions as per extant prudential norms on income recognition, asset classification and provisioning (“IRACP”) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 shall be disclosed by the NBFC in the notes to its financial statements to provide a benchmark to its board, supervisors of the Reserve Bank and other stakeholders, on the adequacy of provisioning for credit losses.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 (“NBFC ALM Directions”)

Asset-liability management committee

NBFCs are required to constitute an asset liability management committee which will be responsible for ensuring adherence to the risk tolerance 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, as prescribed under the NBFC –ALM Directions.

Liquidity risk management framework

NBFCs with an asset size of ₹ 1,000 million and above are required to adhere to the liquidity risk management framework prescribed under the NBFC ALM Directions which, *inter alia*, require the board of directors of the NBFCs to formulate a liquidity risk management framework, which ensures the maintenance of adequate liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The board shall approve the internally defined limits for certain critical ratios used for liquidity risk management. The board shall approve the prudential limits on individual gaps for the prescribed maturity buckets for managing liquidity and interest rate risks. An NBFC shall establish an asset liability management system that offers a comprehensive and dynamic framework for measuring, monitoring, and managing liquidity, interest rate, equity, and foreign exchange risks.

Liquidity coverage ratio

The requirement of liquidity coverage ratio (“LCR”) shall not extend to non-deposit taking NBFCs with an asset size below ₹ 50,000 million under the NBFC ALM Directions. As per these directions, NBFCs are required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high-quality liquid asset to survive any significantly severe liquidity stress scenario lasting for 30 days. An NBFC shall maintain an LCR of minimum 100 per cent on an ongoing basis. Provided that an NBFC shall have the option to use its stock of High-Quality Liquid Assets during a period of financial stress, thereby allowing LCR to fall below 100 per cent. Provided further that an NBFC shall immediately report to the RBI such use of stock of High-Quality Liquid Assets during a period of financial stress along with reasons for such usage and corrective steps initiated to rectify the situation.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification, and Provisioning) Directions, 2025 (“NBFC Asset Classification Directions”)

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

Asset classification

a “standard asset” means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

a “sub-standard asset” means (a) an asset which has been classified as non-performing asset for a period not exceeding 12 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the NBFC Asset Classification Directions.

a “doubtful asset” means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 12 months.

a “loss asset” means (a) an asset which has been identified as loss asset by an NBFC or its internal or external auditor or by the RBI during the inspection of the NBFC, to the extent it is not written off by the NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

Standard asset provisioning

NBFC-MLs are required to make provisions for standard assets of 0.40 per cent of the outstanding, which shall not be reckoned for arriving at the NPA. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as ‘contingent provisions against standard assets’ in the balance sheet of the NBFCs.

Financial statements and accounting standards

NBFCs are required to prepare their financials in compliance with the applicable directions of the RBI and Accounting Standards and guidance notes issued by the ICAI insofar as they are not inconsistent with any of the provisions of the directions issued by the RBI. NBFCs that are required to implement Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in Annex II of the NBFC Scale Based Regulation Directions. Disclosure requirements for notes to accounts specified in the NBFC Scale Based Regulation Directions shall continue to apply.

Classification as special mention account and 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 by the borrower.

Upgradation of accounts classified as NPAs

Loan accounts classified as NPAs may be upgraded as ‘standard’ asset only if entire arrears of interest and principal are paid by the borrower. With regard to upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations, etc., the instructions as specified for such cases shall continue to be applicable.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 (“NBFC Business Conduct Directions”)

Pursuant to the NBFC Business Conduct Directions, all NBFCs having customer interface are required to adopt a fair practices code in line with the NBFC Business Conduct Directions which stipulate that such fair practices code should cover, *inter alia*, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The NBFC Business Conduct Directions also prescribe general conditions to be observed by NBFCs in respect of loans and requires the board of directors of NBFCs to lay down a grievance redressal mechanism. Such fair practices code should preferably be in a vernacular language or language understood by borrowers of the NBFCs.

Regulation of excessive interest charged by NBFCs

The board of directors of each NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account. Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. The board of directors of NBFCs is required to set out appropriate internal principles and procedures in determining interest rates and processing and other charges. In this regard, the guidelines indicated in the fair practices code about transparency in respect of terms and conditions of the loans are to be kept in view.

Penal charges in loan accounts

Penalties for non-compliance with material terms and conditions of a loan contract by a borrower shall be treated as 'penal charges' and shall not be levied as a 'penal interest' that is added to the rate of interest charged on advances. No further interest shall be computed on such penal charges. The NBFC Business Conduct Directions prohibit regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable without being discriminatory within a particular loan or product category. In addition to being displayed on the NBFCs' website, the reasons for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and the key fact statement.

Responsibilities of direct sales agents ("DSA")/direct marketing agents ("DMA")/recovery agents of the NBFC

In light of the alleged deviations and violations by agents employed by regulated entities and reiterating that the responsibility for outsourcing activities vests ultimately with regulated entities, the RBI has directed regulated entities, including NBFCs, to strictly ensure that they or their agents do not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/or anonymous calls, persistently calling the borrower and/or calling the borrower before 8:00 a.m. and after 7:00 p.m., for recovery of overdue loans, making false and misleading representations, etc.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025 ("NBFC Concentration Risk Management Directions")

Pursuant to the NBFC Concentration Risk Management Directions, an NBFC-ML shall put in place comprehensive board-approved policy on concentration risk management, which shall *inter alia* include – internal limits for sensitive sector exposure separately for capital market and commercial real estate exposures; fixing of various sub-limits, at the discretion of the board, within the overall sensitive sector exposure internal limits subject to conditions. An NBFC (except NBFC-IFC) shall not have exposure (credit/investment taken together) exceeding (i) 25 per cent of its tier 1 capital to a single party; and (ii) 40 per cent of its tier 1 capital to a single group of parties. Provided that an NBFC may exceed the exposure norm specified above, by 5 per cent for any single party and by 10 per cent for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025 ("NBFC Declaration of Dividends Directions")

The NBFC Declaration of Dividends Directions intend to infuse greater transparency and uniformity in practice of distribution of dividends by setting eligibility criteria and disclosure requirements for NBFCs for distribution of dividends. According to the NBFC Declaration of Dividends Directions, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) prescribed levels of capital adequacy; (ii) prescribed levels of Net NPA; and (iii) compliance with provisions of Section 45IC of the RBI Act. The NBFC Declaration of Dividends Directions also prescribe to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors, such as, (i) supervisory findings of the RBI on divergence in classification and provisioning of NPAs, (ii) qualifications in the auditor's report to the financial statements and (iii) long term growth plans of the NBFC. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the NBFC Declaration of Dividends Directions.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025 ("NBFC Outsourcing Directions")

The NBFC Outsourcing Directions provide guidelines for outsourcing of financial services and information technology services by financial institutions by NBFCs. The aim of the NBFC Outsourcing Directions is to ensure that outsourcing

arrangements do not diminish the NBFC's obligations, and those of its board and senior management, who have the ultimate responsibility for the outsourced activity. An NBFC intending to outsource any of its financial or IT activities shall put in place a corresponding comprehensive Board approved outsourcing policy, the coverage of which should be as indicated in the NBFC Outsourcing Directions. The board/committee to which powers have been delegated, as applicable for financial or IT outsourcing, shall be responsible for putting in place a framework to evaluate the risks and materiality of all existing and prospective outsourcing arrangements, laying down appropriate approval authorities depending on risks and materiality, and undertaking regular review. An NBFC which chooses to outsource financial services shall however not outsource core management functions including Internal Audit, strategic and compliance functions, and decision-making functions such as determining compliance with KYC norms for opening deposit accounts, giving sanction for loans (including retail loans) and management of investment portfolio. As per the directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity itself, had the same activity not been outsourced. The regulated entities need to ask their service providers to develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan.

A regulated entity can also outsource functions within its business group/conglomerate, subject to conditions specified in the directions. The NBFC Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. In these eventualities, the NBFC shall be liable to its customers for any damage.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026 (“NBFC Internal Ombudsman Directions”)

The NBFC Internal Ombudsman Directions, *inter alia*, apply to NBFCs (excluding Housing Finance Company, Core Investment Company, Infrastructure Debt Fund-Non-Banking Financial Company, Non-Banking Financial Company – Infrastructure Finance Company, Non-Operative Financial Holding Company, Primary dealers, Mortgage Guarantee Company) where the deposit-taking NBFCs with 10 or more branches and non-deposit taking NBFCs with asset size of ₹ 50,000 million and above and having public customer interface. The NBFC Internal Ombudsman Directions aim to strengthen the internal grievance redressal mechanism within an NBFC and ensure a speedy and meaningful resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the NBFC by standardizing procedures such as complaint escalation to the Internal Ombudsman, appointment qualifications, and the complaint resolution process. Regulated entities are required to establish a mechanism for periodic reporting to the Consumer Education and Protection Department, Central Office, RBI, following the formats outlined in the NBFC Internal Ombudsman Directions.

The NBFC Internal Ombudsman Directions require regulated entities to appoint at least one Internal Ombudsman, and may further appoint one or more deputy Internal Ombudsman, depending on the volume of complaints received by them. The Internal Ombudsman Directions specify the prerequisites for appointment of the ombudsman, the role and responsibilities of the ombudsman and the procedure for complaint redressal by the ombudsman.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 (“NBFC KYC Directions”)

Pursuant to the NBFC KYC Directions, the RBI has mandated regulated entities to adhere to specific customer identification procedures, including the video-based customer identification process (“V-CIP”).

As per the NBFC KYC Directions, the board of every NBFC shall have a KYC policy which shall include the following four elements: (i) customer acceptance policy; (ii) risk management; (iii) customer identification procedures (“CIP”); and (iv) monitoring of transactions. The KYC policy shall, *inter alia*, incorporate provisions for the following: (i) periodic updation of KYC; (ii) any exceptional measures for KYC updation, such as requiring a recent photograph, physical presence, or a more frequent updation schedule than the minimum prescribed, (iii) obtaining a copy of officially valid document or deemed officially valid document, for the purpose of proof of change of address during KYC updation, (iv) providing facility of updation/periodic updation of KYC at any branch; and (v) change of registered mobile number for accounts opened in non-face-to-face mode.

In terms of the NBFC KYC Directions, every entity regulated thereunder shall duly adopt a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the NBFC KYC Directions is required to include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. All NBFCs are required to ensure compliance with the KYC policy through specification of who constitutes ‘senior management’ for the purpose of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation

of the compliance of KYC and anti-money laundering policies and procedures; concurrent/internal audit system to verify the compliance with KYC and anti-money laundering policies and procedures; and submission of quarterly audit and compliance to the audit committee. The NBFC KYC Directions further require that such programmes shall include adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off. Regulated entities shall apply a risk-based approach for mitigation and management of the risks and shall have board approved policies, controls and procedures in this regard. Further, regulated entities shall implement a customer due diligence programme, having regard to identified risks and size of business, and regulated entities should monitor implementation of controls and enhance them if necessary.

The NBFC KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by NBFCs, amongst others. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards and ensure compliance with requirements/obligations as per applicable provisions of the Unlawful Activities (Prevention) Act (“UAPA”), 1967. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies.

The NBFC KYC Directions were further amended to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002, and the rules made thereunder; accommodate authentication as per the Aadhar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016; and use of an Indian resident’s Aadhar number as a document for the purposes of fulfilling KYC requirement.

The NBFC KYC Directions were further updated with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video-based customer identification process as a consent based alternate method of establishing the customer’s identity, for customer onboarding. In the accounts opening procedure by NBFCs, in case a person who desires to open an account is not able to produce documents, NBFCs may at their discretion open accounts subject to certain conditions, including monitoring of the account. For opening accounts of a trust, regulated entities are required to ensure that the trustees disclose their status at the time of commencement of an account-based relationship or when carrying out transactions as specified in the NBFC KYC Directions.

Master Directions – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 dated February 27, 2024 (“RBI Directions on Filing Returns”)

The RBI Directions on filing returns outlines the requirements and procedures for the filing of supervisory returns by regulated entities. It establishes timelines, formats, and guidelines for submission, ensuring compliance with regulatory standards. The Direction aims to enhance transparency and facilitate effective supervision by the Reserve Bank. For mid-layer NBFCs, the timeline for filing supervisory returns as per the Master Directions issued by the Reserve Bank of India typically includes timelines for submission of returns, in general, will depend on the frequency at which the return is to be submitted. The RBI Directions on Filing Returns prescribes timelines for submission of returns, such timeline will depend on the frequency at which the return is to be submitted.

Master Directions – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016 (“NBFC Auditor’s Report Directions”)

The NBFC 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 the following matters: (i) whether the board has passed a resolution for non-acceptance of any public deposits; (ii) whether the NBFC has accepted any public deposits during the relevant period/year; (iii) whether the NBFC has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC-ND-SI Directions; (iv) in case of NBFC-ND-SI:

- 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;
- 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
- whether the non-banking financial company has been correctly classified as NBFC-MFI as defined in the NBFC-ND-SI Directions.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026 (“RBI Cybersecurity Directions”)

The RBI Cybersecurity Directions were issued on July 31, 2026, pursuant to the Reserve Bank of India's consolidation of supervisory instructions, and with effect from that date, repealed and replaced the erstwhile Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, 2023. Pursuant to the RBI Cybersecurity Directions, NBFCs are required to put in place a robust IT governance framework that specifies the governance structure and processes necessary to meet the NBFC's business and strategic objectives, specifies the roles and responsibilities of the board and senior management, and includes adequate oversight mechanisms to ensure accountability and mitigation of IT and cyber/information security risks. A board-level IT strategy committee is required to be established for this purpose. The risk management policy of the NBFC is required to include IT-related risks, including cybersecurity-related risks, which the risk management committee of the board, in consultation with the IT strategy committee, is required to periodically review and update at least on an annual basis. NBFCs are further required to establish a robust IT and information security risk management framework covering, inter alia, implementation of comprehensive information security management functions, internal controls, and processes to mitigate identified risks. NBFCs are also required to put in place a cyber crisis management plan, forming part of the overall board-approved strategy, addressing the four aspects of the crisis resilience lifecycle, namely detection, response, recovery, and containment, and to take necessary preventive and corrective measures in addressing various types of cyber threats, including but not limited to denial of service, distributed denial of service, ransomware, destructive malware, business email frauds including spam, email phishing, spear phishing, whaling, vishing frauds, drive-by downloads, and identity frauds. The audit committee of the board is responsible for exercising oversight of the information systems audit of an NBFC, and NBFCs are required to put in place an information systems audit policy clearly describing its mandate, purpose, authority, audit universe, and periodicity of audit, which the audit committee is required to approve and review at least annually.

RBI circular on Streamlining of Internal Compliance Monitoring Function – Leveraging Use of Technology dated January 31, 2024

An assessment of internal compliance monitoring systems in select supervised entities (“SEs”) was recently conducted by the RBI. It was observed that SEs have adopted varying levels of automation, from macro-enabled spreadsheets to workflow-based software solutions. The review highlighted that compliance monitoring automation remains a work in progress, with significant manual intervention still present. The implementation of comprehensive, integrated, enterprise-wide workflow-based solutions is thus deemed necessary to enhance effectiveness. Such solutions should facilitate effective communication among stakeholders, manage compliance requirements, escalate non-compliance issues, and provide a unified dashboard view.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies - Securitisation Transactions) Directions, 2025 (“NBFC Securitisation Directions”)

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. While complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures. The NBFC Securitisation Directions enumerates the assets which are eligible for securitisation and provided for skin-in-the-game requirements by way of specifying minimum retention requirement(s) (“MRR”) for any lender who transfers from its balance sheet a single asset or a pool of assets to a special purpose entity (“SPE”) as a part of a securitisation transaction and would include other entities of the consolidated group to which the lender belongs.

RBI circular on Co-Lending by Banks and NBFCs to Priority Sector dated November 5, 2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserved sections of the economy. By entering co-lending arrangements, banks and NBFCs can combine the relative advantages of the two to provide financial services. Banks are permitted to co-lend with registered NBFCs, not forming part of their promoter group, (including housing finance companies) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20 per cent share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account maintained with the bank. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs.

The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, put in place a suitable arrangement for grievance redressal, arrange for the creation of security and charge and include loans under the co-lending mechanism in the scope of their internal/statutory audit to ensure compliance with their respective internal guidelines.

Reporting

In addition to the financial reporting requirements, such as submissions of copies of balance sheet and accounts together with the directors' report to the NHB, as prescribed under the RBI HFC Directions, reporting requirements in relation to monitoring of frauds shall be governed in terms of the NBFC Fraud Risk Management Directions. Further, in terms of the RBI HFC Directions, housing finance companies are also required to comply with the RBI Cybersecurity Directions.

Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) Directions, 2024 ("NBFC – Fraud Risk Management Directions")

Pursuant to the NBFC – Fraud Risk Management, the RBI has prescribed that the upper layer, middle layer, and base layer NBFCs with asset size of ₹ 5,000 million and above are required to maintain board-approved fraud risk management policies covering issuance of Show Cause Notices ('SCNs') to persons or entities against whom fraud is being examined with a minimum 21-day response period and service of reasoned orders prior to fraud classification. NBFCs must constitute a Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds ("SCBMF") comprising a minimum of three board members including the Chief Executive Officer and two independent directors, headed by an independent director. Upper Layer and Middle Layer NBFCs must maintain an Early Warning Signals ("EWS") framework under the fraud risk management policy, overseen by a board-level committee, to identify indicators for monitoring credit facilities and financial transactions. Where fraudulent activity is suspected, NBFCs shall conduct external or internal audits, and where audit reports are inconclusive or delayed due to borrower non-cooperation, NBFCs shall conclude on fraud classification based on available records. Persons and entities classified as fraud are debarred from raising funds or seeking credit facilities from RBI-regulated entities for five years from full repayment or compromise settlement, after which lending remains at the sole discretion of the NBFC. NBFCs shall submit Fraud Monitoring Returns ("FMRs") within 14 days of fraud classification, irrespective of the amount involved. Title deeds and related documents for credit facilities of ₹ 10 million and above are subject to periodic legal audit and re-verification until full repayment. NBFCs must complete fraud investigations before transferring loan accounts to other lenders or Asset Reconstruction Companies ("ARCs"), with fraud cases reported to RBI prior to any such sale. Instances of theft, burglary, dacoity, and robbery must be reported to RBI within seven days of occurrence, with a quarterly return submitted within 15 days from the end of each quarter.

Guidelines on Risk-based Internal Audit System for Select NBFCs and Urban Co-operative Banks dated February 3, 2021 ("RBIA Guidelines")

The RBIA Guidelines, *inter alia*, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the NBFCs. Under the RBIA Guidelines, the board of directors of the NBFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. It is also mandated that the policy be reviewed periodically, and that the internal audit function is not outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of NBFCs should be conducted at least on an annual basis.

Master Directions – Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025 ("NBFC Transfer and Distribution of Credit Risk Directions")

With the intent to create a robust secondary market for loan exposures, the RBI has introduced the NBFC Transfer and Distribution of Credit Risk Directions dated November 28, 2025. The NBFC Transfer and Distribution of Credit Risk Directions is explicit in its prohibition on transfer and acquisition of loans except those permitted under the Master Directions. Pursuant to the directions, the Board must approve a policy for transfer and acquisition of loans which lays down, among others, the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for capture, storage and management of data, risk management, periodic board level oversight, etc. Further, the policy must also ensure independence of functioning and reporting responsibilities of the units and personnel involved in transfer/acquisition of loans from that of personnel involved in originating the loans. The loan transfers shall not impact the terms and conditions of the original loan contract. A transferor cannot re-acquire a loan exposure, except as part of a resolution plan under the NBFC Stressed Assets Directions or the Insolvency and Bankruptcy Code, 2016.

Transfer of Stressed Loans

Stressed Loans mean loan exposures which are classified as NPA or as special mention accounts. Such loans can only be

transferred through novation or assignment. Well documented policy on transfer of stressed loans is required under the Master Directions which follow the top-down management approach in identification of the stressed loans to be transferred and require the board/board committee to conduct periodic review of loans classified as NPA. This policy must also cover the following aspects:

- Norms and procedure for transfer or acquisition of such loans;
- Valuation methodology to be followed to ensure that the realizable value of stressed loans, including the realizability of the underlying security interest, if available, is reasonably estimated;
- Delegation of powers to various functionaries for taking decision on the transfer or acquisition of the loans;
- Stated objectives for acquiring stressed assets; and
- Risk premium to be applied.

The board of directors of NBFCs transferring their loans must also put in place a policy for valuation of loan exposures proposed to be transferred. The policy must also delineate the grounds for valuation of stressed loans. In case, the loan exposure to be transferred, jointly or severally, is ₹ 1,000 million or more, the NBFCs would require two external valuation reports. Another internal policy mandated to formalise the transfer of stressed loans concerns adoption of Swiss Challenge Method to finalise the auction of the stressed loans. The policy should specify the conditions under which lender(s) may opt for the Swiss Challenge method, and the minimum mark-up over the base-bid required for the challenger bid to be considered by the lender(s), which in any case, shall not be less than 5 per cent and shall not be more than 15 per cent. It is crucial to note is the limitation placed on the types of entities which can acquire stressed loans. The RBI permits NBFCs to acquire stressed loans. Further, the NBFCs can acquire the stressed loans only on cash basis. Such NBFCs must hold the loans for a period of six months in their books and are generally prohibited to acquire those loans which have been transferred as stressed loans in the previous six months. In case an NBFC has an existing exposure to the borrower whose stressed loan account is acquired, the asset classification of the acquired exposure shall be the same as the existing asset classification of the borrower with the transferee. Otherwise, the acquired exposure would be treated as standard by the NBFC.

Transfer of loans not in default

A non-payment of whole or any part or instalment of the debt upon being due and payable is considered as default on the part of the borrower. These loans can be transferred to permitted transferees including NBFCs through novation, assignment, or loan participation contracts. The transfer shall be only on cash basis, and the consideration shall be received not later than at the time of transfer of loans. The transfer consideration should be arrived at in a transparent manner on an arm's length basis. The NBFCs can transfer loans only after a minimum holding period, as counted from the date of registration of security interest, i.e., (a) three months in case of loans with tenor of up to two years; (b) six months in case of loans with tenor of more than two years.

Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies dated February 23, 2022

Pursuant to this circular, an NBFC-ML with 10 or more 'fixed point service delivery units' is mandated to adopt 'Core Financial Services Solution' ("CFSS"), akin to the Core Banking Solution adopted by banks on or before September 30, 2025. The CFSS shall provide for (i) seamless customer interface in digital offerings and transactions relating to products and services with anywhere/anytime facility, (ii) enable integration of NBFCs' functions, (iii) provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting. It also requires the relevant NBFCs to furnish a quarterly progress report on implementation of the Core Financial Services Solution, along with various milestones as approved by the board of directors/committee of the board of directors, to the Senior Supervisory Manager Office of the RBI starting from quarter ending March 31, 2023.

Statement on Development and Regulatory Policies dated August 6, 2020, as amended on June 7, 2024 ("Statement on Development and Regulatory Policies")

The Statement on Development and Regulatory Policies facilitated the revival of real sector activities and mitigate the impact on the ultimate borrowers, provided a window under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 ("Prudential Framework") to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. Moreover, in order to ameliorate the stress being faced by smaller NBFCs and microfinance institution in obtaining access to liquidity, the RBI decided to provide an additional special liquidity facility ("ASLF") of ₹ 50,000 million to NABARD for a period of one year at the RBI's policy repo rate for refinancing NBFC-MFIs and other smaller NBFCs of asset size of ₹ 5,000 million and less to support agriculture and allied activities and the rural non-farm sector.

The Statement on Development and Regulatory Policies dated June 7, 2024, proposed the establishment of a Digital Payments Intelligence Platform aimed at mitigating the risk of payment fraud. Additionally, a new mechanism for delegated payments is under consideration, which would permit payments made by another individual on behalf of the primary user's bank account. Furthermore, the limit for tax payments via UPI transactions has been increased from ₹ 0.1 million to ₹ 0.5 million.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding Regional Rural Banks), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI had issued the guidelines which are applicable to all commercial banks (excluding Regional Rural Banks (“RRBs”), Primary (Urban) Co-operative Banks (“UCBs”), and Non-Banking Finance Companies (“NBFCs”) (including Housing Finance Companies but excluding non-deposit taking NBFCs with asset size below ₹ 10,000 million). Pursuant to these RBI guidelines, there are certain eligibility criteria and procedures to be adhered to by the aforementioned entities for appointment/reappointment of statutory central auditors/statutory auditors. Further, NBFCs do not have to take prior approval of RBI for appointment of statutory central auditors/statutory auditors, but all NBFCs need to inform the RBI about the appointment or removal of statutory central auditors/statutory auditors for each year, within one month of such appointment and/or decision taken in relation of removal, as the case may be.

Prevention of Money Laundering Act, 2002, as amended (“PMLA”)

PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA *inter alia* casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation of records and reporting of transactions.

IRDAI (Registration of Corporate Agents) Regulations, 2015

Corporate agents are granted a certificate of registration by the IRDAI in accordance with the IRDAI (Registration of Corporate Agents) Regulations, 2015 for solicitation and servicing of insurance business for any of the specified category of life, general and health. A corporate agency registration is valid for a period of three years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration is subject to the applicant meeting the eligibility criteria prescribed in the IRDAI Registration of Corporate Agents Regulations. The criteria includes matters such as: (a) whether the applicant has the necessary infrastructure and trained personnel/manpower for effectively undertaking the activities as a corporate agent; (b) whether the principal officer, directors and other employees of the applicant have violated the code of conduct set out under the IRDAI Registration of Corporate Agents Regulations in the last three years; (c) whether any person, directly or indirectly connected with the applicant, has been refused in the past the grant of a licence/registration by the IRDAI; and (d) whether the applicant, in case the principal business of the applicant is other than insurance, maintain an arm's-length relationship in financial matters between its activities as Corporate Agent and other activities. The IRDAI notified the Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2022 on December 5, 2022. As per these regulations, depending on the type of registration (i.e. General, Life, Health or Composite) a corporate agent is permitted to act as a corporate agent for a maximum of nine life, nine general and/or nine health insurers and is required to adopt a board approved open architecture policy on the same. The corporate agents are required to adhere to a code of conduct on soliciting and servicing of insurance policies as prescribed by the regulations.

Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025 (“NBFC Credit Information Reporting Directions”)

The NBFC Credit Information Reporting Directions provide a consolidated framework standardizing reporting and dissemination of credit information by credit institutions and credit information companies. It mandates membership of regulated credit institutions with RBI-registered credit information companies, prescribes standardized formats for consumer, commercial and microfinance segments, and sets defined timelines for periodic updates, corrections and dispute resolution. The Directions strengthen data quality through a Data Quality Index, require borrower-centric grievance redressal (including compensation for delayed corrections). A credit institution shall keep the credit information collected/maintained by it, updated regularly on a fortnightly basis (i.e., as on 15th and last day of the respective month) or at shorter intervals as mutually agreed upon between the credit institution and credit information company. The fortnightly submission of credit information by a credit institution to credit information company shall be ensured within seven calendar days of the relevant reporting fortnight. Credit information companies shall provide a list of Credit Institutions which are not adhering to the fortnightly data submission timelines to RBI, Central Office at half yearly intervals for information and monitoring purposes.

Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards (“Financial Frauds Safeguards”)

RBI notified the Financial Frauds Safeguards on January 17, 2025, which aims to mitigate the risks involved in unsolicited commercial communications, especially in the financial sector, amid the surge in digital frauds and the proliferation of scams through customers’ personal mobile numbers. Key elements include stronger customer authentication and transaction risk controls, secure and traceable communication (e.g., regulated SMS headers/content templates), rapid response mechanisms for reporting and blocking suspect transactions, enhanced coordination among banks, payment system operators and telecom stakeholders, and consumer awareness obligations. Regulated entities are expected to implement governance, monitoring and reporting arrangements commensurate with their risk profile and ensure timely incident reporting to the regulator. Based on the materials available, a single consolidated master direction is not cited; these safeguards are implemented through RBI circulars/advisories applicable to regulated entities and payment system participants.

Processing of Regulatory Authorisations/ Licenses/ Approvals/ through PRAVAAH

PRAVAAH is the RBI’s online portal launched on April 11, 2025, for end-to-end filing and tracking of applications seeking authorizations, licenses and regulatory approvals. It provides standardized application forms, document checklists, status-tracking and communication modules, with time-bound processing by the relevant RBI departments. Regulated entities must submit applicable proposals through PRAVAAH where mandated and respond to clarifications / deficiencies online. The portal enhances transparency and efficiency in regulatory processing but does not alter the underlying eligibility criteria or prudential conditions for approvals.

The National Housing Bank Act, 1987

The National Housing Bank Act, 1987, as amended (the “NHB Act”) was enacted to establish the NHB to operate as a principal agency to promote housing finance companies both at the local and regional levels and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. In terms of the NHB Act, the primary objectives of the NHB, among others, include: (i) promotion, establishment, supporting or aiding the promotion and establishment of housing finance institutions; (ii) making of loans and advances or rendering any other form of financial assistance for housing activities to housing finance institutions, scheduled banks, State cooperative agricultural and rural development banks or any other institution or class of institutions as may be notified by the central government; (iii) drawing, accepting, discounting or rediscounting, buying or selling and dealing in bills of exchange, promissory notes, bonds, debentures, *hundies*, coupons and other instruments by whatever named called; and (iv) formulating one or more schemes for the mobilisation of resources and extension of credit for housing. In line with these objectives and in terms of the NHB Act, the NHB had issued the RBI HFC Directions, which amongst others, set out matters relating to acceptance of deposits by housing finance companies, prudential norms for income recognition, accounting standards, provision for bad and doubtful assets, capital adequacy, and concentration of credit or investments to be observed by the housing finance companies and matters ancillary and incidental thereto.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act was amended to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) prospective housing finance companies are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power to (a) determine the percentage of assets to be maintained in terms of its investments and purpose for appropriation of reserve fund; and (b) regulate, by specifying conditions or prohibit the issue by any housing finance company of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the housing finance companies.

In terms of the NHB Act, the NHB has the power to direct housing finance companies to furnish to the NHB and the RBI such statements, information or particulars as may be specified by the NHB. The NHB may, or on being directed to do so by the RBI shall, cause an inspection to be made of any housing finance company for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the housing finance company has failed to furnish on being called upon to do so.

Further, under the NBFC Scale Based Regulation Directions, Sections 45-IA, 45-IB and 45-IC of the RBI Act, 1934 which deals with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund, respectively, are not applicable to housing finance company. Further, the NBFC Scale Based Regulation Directions requires housing finance companies to maintain a minimum net owned fund requirement of ₹ 200 million, with stipulated timelines for housing finance company to comply if the minimum net owned fund is below

the mandatory requirement.

On November 28, 2025, the RBI consolidated various directions and issued the Reserve Bank of India (Housing Finance Companies) Directions, 2025 (“**RBI HFC Directions**”) in supersession of the Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, thereby constituting a unified and consolidated regulatory framework applicable to all housing finance companies registered under the NHB Act.

Accordingly, activities of housing finance companies, are primarily regulated by the RBI under the RBI HFC Directions and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

Industrial and Labour Laws

The various industrial and labour legislations that may apply to our operations, from the perspective of protecting workers’ rights and specifying registration, reporting, and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following:

The Code on Wages, 2019

The Code on Wages, 2019, subsumes four legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It provides for the minimum wages to be notified for all employees in all industries, based on the categories of employees and/or geographical locations and other conditions of service, and further mandates fixation of wage period and timely wage payment. It also requires that pay parity should be ensured for all genders and provides for payment of annual bonus. On May 8, 2026, the Ministry of Labour and Employment notified the Code on Wages (Central) Rules, 2026, thereby operationalising the Code on Wages, 2019.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020, subsumes three legislations, *inter alia*, the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947. The objective of the Industrial Relations Code, 2020, is to promote industrial harmony whilst balancing worker protection with business flexibility. The key provisions include: (i) specific recognition of fixed-term employment with equal benefits including parity in wages, working hours, and allowances with permanent workers; (ii) conditions for lay-offs, retrenchment and closure; (iii) constitution of a grievance redressal committee with equal employer and employee representatives; (iv) provision of notice to workers prior to change in certain conditions of service; (v) prohibition of identified unfair labour practices; and (vi) dispute resolution through conciliation, labour courts and industrial tribunals. On May 8, 2026, the Ministry of Labour and Employment notified the Industrial Relations (Central) Rules, 2026, thereby operationalising the Industrial Relations Code, 2020.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 subsumes 13 legislations such as the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, and Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, among others. The Occupational Safety Code prescribes the working hours and rest intervals, lays down special provisions on employment of women in night shifts, and prescribes health and safety obligations and provision of welfare facilities. The Occupational Safety, Health and Working Conditions Code, 2020 also regulates the employment of contract labour including inter-state migrant workers in certain establishments including with respect to prohibition of engagement of contract labour in core activities, and provisions for welfare and health of contract labour. On May 8, 2026, the Ministry of Labour and Employment notified the Occupational Safety, Health and Working Conditions (Central) Rules, 2026, thereby operationalising the Occupational Safety, Health and Working Conditions Code, 2020.

The Code on Social Security, 2020

The Code on Social Security, 2020 subsumes nine social security related legislations, *inter alia* the Employee’s Compensation Act, 1923, Employees’ State Insurance Act, 1948, Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, and Payment of Gratuity Act, 1972. The Code on Social Security, 2020 provides for social security provisions including on provident fund, pension, and employees’ deposit-linked insurance, employees’ state insurance coverage and benefits including sickness benefit, disablement benefit, etc, compensation to be

paid to employees for workplace injuries/occupational diseases, maternity benefits, gratuity payments including to fixed-term employees, and prescription of social security benefits including for building and other construction workers, unorganised workers, gig workers and platform workers. On May 8, 2026, the Ministry of Labour and Employment notified the Social Security (Central) Rules, 2026, thereby operationalising the Code on Social Security, 2020.

Notwithstanding the introduction of the new labour codes, anything done, or any action taken under the enactments subsumed by the new labour codes shall be in force to the extent they are not contrary to the provisions of the abovementioned labour codes.

Additionally, our Company is required to comply with various state-specific shops and commercial establishment legislations, the Apprenticeship Act, 1961, Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, Rights of Persons with Disabilities Act, 2016, and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Intellectual Property Laws

The Trademarks Act, 1999, as amended (“Trademarks Act”) and the Trademarks Rules, 2017

The Trademarks Act provides statutory protection for trademarks in India and prevents fraudulent use. It allows registration for goods and services based on actual use or intent to use. A registered trademark is valid for 10 years and can be renewed; if not renewed, it lapses and must be restored. The Trademarks Act prohibits deceptively similar trademarks and prescribes penalties for infringement. The Trademark (Amendment) Act, 2010 enables simultaneous protection in India and other countries. The Trademarks Rules, 2017 further regulates assignment, transmission, statement of use, well-known trademarks, and opposition proceedings.

Data Protection Regulations

The Information Technology Act, 2000, as amended (the “IT Act”)

The IT Act aims to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents including sensitive personal data such as medical records and history. The IT Act creates a constructive mechanism for the authentication of electronic documentation through digital signatures. The IT Act makes electronic commerce seamless by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect such sensitive personal data.

The Digital Personal Data Protection Act, 2023 as amended (“Data Protection Act”) and Digital Personal Data Protection Rules, 2025 as amended (“DPDP Rules”)

The Data Protection Act received the assent of the President of India on August 11, 2023. The Data Protection Act provides for collection and processing of digital personal data by persons, including companies. According to the Data Protection Act, companies collecting and dealing in high volumes of personal data will be defined as significant data fiduciaries. These significant data fiduciaries will be required to fulfil certain additional obligations under the Data Protection Act, such as building reasonable security safeguards to prevent personal data breach, appointing data protection officer who will be the point of contact between such fiduciaries and individuals for grievance redressal and an independent data auditor to evaluate compliance with the Data Protection Act. The Central Government is required to establish the Data Protection Board of India (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 data principals. The DPB members will be appointed for two years and will be eligible for re-appointment.

The Ministry of Electronics and Information Technology has recently notified the Digital Personal Data Protection Rules, 2025 (“**DPDP Rules**”) under the Data Protection Act on November 13, 2025. The DPDP Rules aim to regulate, among other things, the processing of personal data in India, ensuring individuals’ privacy rights are protected. They apply to all entities that process digital personal data, both within India and abroad. The DPDP Rules detail the various implementation aspects of the Data Protection Act, such as, *inter alia*, the specific notice by the data fiduciary to the individuals, registration and obligations of consent manager, processing of personal data for issuance of subsidy, benefit, service etc., applicability of minimum security safeguards, intimation of personal data breach, providing details about availing of their rights by the individuals and processing of personal data of child or of person with disability. While such substantive obligations will take effect after 18 months from the date of notification, a limited set of governance and institutional provisions such as setting up the data protection board, appointment and service conditions of the chairperson and other members of the board, functioning of board as digital office, procedure to appeal to appellate tribunal among others have been brought into effect immediately.

Taxation Laws

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income-tax Act, 2025;
- Central Goods and Services Tax Act, 2017, the Central Goods and Services Tax Rules, 2017, and various state-wise legislations made thereunder;
- The Integrated Goods and Services Tax Act, 2017, and rules thereof; and
- Professional tax-related state-wise legislations.

SEBI Regulations

Securities and Exchange Board of India Act, 1992 (“SEBI Act”)

SEBI Act establishes SEBI as the principal regulatory authority overseeing India’s securities markets. It confers comprehensive powers upon SEBI to regulate all facets of securities markets, including issuance, listing, and trading activities. The SEBI Act authorizes SEBI to safeguard investor interests, maintain market integrity, and foster market development through regulations, circulars, and guidelines. Furthermore, it empowers SEBI to conduct investigations into potential violations, impose administrative and monetary sanctions, and pursue enforcement actions against non-compliant market participants.

Securities Contracts (Regulation) Act, 1956 (“SCRA”)

SCRA regulates securities transactions and establishes the legal infrastructure for stock exchanges within India. It comprehensively defines securities and financial instruments while governing listing requirements and prohibiting unauthorized trading. The SCRA establishes parameters for recognition of exchanges and empowers the central government and SEBI to implement measures for intervention when necessary to protect investor interests or preserve market stability. It also provides the statutory basis for regulation of derivatives and other complex financial instruments.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

SEBI Listing Regulations delineate ongoing compliance obligations and disclosure requirements for companies with listed securities. It establishes requirements for financial disclosures, corporate governance standards, investor grievance mechanisms, and timely reporting of material events. The SEBI Listing Regulations mandate specific committee compositions, independent director requirements, and related party transaction approvals. It prescribes formats and timelines for periodic submissions to exchanges and requires the appointment of qualified compliance officers to ensure adherence to regulatory requirements.

SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”)

SEBI PIT Regulations *inter alia* prohibit trading in securities while in possession of unpublished price sensitive information (“UPSI”). It deals with insider trading offenses, establishes trading restrictions for designated persons, and mandates disclosure requirements for promoters, directors, and key management personnel of a company. It requires companies to formulate a code of conduct, implement trading plans for insiders, and establish mechanisms for identifying and protecting UPSI. The SEBI PIT Regulations further prescribes structured digital databases to track UPSI recipients and specify procedures for legitimate communications with stakeholders.

SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (“SEBI PFUTP Regulations”)

SEBI PFUTP Regulations *inter alia* prohibit manipulative, fraudulent, and unfair practices in connection with securities markets. It defines various categories of prohibited activities including market manipulation, price rigging, misleading statements, and artificial transactions designed to create false market impressions. The SEBI PFUTP Regulations empower SEBI to investigate suspected violations, issue cease-and-desist orders, and impose monetary penalties and market access restrictions. It also establishes the basis for disgorgement of ill-gotten gains and provides for restitution to affected investors harmed by fraudulent practices.

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”)

SEBI ICDR Regulations regulate the issuance of capital and disclosure requirements for companies raising funds through

various channels including, *inter alia*, initial public offer, further public offer, rights issue and qualified institutional placement. It sets out the guidelines and frameworks that companies must follow to issue securities to the public. It also outlines the disclosure requirements pertaining to all material information, risks, and details about the financial health of the company.

SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”)

SEBI SBEB Regulations govern the share-based employee benefit schemes of equity listed companies. It is applicable to an equity listed company that seeks to issue sweat equity shares or has a scheme: (i) for direct or indirect benefit of employees; (ii) involving dealing in or subscribing to or purchasing securities of the company, directly or indirectly; and (iii) satisfying, directly or indirectly, any one of the following conditions: the scheme is set up by the company or any other company in its group; the scheme is funded or guaranteed by the company or any other company in its group; and the scheme is controlled or managed by the company or any other company in its group.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“SEBI NCS Regulations”)

SEBI NCS Regulations govern the issuance and listing of non-convertible securities on a recognised stock exchange in India. It provides for *inter alia* eligibility criteria for issuers, private placement rules, disclosure requirements in offer document and due diligence that is required to be undertaken by trustees for issuing and listing of non-convertible securities. SEBI NCS Regulations aim to ensure transparency, investor protection, and market efficiency in the listing and issuance of non-convertible securities.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act, 2013 and rules framed thereunder, the Indian Contract Act 1872, FEMA, and other applicable laws and regulations imposed by the central government and state governments and other authorities for our day-to-day business.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Svatantra Microfin Private Limited' as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated February 17, 2012, issued by the Registrar of Companies, Maharashtra at Mumbai. On February 5, 2013, the RBI granted a certificate of registration bearing no. N-13.02038 to our Company to commence/ carry on the business of a non-banking financial institution without accepting public deposits (microfinance institution). Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on April 2, 2026 and consequently, the name of our Company was changed to 'Svatantra Microfin Limited', and a fresh certificate of incorporation dated April 15, 2026 was issued by the Registrar of Companies, Central Processing Centre at Manesar. On May 18, 2026, the RBI issued a fresh certificate of registration bearing no. N-13.02038 in the NBFC-MFI category (not valid for accepting public deposits) for change in the name of our Company to 'Svatantra Microfin Limited' to commence/ carry on the business of a non-banking financial institution.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation:

Effective date of change	Details of change in the registered office	Reasons for change in the registered office
April 7, 2015	Change in registered office of our Company from 212, 2nd floor, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai – 400 030, Maharashtra, India to Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India	Administrative convenience

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- i. *"To carry on the business of providing Micro Finance services as may be permitted by Reserve Bank of India from time to time and to buy, underwrite, sub-underwrite, to invest in with or without interest or security, acquire and hold, sell, buy or otherwise deal in shares, debentures, debentures-stock, bonds, units, other financial instruments or obligations and securities issued by or guaranteed by any company constituted or carrying on any business in India or elsewhere or issued or guaranteed by any Government Central or State, Public Body or authority, Supreme, Municipal, Local or otherwise, firm/or persons, whether in India or elsewhere by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same, and to guarantee the subscription and to exercise and enforce all rights and powers conferred by incidental to ownership thereof and to deal with or turn to account the same, however the Company shall not carry on the banking business or insurance business within the purview of the Banking Regulations Act, 1949 or the insurance Act. This shall however, not restrict the Company from soliciting insurance products as an agent for Insurance companies and/or for acting/engaging as Business Correspondents (BC) for one or more Banks for the distribution of various banking services under the Business Correspondent Model.*
- ii. *To reduce poverty in India by providing collateral free credit to poor men and women, deliver credits, and other financial services to them in the cities, towns, villages of India with a view to provide them sustainable livelihood and enhancement of their and their family's family living conditions based on their needs, skills and traditional livelihood occupations.*
- iii. *To carry on and undertake the business of research, consultancy, technical assistance and training in the field of development finance and other financial services, as intermediary for other companies or organizations.*
- iv. *To finance the Industrial Enterprises and to provide venture capital, seed capital, loan capital and to participate in equity/preference share capital or to give guarantees on behalf of the company in the matter and to promote companies engaged in Industrial, Infrastructure and Trading business."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association in the last 10 years

The following table sets forth details of the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution	Details of amendment
September 21, 2016	Clause III (A) of the MoA was amended to substitute sub-clause 1 as follows: <i>"To carry on the business of providing Micro Finance services as may be permitted by Reserve Bank of India from time to time and to buy, underwrite, sub-underwrite, to invest in with or without interest or security, acquire and hold, sell, buy or otherwise deal in shares, debentures, debentures-stock, bonds, units, other financial instruments or obligations and securities issued by or guaranteed by any company constituted or carrying on any business in India or elsewhere or issued or guaranteed by any Government Central or State, Public Body or authority, Supreme, Municipal, Local or otherwise, firm/or persons, whether in India or elsewhere by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same, and to guarantee the subscription and to exercise and enforce all rights and powers conferred by incidental to ownership thereof and to deal with or turn to account the same, however the Company shall not carry on the banking business or insurance business within the purview of the Banking Regulations Act, 1949 or the insurance Act. This shall however, not restrict the Company from soliciting insurance products as an agent for Insurance companies and/or for acting/engaging as Business Correspondents (BC) for one or more Banks for the distribution of various banking services under the Business Correspondent Model."</i>
October 17, 2016	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹800,000,000 consisting of 80,000,000 equity shares of face value of ₹10 each to ₹1,000,000,000 consisting of 100,000,000 equity shares of face value of ₹10 each.
January 17, 2017	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹1,000,000,000 consisting of 100,000,000 equity shares of face value of ₹10 each to ₹1,100,000,000 consisting of 110,000,000 equity shares of face value of ₹10 each.
February 13, 2018	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹1,100,000,000 consisting of 110,000,000 equity shares of face value of ₹10 each to ₹1,400,000,000 consisting of 140,000,000 equity shares of face value of ₹10 each.
November 9, 2018	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹1,400,000,000 consisting of 140,000,000 equity shares of face value of ₹10 each to ₹1,800,000,000 consisting of 180,000,000 equity shares of face value of ₹10 each.
April 19, 2019	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹1,800,000,000 consisting of 180,000,000 equity shares of face value of ₹10 each to ₹2,250,000,000 consisting of 225,000,000 equity shares of face value of ₹10 each.
August 8, 2019	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹2,250,000,000 consisting of 225,000,000 equity shares of face value of ₹10 each to ₹2,550,000,000 consisting of 255,000,000 equity shares of face value of ₹10 each.
December 2, 2019	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹2,550,000,000 consisting of 255,000,000 equity shares of face value of ₹10 each to ₹10,550,000,000 consisting of 755,000,000 equity shares of face value of ₹10 each and 30,000,000 preference shares of ₹100 each.
September 9, 2021	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹10,550,000,000 consisting of 755,000,000 equity shares of face value of ₹10 each and 30,000,000 preference shares of ₹100 each to ₹15,550,000,000 consisting of 755,000,000 equity shares of face value of ₹10 each and 80,000,000 preference shares of ₹100 each.
March 14, 2023	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹15,550,000,000 consisting of 755,000,000 equity shares of face value of ₹10 each and 80,000,000 preference shares of ₹100 each to ₹20,550,000,000 divided into 755,000,000 equity shares of face value of ₹10 each and 130,000,000 preference shares of face value ₹100 each.
October 20, 2023	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital of our Company from ₹20,550,000,000 divided into 755,000,000 equity shares of face value of ₹10 each and 130,000,000 preference shares of face value ₹100 each to ₹100,550,000,000 divided into 4,755,000,000 equity shares of face value of ₹10 each and 530,000,000 preference shares of face value ₹100 each.
August 19, 2025*	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company, from ₹100,550,000,000 divided into 4,755,000,000 equity shares of face value of ₹10 each and 530,000,000 preference shares of face value ₹100 each to ₹ 118,265,000,000 consisting of 5,208,500,000 equity shares of ₹ 10 each, 18,000,000 preference shares of face value ₹10 each and 660,000,000 preference shares of face value ₹100 each pursuant to the Scheme.
April 2, 2026	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from 'Svatantra Microfin Private Limited to 'Svatantra Microfin Limited' pursuant to the conversion of our Company from a private limited company to a public limited company.

*Pursuant to order of the National Company Law Tribunal Mumbai dated June 10, 2025, our Company was not required to conduct a meeting of the Shareholders for approval of the Scheme and was directed to convene a meeting of its secured and unsecured creditors including holders of unsecured non-convertible debenture of the Company, which was held on August 19, 2025.

Key awards, accreditations, and recognitions

The table below sets forth some of the awards and accreditations received by our Company and, where expressly indicated, the Subsidiary:

Calendar Year	Particulars
2014	Awarded the 'Gold Award for Start-Up' at the Financial Inclusion & Deepening Award organised by the SKOCH Group
	Awarded the 'SKOCH Order of Merit - India's Best Financial Inclusion and Deepening Projects'
2017	Awarded the 'SKOCH Order of Merit - Top 80 Technology Projects in India'
2018	Awarded the 'Excellence Award' at the Microfinance & NBFCs Exhibition cum Conference
	Awarded the 'Excellence in Operations' at IDC Insights Award
2019	Awarded the 'Excellence Award' at the Microfinance & NBFCs Exhibition cum Conference
2020	Awarded as 'Winner - BFSI Category' at the Economic Times BFSI Innovation Tribe Awards & Summit
	Awarded as a 'Best Workplaces in BFSI 2020 - Top 25' by the Great Place to Work Institute India
2021	Awarded as the 'Microfinance Organisation of the Year' at the Inclusive Finance India Awards
2022	Awarded as a 'Best Workplaces in BFSI 2022 - Top 30' by the Great Place to Work Institute India
	Awarded as the 'Most Influential Microfinance Company of the Year' at the Bharat NBFC and Fintech Summit and Awards
	Awarded as the 'Microfinance Company of the Year' at the National Awards for Excellence
2024	SMHFCL was awarded as one of 'India's Great Mid-size Workplaces' by the Great Place to Work Institute India
	SMHFCL was awarded as one of 'India's Best Workplaces in BFSI 2024' by the Great Place to Work Institute India
	SMHFCL was awarded as one of 'India's Best Workplaces for Women 2024' by the Great Place to Work Institute India
	SMHFCL was awarded as one of India's Best Workplaces for Millennials 2024' by the Great Place to Work Institute India
	Awarded the 'Fintech Visionary Award' at Connect - Future Ready Leaders in India's Amrit Kaal
2025	SMHFCL was awarded as 'Winner in the category of Housing Loans to Women' at the National Housing Bank Housing and Housing Finance Excellence Awards
2026	Awarded the 'Happy Companies to Work for' award by the World HRD Congress at the World Happiness Congress and Awards

Major events and milestones of our Company

The table below sets forth some of the major events in the history of our Company:

Financial Year	Details
2012	Our Company incorporated as Svatanttra Microfin Private Limited
2013	Our Company received a NBFC-MFI license from RBI
	Commenced our business operations in Maharashtra
2015	Our Company crossed more than 25,000 active customers
2016	Our Company crossed ₹1,000.00 million in AUM
	Our Company was assigned a credit rating of [ICRA] A-(Stable) credit from ICRA Limited
2019	Our Company crossed ₹10,000.00 million in AUM and expanded its presence to 10 states in India
2020	CRISIL assigned a rating of CRISIL A+/Stable/CRISIL A1+ to the bank loan facilities and short-term debt issue of our Company
	Our Company crossed ₹25,000.00 million in AUM with more than 1 million active customers
	Our MFI grading ICRA Limited was upgraded from M2+ to M1 which represents the highest grade in the MFI category issued by ICRA Limited
2021	Our Company listed its first tranche of listed, secured, redeemable, non-convertible debentures aggregating to ₹2,600.00 million on BSE
2022	Our Company crossed ₹50,000.00 million in AUM
2024	Our Company crossed more than 2 million active customers
	We acquired 100% of the shareholding of Chaitanya India Fin Credit Private Limited
	We became the second largest NBFC-MFI in India in terms of assets under management (Source: CRISIL Report)
	Our Company crossed 4 million active customers
2025	Our Company expanded our branch network past 2,000 locations
	Acquisition of shareholding by Violicina Limited (an entity affiliated with Advent International) and Multiples PE in our Company for an aggregate consideration of ₹ 19,300.00 million
2026	Our rating from CARE Ratings Limited was upgraded from CARE AA-; Stable to CARE AA; Stable, which made our Company one of the highest rated NBFC-MFI as of March 31, 2026 (Source: CRISIL Report)
	Our Company crossed ₹200,000.00 million in AUM

Financial Year	Details
	Svatantra Holdings Private Limited and Chaitanya India Fin Credit Private Limited were amalgamated into our Company under Sections 230 to 232 of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026
	Our rating from CRISIL was upgraded from CRISIL AA-/Stable to CRISIL AA/Stable

Significant financial and/or strategic partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial and/or strategic partners.

Time and cost overruns

As on the date of this Draft Red Herring Prospectus, our Company has not experienced any time or cost overruns in respect of our business operations.

Defaults or rescheduling, restructuring of borrowings with financial institutions or banks

As on the date of this Draft Red Herring Prospectus, there are no instances of defaults, restructuring or rescheduling of borrowings availed by our Company from financial institutions or banks.

Launch of key products or services and entry in new geographies or exit from existing market

For details of key products or services launched by our Company and entry in new geographies or exit from existing markets, see “*Our Business*” beginning on page 235.

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

Our Subsidiary, associates and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any associates or joint ventures. As on the date of this Draft Red Herring Prospectus, our Company has one subsidiary, namely Svatantra Micro Housing Finance Corporation Limited.

Svatantra Micro Housing Finance Corporation Limited (“SMHFCL”)

Corporate information

SMHFCL was originally incorporated as ‘Micro Housing Finance Corporation Limited’, a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 16, 2008 issued by the Assistant Registrar of Companies, Maharashtra at Mumbai and received its certificate for commencement of business dated May 16, 2008 from the Deputy Registrar of Companies, Maharashtra at Mumbai. Subsequently, its name was changed to ‘Svatantra Micro Housing Finance Corporation Limited’, and a fresh certificate of incorporation dated August 22, 2019, was issued by the Registrar of Companies, Maharashtra at Mumbai. Its registered office is located at Office No. 5 and 6, 11th Floor, E Wing, Times Square, Marol, Andheri-Kurla Road, Andheri (E), Mumbai – 400 059, Maharashtra, India. Its corporate identity number is U67190MH2008PLC182274. SMHFCL became a subsidiary of our Company pursuant to the Scheme. For further details, please see “– *Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively*” on page 290 of this Draft Red Herring Prospectus.

Nature of business

SMHFCL is engaged in the business of housing and construction finance as authorized under the objects clause of its

memorandum of association.

Capital Structure

As on the date of this Draft Red Herring Prospectus the capital structure of SMHFCL is as follows:

Particulars	Amount (in ₹)
Authorised capital	
1,094,000,000 equity shares of face value ₹10 each	10,940,000,000
3,100,000 preference shares of face value ₹100 each	310,000,000
Issued, subscribed and paid-up capital	
99,777,101 equity shares of face value ₹10 each	997,771,010

Shareholding pattern

As on the date of this Draft Red Herring Prospectus the shareholding pattern of SMHFCL is as follows:

Name of the shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of total equity share capital (%)
Svatantra Microfin Limited	99,777,095	99.99
Ananya Birla	1	Negligible
Akshita Sunil Shah	1	Negligible
Ayesha Nitin Khandelwal	1	Negligible
Anil Chirania	1	Negligible
Rohit Pathak	1	Negligible
Suresh Chandra Dad*	1	Negligible
Total	99,777,101	100.00

**Held in their capacity as a nominee for Svatantra Microfin Limited*

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SMHFCL that have not been account for by our Company in the Restated Consolidated Summary Statements.

Business interests of the Subsidiary in our Company

Except for as provided in “*Our Business*” and “*Other Financial Information – Related party transactions*” on pages 235 and 429 respectively, SMHFCL does not have any business interest in our Company. For details of related business transactions between SMHFCL and our Company, see “*Summary of Related Party Transactions*” on page 83.

Common pursuits between our Subsidiary and our Company

As on the date of this Draft Red Herring Prospectus, there are no common pursuits between our Subsidiary and our Company.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years

Except as set out below, our Company has not made any material acquisitions or divestments or slump sale of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Share Purchase Agreement dated August 8, 2023, entered into by and between Navi Finserv Limited, Navi Technologies (together with Navi Finserv Limited, the “Sellers”), our Company and Chaitanya India Fin Credit Private Limited (“CIFCPL Acquisition SPA”)

Pursuant to the CIFCPL Acquisition SPA, our Company along with a nominee appointed by it, acquired 157,666,666 equity shares of face value of ₹10 each of CIFCPL from the Sellers for an aggregate purchase consideration of ₹15,559.77 million, in accordance with the terms and conditions as provided in the CIFCPL Acquisition SPA. The effective date of the acquisition of shares of CIFCPL was November 23, 2023. Accordingly, with effect from November 23, 2023, pursuant to an approval from the RBI dated September 25, 2023, CIFCPL became a wholly owned subsidiary of our Company (with 10 equity shares of face value of ₹10 each held by a nominee of our Company). Please also see “–Details regarding

material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years – Scheme of amalgamation between Svatanttra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively” on page 290 of this Draft Red Herring Prospectus.

Our Company obtained a valuation report dated August 7, 2023, from Finshore Management Services Limited, in relation to the acquisition of the equity shares of CIFCPL by our Company.

Except for our Joint Managing Director, Anand Rao, who holds equity shares in Navi Technologies, none of our other Promoters and Directors have any relationship with Navi Finserv Limited and Navi Technologies as on the date of this Draft Red Herring Prospectus.

Scheme of amalgamation between Svatanttra Holdings Private Limited (“SHPL”), Chaitanya India Fin Credit Private Limited (“CIFCPL” and together with SHPL, the “Transferor Companies”) and our Company (“Transferee Company”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“NCLT”) by way of its order dated March 12, 2026, respectively (“Scheme”)

The Scheme (under Sections 230 to 232, 66 and other applicable provisions of the Companies Act, 2013) provided for the dissolution without winding up and subsequent amalgamation of the Transferor Companies along with their respective undertakings with our Company, as a going concern, together with all the properties, assets, rights, liabilities, benefits and interest therein.

The rationale of the Scheme was, *inter alia*, as follows:

- Enabling geographical diversification of the portfolio, coverage of complementary markets and consumer segments in line with focused strategy of building a comprehensive gross loan portfolio, entering newer markets and driving penetration thereby strengthening the position of our Company as an NBFC-MFI in the microfinance market.
- Simplification of the group structure and avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and costs.
- Enabling creation of a well-diversified and large borrowing book with a significant improvement in portfolio quality and cost efficiencies thereby providing potential and ability to reprice liabilities and generating higher spread for the resulting entity.

The NCLT, pursuant to its order dated March 12, 2026 approved the Scheme, which became effective from March 21, 2026, the effective date of the Scheme (“**Effective Date**”).

Pursuant to the Scheme, (a) all 134,611,109 Equity Shares held by SHPL in our Company were cancelled, and (b) the equity and preference shareholders of SHPL were allotted Equity Shares of our Company in the following manner:

- (a) Equity Shares on a proportionate basis to each equity shareholder of SHPL, such that 9 equity shares of face value of ₹10 each of our Company, were to be issued, for every 52 equity shares of face value of ₹ 10 each of SHPL held by such equity shareholders; and
- (b) Equity Shares on a proportionate basis to each preference shareholder of SHPL, such that 90 equity shares of face value ₹10 each of our Company, were to be issued, for every 52 preference shares of face value of ₹100 each of SHPL held by such preference shareholders.

For details in relation to the allotment of Equity Shares pursuant to the Scheme, please see “*Capital Structure – Share capital history of our Company – Equity share capital*” on page 96 of this Draft Red Herring Prospectus.

A valuation report dated November 6, 2024 from Bansi S. Mehta Valuers LLP, was commissioned by our Company to determine the above ratio of entitlement of shares to the equity shareholders and preference shareholders of SHPL.

Since CIFCPL was a wholly owned subsidiary of our Company, no consideration was paid to the equity shareholders of CIFCPL by our Company pursuant to the Scheme.

Post the Effective Date, all the employees of the Transferor Companies became employees of our Company. Further, all legal proceedings of whatsoever nature by or against Transferor Companies pending and/ or arising prior to the Effective Date, was transferred to our Company.

Except for Ananya Birla, NG Shankar and Vineet Bijendra Chattree who were the directors of CIFCPL, none of our Promoters and Directors have any relationship with SHPL or CIFCPL, as on the date of this Draft Red Herring Prospectus.

The Scheme and the valuation report have been included in “*Material Contracts and Documents for Inspection – Material Documents*” on page 566.

Shareholders’ agreements and other material agreements

Except as disclosed below, there are no subsisting arrangements or agreements, deeds of assignment, acquisition agreements, shareholders’ agreements (even where our Company is not a party to such an agreement, but is aware of such an agreement), inter-se agreements, or any other agreements between our Company, our Promoters and Shareholders, in each case in relation to securities of our Company, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company. Accordingly, in this respect except to the extent already disclosed in this Draft Red Herring Prospectus, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

Shareholders’ agreement dated March 4, 2024 entered into amongst our Company, Individual Promoter (“Individual Promoter”), IGH Holdings Private Limited (“IGH”), Svatanttra Holdings Private Limited (“SHPL”), Violicina Limited (“VL”), Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV (collectively, “Multiples”, and along with VL, the “Investors”), as amended by way of the letter agreement dated October 29, 2024 entered into amongst our Company, Individual Promoter, IGH, SHPL and the Investors, read together with the deed of adherence dated March 20, 2026 entered into between IGH and Antimatter Media Private Limited (“Antimatter”, together with the Individual Promoter, the “Promoters”), as further amended by the Waiver cum Amendment Agreement

The Company, the Individual Promoter, the Investors and certain erstwhile shareholders in the Company had entered into the shareholders’ agreement dated March 4, 2024, as further amended pursuant to the letter agreement dated October 29, 2024 entered into amongst our Company, the Individual Promoter, IGH, SHPL and the Investors (“**Shareholders’ Agreement**”), to set out the relationship of the parties thereto, their inter se rights and obligations as well as making provision for certain matters relating to the management and operation of the Company. Subsequently, Antimatter acceded to the Shareholders’ Agreement pursuant to the deed of adherence dated March 20, 2026 to the Shareholders’ Agreement entered into in this respect. Further, in order to facilitate the Offer, the relevant parties to the Shareholders’ Agreement have also recorded certain amendments, waivers and consents in relation to their rights under the Shareholders’ Agreement, which came into effect from the date of the execution of the Waiver cum Amendment Agreement.

Pursuant to the terms of the Shareholders’ Agreement, as amended by the Waiver cum Amendment Agreement, as on date of this Draft Red Herring Prospectus, (i) the Promoters are entitled to nominate up to three non-independent directors on the Board, (ii) the VL Block is entitled to nominate up to two non-independent directors on the Board; and (iii) the Multiples Block is entitled to nominate one non-independent director on the Board of the Company. In addition, the Promoters also have the right to nominate the managing director and joint managing director of the Company. As on the date of this Draft Red Herring Prospectus, except for the Promoters and the Investors, no Shareholder has any right to appoint directors on the Board of our Company under the Shareholders’ Agreement. Further, the Promoters are entitled to nominate one director on each of the Audit Committee and the Nomination and Remuneration Committee of the Board, and the VL Block is entitled to nominate one director on each committee of the Board. VL Block refers to VL and, in the event VL transfers any Equity Shares to any affiliate, VL and such affiliate(s) of VL. Multiples Block refers to Multiples, and in the event Multiples transfers any Equity Shares to any affiliate, Multiples and such affiliate(s) of Multiples.

The Shareholders’ Agreement also provides certain inspection and information rights to the Promoters and the Investors. Under the terms of the Shareholders’ Agreement, the Company is required to provide certain information to the Promoters and the Investors, on a periodic basis, including monthly management information reports, financial information and details of material litigation, among others. Further, the Investors also have certain inspection rights with respect to the Company and its Subsidiary, in respect of their corporate, financial and other records. The Company is also precluded from taking any actions in respect of certain reserved matters defined under the Shareholders’ Agreement without the prior written consent of the Promoters and the Investors. Such reserved matters include, among others, undertaking any acquisition or restructuring, issuance and allotment of equity shares and grant of employee stock option or sweat equity. The Promoters and the Investors have also agreed to certain restrictions and obligations in relation to transfer of shareholding, including right of first offer and tag along rights, subject to certain agreed exceptions. The special rights available to the Investors under the Shareholders’ Agreement remain subject to stipulated shareholding thresholds, as agreed therein.

The respective parties (to the extent that such party is entitled to such rights) pursuant to the Waiver cum Amendment Agreement have agreed to *inter alia* (i) waive the relevant transfer restrictions, to the extent of the offer, sale and transfer

of Equity Shares by the relevant parties as part of the proposed Offer for Sale and any actions taken in relation to their participation as 'selling shareholders' in such Offer for Sale, including tag along rights, as applicable; and (ii) waive their rights with respect to certain information, inspection and observer rights, management plans and financial performance assessment, with effect from the date of filing of the Red Herring Prospectus with the RoC. The parties have also recorded their consent (i) for certain reserved matters where actions are required to be undertaken in relation to the Offer and (ii) for the disclosure of the terms and conditions of the Shareholders' Agreement in the Offer Documents, and for such documents to be made available to the public for inspection in compliance with the SEBI ICDR Regulations, among others.

The Shareholders' Agreement shall automatically terminate on the date on which the Equity Shares of the Company are listed on the Stock Exchanges pursuant to the Offer, without any further act or deed on the part of any party, except for certain clauses relating to governing law and dispute resolution, confidentiality and notices that will continue to survive such termination.

All provisions of Part II of the Articles of Association of our Company containing the special rights available to the Shareholders of our Company as per the SHA, shall automatically terminate and cease to have any force and effect on and from the date of commencement of listing and trading of Equity Shares of our Company on the Stock Exchanges, and the provisions of Part I of the Articles of Association shall continue to be in effect and be in force, without any further corporate action by our Company or by the Shareholders.

Further, under the terms of the Waiver cum Amendment Agreement, the Individual Promoter has agreed to place for the approval of the Board, an amendment to our Company's Articles of Association to give effect to certain special rights of the Promoters and Investors as set out below (the "**Proposed Amendment**") within 30 (thirty) working days from commencement of listing and trading of Equity Shares on the Stock Exchanges ("**Listing Date**") or such other period as may be extended by the Investors in writing, subject to applicable laws, including the provisions of the Companies Act and the SEBI Listing Regulations.

Subject to compliance with Regulation 31B of the SEBI Listing Regulations, including approval of the shareholders by way of a special resolution in the first general meeting of its shareholders convened after the Listing Date: (a) the Promoters shall be entitled to nominate up to five directors to our Board, which shall include the managing director and joint managing director of the Company, (b) the VL Block shall be entitled to nominate up to two directors to our Board, for so long as VL Block holds at least 14% of the fully diluted paid-up share capital of our Company, and up to one director to our Board, for so long as VL Block holds at least 7.5% of the fully diluted paid-up share capital of our Company; and (c) the Multiples Block shall be entitled to nominate up to one director to our Board, for so long as Multiples Block holds at least 7.5% of the fully diluted paid-up share capital of our Company. Further, subject to compliance with Regulation 31B of the SEBI Listing Regulations, the Promoters and VL shall each be entitled to nominate one director on each committee of the Board. In the event that any Investor (or its affiliate, as applicable) transfers at least 7.5% of the equity share capital of the Company on a fully diluted basis to an eligible transferee, i.e. not being a restricted transferee or a competitor ("**Eligible Transferee**"), the relevant Investor shall have the right to transfer the right to nominate one Director to such transferee. Further, in case VL (or its affiliate, as applicable) transfers at least 14% of the equity share capital of the Company on a fully diluted basis to an Eligible Transferee, VL shall have the right to transfer the right to nominate two Directors to such transferee. Such right to nominate shall be further transferable or assignable by the transferee ("**First Transferee**") to another Eligible Transferee that acquires at least 7.5% of the equity share capital of the Company on a fully diluted basis from the First Transferee, on a one-time basis only. The ability of the First Transferee to further transfer or assign such nomination rights shall be conditional upon the First Transferee providing a written undertaking to the Promoters within eight weeks of completion of the transfer of shareholding from the Investor to the First Transferee, agreeing to certain stipulated transfer restrictions. Further, if the VL Block transfers its right to nominate one director to an Eligible Transferee, the VL Block shall also have the right to transfer its committee nomination right to such Eligible Transferee. Further transfer and assignment of such committee nomination right by the First Transferee shall only be together with and to the same transferee, and subject to the same conditions, as the board nomination right as set out above. Additionally, subject to compliance with Regulation 31B of the SEBI Listing Regulations, as long as an Investor (or its affiliates, as applicable) holds 7.5% or more of the equity share capital of the Company on a fully diluted basis, the Company shall invite the representatives of each such Investor for quarterly meetings with the Company's senior management within a reasonable period of the announcement of the quarterly financial results of the Company pursuant to the SEBI Listing Regulations, at the request of the relevant Investor. Neither the Company nor its management shall be obliged to disclose at any such meeting any information which constitutes unpublished price sensitive information under the SEBI PIT Regulations (except in accordance with such regulations) and such meetings shall be undertaken in compliance with applicable law.

Upon approval of the Proposed Amendment by the Board, the Company shall place the Proposed Amendment in the first general meeting of its shareholders convened after the Listing Date, for their approval by way of a special resolution in compliance with Regulation 31B of the SEBI Listing Regulations.

Inter-se agreement dated August 13, 2026 entered into amongst Individual Promoter, Antimatter Media Private Limited, Violicina Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV (“Inter-se agreement”)

The Inter-se Agreement was entered into between the Individual Promoter, Antimatter Media Private Limited (“**Antimatter**”, along with the Individual Promoter, the “**Promoters**”), Violicina Limited (“**VL**”), Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV (collectively, “**Multiples**”, and along with VL, the “**Investors**”) on August 13, 2026 to *inter alia* set out the terms and conditions governing their inter-se relationship with respect to the Company, on and after listing of the Equity Shares on the Stock Exchanges pursuant to the Offer (“**Listing**”).

The Inter-se Agreement imposes certain contractual transfer restrictions on the Promoters and the Investors in respect of Equity Shares. Under the terms of the Inter-se Agreement, each of the Investors have agreed that they and, in the event the respective Investor transfers Equity Shares to any affiliate, such affiliate(s) of the Investor (together with the respective Investor, “**Investor Block**”) shall not undertake a transfer, either individually or jointly, wherein such transfer triggers any open offer under the SEBI Takeover Regulations. It has been clarified that in case of an on-market transaction, the obligation of the Investor Block shall be limited to instructing (in writing) the broker or other intermediary it engages to assist that any such Transfer should not trigger an open offer under the SEBI Takeover Regulations. The Promoters have further agreed with the Investors that, till the date on which the shareholding of each Investor Block falls below 5% of the share capital of the Company on a fully diluted basis, save as otherwise provided in the Inter-se Agreement, transfers of Equity Shares by the Svatantra Group Shareholders (including the Promoters, Neerja Birla and such other persons as defined in the Inter-se Agreement) shall not, either individually or in the aggregate, exceed a maximum of 5% of the share capital of the Company on a fully diluted basis in a single Financial Year. The Investors and Promoters, as applicable, have further agreed that during the term of the Inter-se Agreement, no Investor Block or Svatantra Group Shareholder shall transfer any Equity Shares to any ‘restricted transferee’ or any ‘competitor’ of the Company, each term as defined in the Inter-se Agreement. Such restriction shall not apply to any such transfer through a non-negotiated transaction undertaken on a Stock Exchange. Further, if such transfer is proposed to be undertaken on a Stock Exchange, then the obligation of such Investor Block or Svatantra Group Shareholder, as applicable, shall be limited to instructing (in writing) the broker or other intermediary it engages to assist with such proposed Transfer, not to approach any such restricted transferee or any competitor.

Further, the parties have inter-se agreed that on and from Listing, subject to compliance with Regulation 31B of the SEBI Listing Regulations: (a) the Promoters shall be entitled to nominate up to five directors to our Board, which shall include the managing director and joint managing director of the Company, (b) the VL Block shall be entitled to nominate up to two directors to our Board, for so long as VL Block holds at least 14% of the fully diluted paid-up share capital of our Company, and one director to our Board, for so long as VL Block holds at least 7.5% of the fully diluted paid-up share capital of our Company; and (c) the Multiples Block shall be entitled to nominate one director to our Board, for so long as Multiples Block holds at least 7.5% of the fully diluted paid-up share capital of our Company. Further, subject to compliance with Regulation 31B of the SEBI Listing Regulations, the parties have also inter-se agreed that the Promoters and VL shall each be entitled to nominate one director on each committee of the Board. The Inter-se Agreement also provides for assignment of such board and committee nomination rights by the Investors subject to certain conditions. Further, the parties to the Inter-se Agreement have agreed that, subject to compliance with Regulation 31B of the SEBI Listing Regulations, as long as an Investor (or its affiliates, as applicable) holds 7.5% or more of the equity share capital of the Company on a fully diluted basis, the Company shall invite the representatives of each such Investor for quarterly meetings with the Company’s senior management within a reasonable period of the announcement of the quarterly financial results of the Company pursuant to the SEBI Listing Regulations, at the request of the relevant Investor. Neither the Company nor its management shall be obliged to disclose at any such meeting any information which constitutes unpublished price sensitive information under the SEBI PIT Regulations (except in accordance with such regulations) and such meetings shall be undertaken in compliance with applicable law. VL Block refers to VL and, in the event VL transfers any Equity Shares to any affiliate, VL and such affiliate(s) of VL. Multiples Block refers to Multiples, and in the event Multiples transfers any Equity Shares to any affiliate, Multiples and such affiliate(s) of Multiples. To the extent permitted under applicable laws, the parties have agreed to take all necessary actions to give effect to such rights.

Within 30 (thirty) working days from commencement of listing and trading of Equity Shares on the Stock Exchanges (“**Listing Date**”) or such other period as may be extended by the Investors in writing, subject to applicable laws, including the provisions of the Companies Act and the SEBI Listing Regulations, the Individual Promoter has agreed to place for the approval of the Board an amendment to our Company’s Articles of Association to give effect to the proposed special rights of the Promoters and Investors as set out above (the “**Proposed Amendment**”). Upon approval of the Proposed Amendment by the Board, the Individual Promoter has agreed to cause the Company to place the Proposed Amendment in the first general meeting of its shareholders convened after the Listing Date, for their approval by way of a special resolution

in compliance with Regulation 31B of the SEBI Listing Regulations.

The terms of the Inter-se Agreement (including as described above) will become effective from Listing. The Inter-Se Agreement will terminate *inter alia* automatically, if both VL or Multiples (and its affiliates) cease to hold any securities of our Company, subject to specific surviving provisions.

Our Company is not a party to the Inter-se Agreement and there are no special rights provided by the Company to any of the parties pursuant to the Inter-se Agreement.

Key terms of other subsisting material agreements

Except as disclosed in “– *Shareholders’ agreements and other material agreements*” on page 291, our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of the business of our Company or which are otherwise material and need to be disclosed in this Draft Red Herring Prospectus in context of the Offer.

Except as disclosed in “– *Shareholders’ agreements and other material agreements*” on page 291, there are no other agreements/arrangements entered into by our Company or clauses/ covenants applicable to our Company which are material and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

Furthermore, except as disclosed in “– *Shareholders’ agreements and other material agreements*” on page 291, as on the date of this Draft Red Herring Prospectus, there are no agreements entered into by the Shareholders, Promoters, member of the Promoter Group, related parties, Directors, Key Managerial Personnel, employees of our Company or of our Promoters or Subsidiary, among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restriction or create any liability upon our Company, as required to be disclosed pursuant to Clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoters or any other employee of our Company

As on the date of this Draft Red Herring Prospectus, none of our Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employees have entered into any agreement with any Shareholder or any third party with regard to compensation or profit-sharing in connection with dealings in the securities of our Company.

Other confirmations

As on date of this Draft Red Herring Prospectus, there is no conflict of interest between the third-party service providers (crucial for operations of our Company) and our Company, Subsidiary and their respective directors.

As on date of this Draft Red Herring Prospectus, there is no conflict of interest between the lessors of immovable properties and our Company, Subsidiary and their respective directors.

OUR MANAGEMENT

In accordance with the Companies Act and in terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors on its Board. As on the date of this Draft Red Herring Prospectus, our Board comprises 10 Directors, including two Executive Directors, three Non-Executive Directors and five Independent Directors (including one woman Independent Director).

Our Board

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

Name, designation, occupation, date of birth, age, address, current term, period of directorship and DIN	Other directorships
Ananya Birla Designation: Chairperson and Non-Executive Director Occupation: Professional Date of birth: July 17, 1994 Age: 32 years Address: Mangal Adityayan, 20, Carmichael Road, Mumbai – 400 026, Maharashtra, India Current term: With effect from July 17, 2013 Period of directorship: Director since July 17, 2013 DIN: 06625036	Indian Companies: (i) Aditya Birla Fashion and Retail Limited; (ii) Aditya Birla Lifestyle Brands Limited; (iii) Aditya Birla Management Corporation Private Limited; (iv) Ananya Birla Foundation; (v) Antimatter Media Private Limited; (vi) Aur Private Limited (<i>formerly known as Talk and Cheese Private Limited</i>); (vii) Birla Cosmetics Private Limited; (viii) Grasim Industries Limited; (ix) Hindalco Industries Limited; (x) Ikai Asai Online Services Private Limited (<i>formerly known as Svantra Online Services Private Limited</i>); and (xi) Svantra Micro Housing Finance Corporation Limited. Foreign Companies: (i) Aditya Birla Global Trading (Singapore) Pte. Ltd.; and (ii) Aurlabs Investments FZE, UAE.
Vineet Bijendra Chattree Designation: Managing Director Occupation: Professional Date of birth: July 27, 1972 Age: 54 years Address: 202-A, Kukreja Residency, W.T. Patil Road, Opp. Dukes Company, Chembur, Mumbai – 400 071, Maharashtra, India Current term: Five years from June 14, 2023, liable to retire by rotation Period of directorship: Director since October 10, 2017 DIN: 07962531	Indian Companies: Svantra Micro Housing Finance Corporation Limited. Foreign Companies: Nil
Anand Rao Designation: Joint Managing Director Occupation: Professional Date of birth: May 30, 1975	Indian Companies: Nil Foreign Companies: Nil

Name, designation, occupation, date of birth, age, address, current term, period of directorship and DIN	Other directorships
Age: 51 years Address: 534 3 Floor Sobha Dew Flower, 4 Cross Road Sarakki Main Road I Phase, J P Nagar 8 Blk, VTC: Bangalore South, PO: J P Nagar, Bengaluru – 560 078, Karnataka, India Current term: Five years from June 17, 2026, liable to retire by rotation Period of directorship: Director since June 17, 2026 DIN: 01713987	
Shweta Jalan* Designation: Non-Executive Director Occupation: Professional Date of birth: January 29, 1976 Age: 50 years Address: 2403, 24th Floor, Artesia Tower, Plot No. 249 and 249A, Hind Cycle Compound, Worli, VTC: Mumbai, PO: Worli Colony, Mumbai – 400 030, Maharashtra, India Current term: With effect from October 31, 2024, liable to retire by rotation Period of directorship: Director since October 31, 2024 DIN: 00291675	Indian Companies: (i) Coforge Limited; (ii) Cohance Lifesciences Limited; and (iii) Modenik Lifestyle Private Limited. Foreign Companies: AL Altius & CY.SC.Sp (Encora).
Renuka Ramnath** Designation: Non-Executive Director Occupation: Business Date of birth: September 14, 1961 Age: 64 years Address: Ashok Tower, D Tower, Flat No. 4701, 47th Floor, Dr. S.S. Rao Road, Opp. Gandhi Hospital, Parel, Mumbai – 400 012, Maharashtra, India Current term: With effect from October 31, 2024, liable to retire by rotation Period of directorship: Director since October 31, 2024 DIN: 00147182	Indian Companies: (i) MAAM Trustee Private Limited (<i>formerly known as MAAM Employees Trustee Private Limited</i>); (ii) Multiples Alternate Asset Management Private Limited; (iii) Multiples Equity Fund Trustee Private Limited; (iv) Multiples Good Faith Foundation; (v) Network18 Media & Investments Limited; (vi) PVR Inox Limited; (vii) Qburst Software Services Private Limited; (viii) Qburst Technologies Private Limited; (ix) TI Clean Mobility Private Limited; (x) Vastu Housing Finance Corporation Limited; (xi) V.I.P. Industries Limited; and (xii) Zenex Animal Health India Private Limited. Foreign Companies: Quantiphi Inc.
NG Shankar Designation: Independent Director Occupation: Professional Date of birth: May 4, 1957	Indian Companies: Saroja Sustainable Solutions Private Limited. Foreign Companies: Nil

Name, designation, occupation, date of birth, age, address, current term, period of directorship and DIN	Other directorships
Age: 69 years Address: H-1560, Ground Floor, C.R. Park, Chittranjan Park, South Delhi, Delhi – 110 019, India Current term: Five years from March 28, 2022, not liable to retire by rotation Period of directorship: Director since March 28, 2022 DIN: 07960781	
Mamta Suri Designation: Independent Director Occupation: Professional Date of birth: November 9, 1963 Age: 62 years Address: 24/33, Near Patel Park, West Patel Nagar, Patel Nagar, Central Delhi, Patel Nagar, Delhi – 110 008, New Delhi, India Current term: Three years from June 17, 2026, not liable to retire by rotation Period of directorship: Director since June 17, 2026 DIN: 10949054	Indian Companies: (i) Aditya Birla Sun Life Insurance Company Limited; (ii) ICICI Prudential Trust Limited; (iii) ICICI Securities Primary Dealership Limited; (iv) Nuclear Power Corporation of India Limited; (v) Prudential HCL Health Insurance Limited; and (vi) Policybazaar Insurance Brokers Private Limited. Foreign Companies: Nil
Balasubramanian Ganesh Designation: Independent Director Occupation: Retired Date of birth: August 23, 1963 Age: 62 years Address: New 6 Old 18, Vivekanandar Street, Nilamangai Nagar, Adambakkam, Kancheepuram, Tamil Nadu – 600 088, India Current term: Three years from June 17, 2026, not liable to retire by rotation Period of directorship: Director since June 17, 2026 DIN: 07455286	Indian Companies: (i) Centrum Housing Finance Limited; and (ii) Mintifi Finserve Private Limited. Foreign Companies: Nil
Mathew Joseph Designation: Independent Director Occupation: Consultant Date of birth: May 6, 1961	Indian Companies: (i) IIFL Home Finance Limited; (ii) Tamil Nadu Infrastructure Fund Management Corporation Limited; (iii) Tamil Nadu Urban Infrastructure Financial Services Limited;

Name, designation, occupation, date of birth, age, address, current term, period of directorship and DIN	Other directorships
Age: 65 years Address: Flat No. 1301, 13th Floor, Tower No. 7, One 74, Sathyadev Avenue Extension, M R C Nagar, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India Current term: Three years from June 17, 2026, not liable to retire by rotation Period of directorship: Director since June 17, 2026 DIN: 01033802	(iv) Tamil Nadu Urban Infrastructure Trustee Company Limited; and (v) Veritas Finance Limited. Foreign Companies: Nil
Ashish Razdan Designation: Independent Director Occupation: Lawyer Date of birth: August 3, 1980 Age: 46 years Address: 302 Leela Villa, 36th Road Bandra West, Mumbai – 400 050, Maharashtra India Current term: Three years from June 17, 2026, not liable to retire by rotation Period of directorship: Director since June 17, 2026 DIN: 03584734	Indian Companies: (i) ABReL EPC Limited; (ii) ABReL (MP) Renewables Limited; (iii) ABReL (RJ) Projects Limited; (iv) ABReL Solar Power Limited; (v) Aditya Birla Renewables Limited; (vi) Century Enka Limited; (vii) Neosym Industry Limited; and (viii) TCPL Packaging Limited. Foreign Companies: Nil

*Nominee of Violicina Limited

**Nominee of Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV

Brief profiles of our Directors

Ananya Birla is the Chairperson and Non-Executive Director of our Company. After completing her secondary schooling from the Aditya Birla World Academy, she enrolled for the economics & management degree at the University of Oxford, United Kingdom. She subsequently left the programme to pursue her professional and entrepreneurial ambitions. Our Company is her first entrepreneurial venture, and she benefits from the legacy, strategic guidance and lineage of the Birla family. She has more than 13 years of work experience and serves as a director on the board of various companies such as Svatantira Micro Housing Finance Corporation, Grasim Industries Limited, Hindalco Industries Limited, Aditya Birla Lifestyle Brands Limited, Aditya Birla Fashion and Retail Limited, Aditya Birla Management Corporation Private Limited and Birla Cosmetics Private Limited, amongst others. She was awarded the ‘Young Business Leader of the Year’ award at the 16th AIMA’s Managing India Awards in 2026 and the Kamala Rising Star Award by the Governor of Maharashtra in 2022. She was felicitated with the Society Achiever’s award in 2023, and the ‘Newsmaker of the Year’ award at the ‘Awards for Women Entrepreneurs’ by Financial Express and FICCI-FLO for the year 2024. She has also been named among Fortune India’s ‘Most Powerful Women’ in 2025, Fortune India’s ‘40 under 40’ in 2025 and 2024, Business Today’s ‘Most Powerful Women in Business’ in 2025 and Economic Times’ ‘40 under 40’ in 2024. She was also invited to participate at the ‘Champions of Change’ by the Prime Minister of India, Shri Narendra Modi. She was also recognised for her role in women empowerment and promoting self-reliance by the Chief Minister of Maharashtra, Shri Devendra Fadnavis at the 67th anniversary of Navbharat Times.

Vineet Bijendra Chattree is the Managing Director of our Company. He holds a bachelor’s degree in chemical engineering from the University of Bombay, Maharashtra, a master’s degree in management from the Indian Institute of Technology, Bombay, Maharashtra and a master’s degree in business laws from the National Law School of India University, Bengaluru, Karnataka. He has also completed the ‘Leadership Journey’ program at the Wharton School of the University of Pennsylvania, United States of America. He has more than 28 years of work experience. He was previously

associated with National Organic Chemical Industries Limited as a process engineering officer, with Tata Strategic Management Group as a consultant, with Kline India Research and Consulting Private Limited as a director - business development, with Stratbiz Consulting Private Limited as a consultant and with Aditya Birla Management Corporation Private Limited as a senior president.

Anand Rao is the Joint Managing Director of our Company. He holds a bachelor's degree in mechanical engineering from the Bangalore University, Karnataka, a master's degree in management from the Indian Institute of Technology, Bombay, Maharashtra and a master's degree in arts in international relations from the Syracuse University, New York. He has also completed the 'HBS-Accion Program on Strategic Leadership in Inclusive Finance' from the Harvard Business School, Boston. He has more than 16 years of work experience. He was previously associated with the erstwhile Chaitanya India Fin Credit Private Limited* as the managing director.

Shweta Jalan is a Non-Executive Director of our Company. She holds a bachelor's of science degree in economics from the University of Calcutta, West Bengal and a master's of business administration degree from the National Institute of Management Calcutta, West Bengal. She currently serves as the managing partner of Advent India PE Advisors Private Limited bringing over 26 years of work experience. She joined Advent India PE Advisors Private Limited in 2009 and has since advised on 19 investments in India across various sectors including business and financial services, healthcare, consumer, and technology. Some of the investments she advised on include Yes Bank Limited, Aditya Birla Housing Finance Limited, Bharat Serums and Vaccines Limited, Cohance Lifesciences Limited, Crompton Greaves Consumer Electricals Limited, Manjushree Technopack Limited, Coforge Limited and Tredence. Prior to joining Advent India PE Advisors Private Limited, she spent nine years at ICICI Venture Funds Management Company Limited as a director – private equity and with Ernst & Young LLP as an associate consultant and as a director with Quest Global Services Pte. Ltd. She was the co-chair of the FICCI Committee on Private Equity & Venture Capital in 2025, and a member of the CII National Committee on PE & VC 2025-26. She has been recognised for her leadership, including being featured in the '50 Most Powerful Women' in 2017 by Fortune India, 'Investment Professional of the Year' by VC Circle in 2020. She has featured in Business Today's '30 Most Powerful Business Women' list in 2018, in India Today Woman's 'The Trendsetters: 50 Influential Women Under 50' in 2018 and in Business Today's 'The Most Powerful Women in Business' in 2023.

Renuka Ramnath is a Non-Executive Director of our Company. She holds a bachelor's degree in textiles from V.J. Technological Institute, University of Mumbai, Maharashtra and a master's degree in management studies from the University of Mumbai, Maharashtra. She has also completed the 'Advanced Management Program, The International Senior Managers Program' from the Graduate School of Business Administration, Harvard University, United States of America. She has more than 37 years of work experience. She presently serves as the founder, managing director and chief executive officer of Multiples Alternate Asset Management Private Limited, an investment advisory firm she founded in 2009. She was also previously associated with ICICI Venture Funds Management Company Limited, where she served as the managing director and chief executive officer.

NG Shankar is an Independent Director of our Company. He holds a bachelor's degree of arts in economics from the University of Madras, Tamil Nadu. He is a member of the Institute of Chartered Accountants of India. He is a certified internal auditor and has been awarded the professional designation of 'Qualification in Internal Audit Leadership' by The Institute of Internal Auditors, USA. He has over 33 years of work experience. He was previously associated with the Aditya Birla Group as a group executive president – corporate audit, with ABB India Limited as a senior executive and with IVP Limited. He has also served as a director on the board of The Institute of Internal Auditors, USA for two years, and as a member of the audit committee of The Institute of Internal Auditors, USA.

Mamta Suri is an Independent Director of our Company. She holds a bachelor's degree in commerce, a master's degree in commerce, a master's of philosophy degree in commerce and a doctor of philosophy degree from the University of Delhi, New Delhi. She also holds a master's of science in insurance and risk management from the City University, London, United Kingdom. She has been conferred with the designation of chartered financial analyst by the Institute of Chartered Financial Analysts of India, Hyderabad, Telangana. She has completed the CII level 4 diploma in insurance (QCF) from the Chartered Insurance Institute, London, United Kingdom. She has also passed the examination for LL. B. degree from the Osmania University, Hyderabad, Telangana. She has previously served with Insurance Regulatory and Development Authority of India for over 22 years, having held the designation of 'Executive Director' at the time her retirement from the organisation.

Balasubramanian Ganesh is an Independent Director of our Company. He holds a bachelor's of engineering degree (mechanical) from the S.V.R. College of Engineering (Mechanical), South Gujarat University, Gujarat, a post graduate diploma in industrial engineering from the National Institute for Training in Industrial Engineering, Bombay, Maharashtra and a master's of business administration degree from the Open University, United Kingdom. He has over 39 years of work

experience. He was previously associated with the Tata Unisys Ltd., with the Clydesdale Bank PLC, with the National Australia Group (UK) Services Limited as a professional – project delivery, with the KPMG UK Limited, with the Aviva Employment Services Ltd, with the Lloyds TSB Bank Plc as a technical delivery director, group IT, with the Wipro Technologies as a chief executive and with the HSBC Software Development (India) Private Limited as the head of technology centres – India. Further, he has previously served as an advisor on the ‘Information Technology Advisory Council’ of the State Bank of India in the year 2021 and is currently engaged as an advisor with PI Investment Advisory LLP.

Mathew Joseph is an Independent Director of our Company. He has passed the final examination for the bachelor’s degree of science from the University of Madras, Tamil Nadu. He is a member of the Institute of Chartered Accountants of India. He has over 35 years of work experience. He was previously associated with the Housing Development Finance Corporation Limited (now merged with HDFC Bank Limited) as a member of executive management and chief risk officer, prior to which he also served as the regional business head – Kerala and Tamil Nadu with the organisation. He currently serves as a director on the boards of Tamil Nadu Urban Infrastructure Financial Services Limited, Tamil Nadu Urban Infrastructure Trustee Company Limited, IIFL Home Finance Limited, Tamil Nadu Infrastructure Fund Management Corporation Limited and Veritas Finance Limited. Further, he currently serves in the capacity of senior housing finance specialist/ consultant with the World Bank Group and has also served as an advisor with Lok Impact Advisors Private Limited.

Ashish Razdan is an Independent Director of our Company. He holds a B.A. LL.B. (Hons.) degree pursuant to his graduation from the National Law Institute University, Bhopal, Madhya Pradesh in the year 2003 and a master of laws degree pursuant to his post-graduation from the King’s College London, University of London, United Kingdom in the year 2006. He currently serves in the capacity of a partner at Khaitan & Co., Mumbai, Maharashtra, a firm he has been associated with for over 19 years.

**Pursuant to the Scheme, it has amalgamated into our Company with effect from March 21, 2026. For further details, see, “History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years – Scheme of amalgamation between Svatanttra Holdings Private Limited (“SHPL”), Chaitanya India Fin Credit Private Limited (“CIFCPL” and together with SHPL, the “Transferor Companies”) and our Company (“Transferee Company”) and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III (“NCLT”) by way of its order dated March 12, 2026, respectively (“Scheme”)” on page 290.*

Relationships between our Directors and the Key Managerial Personnel or Senior Management Personnel

None of our Directors are related to each other or to any of our Key Managerial Personnel or Senior Management Personnel:

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any of the stock exchange during their directorship in such companies.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by the RBI.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director, Key Managerial Personnel or Senior Management Personnel

Except for Ananya Birla, Vineet Bijendra Chatterjee, Anand Rao, Shweta Jalan and Renuka Ramnath who have been nominated to our Board pursuant to the Shareholders’ Agreement and the Articles of Association of our Company, none of our Directors have been presently appointed or selected pursuant to any arrangement or understanding with the major

shareholders, customers, suppliers or others.

Details of ESOPs granted to the Directors

Details of employee stock options held by the Directors of our Company, pursuant to the ESOP Plans, as on the date of this Draft Red Herring Prospectus are as follows:

Name	Designation	Number of options held under ESOP Plans
Vineet Bijendra Chattree	Managing Director	4,123,855
Anand Rao	Joint Managing Director	3,535,640

For further details about the ESOP Plans, see “*Capital Structure – Employee stock option plans*” on page 113.

Terms of appointment of our Executive Directors

Managing Director

Vineet Bijendra Chattree is currently the Managing Director of our Company. He has been a Director of our Company since October 10, 2017. Subsequently, he was appointed as the Managing Director of our Company for a period of five years with effect from June 14, 2023, pursuant to the resolutions each dated June 14, 2023, passed by our Board and Shareholders.

The details of remuneration payable to Vineet Bijendra Chattree, as approved by our Board and the Shareholders in their meetings dated June 17, 2026, and July 22, 2026, respectively, are as stated below:

S. No.	Category	Particulars
1.	Fixed Remuneration	a. <i>Basic Salary</i>: ₹11.85 million per annum with such increments as the Board may decide from time to time b. <i>HRA</i>: ₹8.89 million per annum with such increments as the Board may decide from time to time. c. <i>Allowance</i>: ₹8.89 million per annum with such increments as the Board may decide from time to time. d. <i>Annual incentive pay</i>: ₹8.88 million per annum with such increments and linked to the achievement of targets, as may be decided by the Board from time to time. e. Long-term Incentive Compensation (“LTIC”) including employee stock option, etc., as per the scheme applicable to the Executive Directors and/or senior executives of the Company and/or its subsidiaries and/ or any other incentives applicable to senior executives of the Company, in such manner and with such provisions as may be decided by the Board.
2.	Perquisites and Allowances	a. Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actual (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per the Company's Policy. b. Other Expenses: Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the Company's Policy. c. Retirement Benefit: Contribution towards Provident Fund, Superannuation Fund, National Pension Scheme and/or Gratuity as per the Company's Policy. d. Other Benefits: Leave and related benefits, life insurance, personal accident insurance as per the Company's Policy. e. Other Allowances, benefits and perquisites: Any other allowances, benefits and perquisites as per the rules applicable to the Senior Executives of the Company and/ or which may become applicable in the future and/ or any other allowance, perquisites as the Board from time to time decide. f. In case the executive is elevated to the next higher level of the Company during the tenure of appointment, the allowances, perquisites and benefits applicable to the level, will also apply to the executive. Annual remuneration review is effective from 1st April of each year and any revision/change in allowance/ perquisite shall be as per the Company's policy.

Joint Managing Director

Anand Rao is currently the Joint Managing Director of our Company. He has been a Director of our Company since June 17, 2026, and was appointed as the Joint Managing Director of our Company for a period of five years with effect from June 17, 2026, pursuant to the resolutions each dated June 17, 2026, and July 22, 2026, passed by our Board and Shareholders, respectively.

The details of remuneration payable to Anand Rao, as approved by our Board and Shareholders in their meetings dated June 17, 2026, and July 22, 2026, respectively, are as stated below:

S. No.	Category	Particulars
1.	Fixed Remuneration	a. <i>Basic Salary</i> : ₹11.00 million per annum with such increments as the Board may decide from time to time b. <i>HRA</i> : ₹7.92 million per annum with such increments as the Board may decide from time to time. c. <i>Allowance</i> : ₹7.48 million per annum with such increments as the Board may decide from time to time. d. <i>Annual incentive pay</i> : ₹8.04 million per annum with such increments and linked to the achievement of targets, as may be decided by the Board from time to time. e. Long-term Incentive Compensation (“ LTIC ”) including employee stock option, etc., as per the scheme applicable to the Executive Directors and/or senior executives of the Company and/or its subsidiaries and/ or any other incentives applicable to senior executives of the Company, in such manner and with such provisions as may be decided by the Board.
2.	Perquisites and Allowances	a. Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actual (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per the Company's Policy. b. Other Expenses: Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the Company's Policy. c. Retirement Benefit: Contribution towards Provident Fund, Superannuation Fund, National Pension Scheme and/or Gratuity as per the Company's Policy. d. Other Benefits: Leave and related benefits, life insurance, personal accident insurance as per the Company's Policy. e. Other Allowances, benefits and perquisites: Any other allowances, benefits and perquisites as per the rules applicable to the Senior Executives of the Company and/ or which may become applicable in the future and/ or any other allowance, perquisites as the Board from time to time decide. f. In case the executive is elevated to the next higher level of the Company during the tenure of appointment, the allowances, perquisites and benefits applicable to the level, will also apply to the executive. Annual remuneration review is effective from 1st April of each year and any revision/change in allowance/ perquisite shall be as per the Company's policy.

Remuneration to our Directors

Remuneration to our Executive Directors

The details of remuneration paid by our Company to the Executive Directors in Fiscal 2026 are as stated below:

Name of the Director	Remuneration (₹ in million)
Vineet Bijendra Chatterjee	Nil
Anand Rao	28.87*

* Includes the contingent/deferred compensation for Fiscal 2025, paid in Fiscal 2026.

Remuneration to our Non-Executive Directors and Independent Directors

Our Non-Executive Directors are not entitled to any remuneration. Further, pursuant to the resolution of our Board dated

June 17, 2026, our Independent Directors are entitled to (i) sitting fees of ₹0.10 million for attending each meeting of the Board of Directors; (ii) sitting fees of ₹0.08 million for attending each meeting of the Audit Committee; and (iii) sitting fees of ₹0.05 million for attending each meeting of other committees of the Board of Directors.

Our Company has paid the following sitting fees to our Independent Directors in Fiscal 2026:

S. No.	Name of the Director	Sitting fees (₹ in million)
1.	NG Shankar	1.23
2.	Mamta Suri	Nil*
3.	Balasubramanian Ganesh	Nil*
4.	Mathew Joseph	Nil*
5.	Ashish Razdan	Nil*

*Since these Independent Directors were appointed on our Board in Fiscal 2027, they were not paid any sitting fees in Fiscal 2026.

None of our Non-Executive Directors have been paid any remuneration by our Company in Fiscal 2026.

Contingent and deferred compensation payable to the Directors by our Company

Except as disclosed below, there is no contingent or deferred compensation accrued for Fiscal 2026 which is payable to any of our Directors:

S. No.	Name of the Director	Contingent/deferred compensation for Fiscal 2026, but paid/payable in Fiscal 2027 (₹ in million)
1.	Anand Rao	6.73

Remuneration paid or payable to our Directors by our Subsidiary

Our Directors have not been paid any remuneration by our Subsidiary in Fiscal 2026, including contingent or deferred compensation accrued during Fiscal 2026.

Bonus or profit-sharing plan for our Directors

None of our Directors are entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Service contracts with Directors

Except to the extent of statutory entitlements for benefits upon termination of the employment of our Executive Directors in our Company or retirement, none of our Directors have entered into any service contracts with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares.

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares in our Company:

S. No.	Name	No. of Equity Shares held	Percentage of the pre-Offer paid-up share capital (%)
1.	Ananya Birla	213,289,439	26.48

Interest of Directors

Our Directors, may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association, the board and shareholders' resolutions and their respective appointment letters, to the extent of commission payable to them by our Company and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For further details, see “– Remuneration to our Executive Directors” and “– Remuneration to our Non-Executive Directors and Independent Directors” on pages 302 and 303, respectively.

Our Directors may be interested to the extent of employee stock options and Equity Shares held by them or their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, 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 Offer and any dividend and other distributions payable in respect of such Equity Shares. For further details regarding the shareholding of our Directors, see “– *Shareholding of Directors in our Company*” on page 303.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

Except as stated in “*Other Financial Information – Related party transactions*” on page 429, no amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors.

None of our Directors 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.

Except for Ananya Birla, our Chairperson and Non-Executive Director, who is also the Individual Promoter of our Company, none of our Directors have any interest in the promotion or formation of our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of appointment/ change in designation/ cessation	Reason for change
Kumar Mangalam Birla	August 12, 2026	Resignation as a Non-Executive Director
Neerja Birla	August 12, 2026	Resignation as a Non-Executive Director
Gagan Joshi	July 20, 2026	Resignation as a Non-Executive Director
Ashish Razdan	June 17, 2026	Appointment as an Independent Director
Mathew Joseph	June 17, 2026	Appointment as an Independent Director
Balasubramanian Ganesh	June 17, 2026	Appointment as an Independent Director
Mamta Suri	June 17, 2026	Appointment as an Independent Director
Anand Rao	June 17, 2026	Appointment as the Joint Managing Director
Meena Jagtiani	June 16, 2026	Resignation as an Independent Director
Renuka Ramnath	October 31, 2024	Appointment as a Non-Executive Director
Shweta Jalan	October 31, 2024	Appointment as a Non-Executive Director
Gagan Joshi	October 31, 2024	Appointment as a Non-Executive Director

Note: This table does not include details of regularization of additional Directors.

Borrowing Powers

In accordance with our Articles of Association and Section 180(1)(c) and other applicable provisions of the Companies Act, if any, and pursuant to a resolution passed by our Board in its meeting held on February 12, 2025, and a resolution passed by our Shareholders at their extra ordinary general meeting held on June 5, 2025, our Board is authorized to borrow from time to time, such sum or sums of money, in such manner and on such terms and conditions, whether with or without security, as the Board may deem fit and expedient in the interest of our Company, notwithstanding that the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained/ to be obtained from our Company’s bankers in the ordinary course of business), will or may exceed the aggregate of the paid-up share capital and free reserves of our Company provided however, that the total amount(s) so borrowed by our Company and outstanding at any point of time shall not exceed the sum of ₹500,000.00 million, over and above the aggregate of the paid-up share capital and free reserves of our Company apart from temporary loans obtained from our Company’s bankers in the ordinary course of business.

Corporate Governance

The provisions of the Companies Act along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, including those pertaining to the constitution of the Board and committees thereof.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, our Company has constituted the following committees of our Board that are set forth below. In addition to the committees of our Board described below, our Board of Directors may, from time to time, constitute committees for various functions.

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee;
- (d) Corporate Social Responsibility Committee; and
- (e) Risk Management Committee.

Audit Committee

The members of the Audit Committee are:

S. No.	Name of Director	Committee Designation
1.	NG Shankar	Chairperson
2.	Ananya Birla	Member
3.	Shweta Jalan	Member
4.	Mamta Suri	Member
5.	Ashish Razdan	Member
6.	Mathew Joseph	Member

The Audit Committee was constituted by way of resolution passed by our Board on October 10, 2017, further re-constituted by our Board on April 20, 2022, May 29, 2024, respectively and was last re-constituted by our Board on August 13, 2026.

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act and the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- (a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions;
 - (vii) modified opinion(s) in the draft audit report;
- (e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue, or preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter;
- (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) reviewing, at least on a quarterly basis, the details of related party transaction entered into by the Company pursuant to each of the omnibus approvals given; approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by

the Company subject to such conditions as may be prescribed. Provided that only those members of the committee, who are independent directors, shall approve related party transactions;

- (j) scrutiny of inter-corporate loans and investments;
- (k) valuation of undertakings or assets of the Company, wherever it is necessary;
- (l) evaluation of internal financial controls and risk management systems;
- (m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) ensuring 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 Company;
- (p) discussion with internal auditors of any significant findings and follow up thereon;
- (q) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) to review the functioning of the whistle blower mechanism;
- (u) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (v) carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (x) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (y) carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, SEBI ICDR Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties; and
- (z) to carry out other functions as may be specifically referred to the Audit Committee by the Board and/or other committees of directors of the Company;
- (aa) to have an oversight on the legal and regulatory compliances; and
- (bb) to review and monitor the frauds and complaints as it deems necessary.

The Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- Quarterly statement of variation for public issue, rights issue and preferential issue indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilisation of funds and the actual utilisation of funds, before the submission to stock exchange(s);
- To review the financial statements, in particular, the investments made by any unlisted subsidiary; and Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

S. No.	Name of Director	Committee Designation
1.	Ashish Razdan	Chairperson
2.	Ananya Birla	Member
3.	Shweta Jalan	Member
4.	NG Shankar	Member
5.	Mamta Suri	Member
6.	Balasubramanian Ganesh	Member

The Nomination and Remuneration Committee was constituted by way of resolution passed by our Board on October 10, 2017, further re-constituted by our Board on April 20, 2022, November 8, 2023, respectively and was last re-constituted by our Board on August 13, 2026.

The terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”). The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
 - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (i) use the services of external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.
- (d) devising a policy on Board diversity;
- (e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director’s performance (including independent director);
- (f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (g) recommend to the Board, all remuneration, in whatever form, payable to senior management;
- (h) perform such functions as are required to be performed by the compensation committee and to administer and manage the ESOP schemes under the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, if applicable;
- (i) carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
- (j) to ensure ‘fit and proper’ status of proposed/ existing Directors;
- (k) to make recommendations to the Board concerning any matters relating to the continuation of office of any Director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- (l) to recommend to the Board the appointment and removal of senior management.

Stakeholders’ Relationship Committee

The members of the Stakeholders’ Relationship Committee are:

S. No.	Name of Director	Committee Designation
1.	Ananya Birla	Chairperson
2.	Vineet Bijendra Chattree	Member
3.	Anand Rao	Member
4.	NG Shankar	Member

The Stakeholders Relationship Committee was constituted by way of resolution passed by our Board on January 4, 2022, and was last re-constituted by our Board on August 13, 2026.

The terms of reference of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee include the following:

- resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- review of measures taken for effective exercise of voting rights by shareholders.
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the Companies Act, 2013, SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

S. No.	Name of Director	Committee Designation
1.	Ananya Birla	Chairperson
2.	Vineet Bijendra Chattree	Member
3.	Anand Rao	Member
4.	Mamta Suri	Member

The Corporate Social Responsibility Committee was constituted by way of resolution passed by our Board on April 5, 2019, further re-constituted by our Board on April 20, 2022, and was last re-constituted by our Board on August 13, 2026. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications or re-enactments thereof).

The terms of reference of the Corporate Social Responsibility Committee include the following:

- formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under Companies Act 2013 and other applicable law, as and when amended from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

S. No.	Name of Director	Committee Designation
1.	Mathew Joseph	Chairperson
2.	Ananya Birla	Member
3.	Vineet Bijendra Chatterjee	Member
4.	Anand Rao	Member
5.	NG Shankar	Member
6.	Balasubramanian Ganesh	Member

The Risk Management Committee was constituted by way of resolution passed by our Board on October 10, 2017, further re-constituted by our Board on April 20, 2022, May 29, 2024, respectively and was last re-constituted by our Board on August 13, 2026. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations.

The terms of reference of the Risk Management Committee include the following:

- (a) to formulate a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (iii) Business continuity plan.
- (b) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (g) to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- (h) to evaluate the overall risks faced by the Company including liquidity risk and shall report to the board of the Company; and
- (i) any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) review of risk appetite statements, response strategies to risks and risk mitigation;
- (k) to oversee the effectiveness of Early Warning Signals (EWS) and Red Flagging of Accounts (RFA) under the overall Fraud Risk Management Policy approved by the Board; and
- (l) to review the Company's risk appetite limits at periodic intervals as per the directions of the Committee; and
- (m) to review changes / updates when prescribed by laws or regulations or as may be directed by the Board.

The Risk Management Committee is required to meet at least twice in a year under Regulation 21(3A) of the SEBI Listing Regulations.

Board Members



Ananya Birla
Chairperson and
Non-Executive Director



**Vineet Bijendra
Chattree**
Managing Director



Anand Rao
Joint Managing Director



Shweta Jalan
Non-Executive Director



Renuka Ramnath
Non-Executive Director



NG Shankar
Independent Director



Mamta Suri
Independent Director



**Balasubramanian
Ganesh**
Independent Director



Mathew Joseph
Independent Director



Ashish Razdan
Independent Director

Key Management Personnel



**Vrushali Vishal
Mahajan**
Chief Financial Officer



Surinder Kumar Bhatia
Company Secretary and
Chief Compliance Officer

Senior Management Personnel



Deepak Kumar Jha
Chief Business Officer



**Yuvraj Vasant
Kamdar**
Chief Risk Officer



Salil G Nair
Chief Technology Officer



**Vikas Laxman
Kalibaug**
Head – Internal Audit



**Kranti Pravin
Singh Sety**
Head – Group Human
Resources & CSR



Gaurav Pathak
Head – Human Resources
(Microfinance)

Key Managerial Personnel and Senior Management Personnel

Key Managerial Personnel

In addition to Vineet Bijendra Chattree, the Managing Director of our Company, and Anand Rao, the Joint Managing Director of our Company, whose details are provided in “– *Brief profiles of our Directors*” on page 298, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as on the date of this Draft Red Herring Prospectus are set forth below:

Vrushali Vishal Mahajan is the Chief Financial Officer of our Company. She has been associated with our Company since March 9, 2015, and was appointed as the Chief Financial Officer of our Company with effect from May 30, 2020. She holds a bachelor’s and a master’s degree in commerce from Shivaji University, Kolhapur. She is an associate member of the Institute of Chartered Accountants of India. She has more than 24 years of experience in finance and accounting. She was previously associated with Ceraflux India Private Limited as the senior finance officer, P S Construction as the senior accounts executive, and with RBL Bank Ltd as the vice president – finance. She is, *inter alia*, responsible for finance, accounts, treasury and financial planning functions in our Company. During Fiscal 2026, she received a remuneration of ₹ 14.30 million[^].

Surinder Kumar Bhatia is the Company Secretary and Chief Compliance Officer of our Company and has been associated with our Company since March 16, 2015. He is also the compliance officer of our Company for the purposes of compliance with the SEBI ICDR Regulations and the SEBI LODR Regulations. He holds a bachelor’s degree in commerce and an LL.B. degree from Sambalpur University, Odisha. He is an associate member of the Institute of Company Secretaries of India. He has more than 22 years of experience in corporate secretarial and compliance functions. He was previously associated with Nancy Krafts Pvt. Ltd. as company secretary, with Magnum Power Generation Limited as an executive – accounts cum assistant company secretary, with Nagar Goel & Chawla as a consultant, with DLF Home Developers Limited as an assistant manager - corporate affairs, Moser Baer India Limited (*formerly known as Moser Baer Projects Private Limited*) as an assistant manager – secretarial, and with SV Creditline Private Limited as the company secretary. He is, *inter alia*, responsible for secretarial, compliance and regulatory functions in our Company. During Fiscal 2026, he received a remuneration of ₹10.26 million[^].

Senior Management Personnel

In addition to Vrushali Vishal Mahajan, the Chief Financial Officer of our Company, and Surinder Kumar Bhatia, the Company Secretary and Chief Compliance Officer of our Company, whose details are provided in “– *Key Managerial Personnel of our Company*” on page 312, the details of our Senior Management Personnel, as on the date of this Draft Red Herring Prospectus, are as set forth below:

Yuvraj Vasant Kamdar is the Chief Risk Officer of our Company and has been associated with our Company since February 4, 2026. He holds a bachelor’s degree in commerce from the University of Madras, Chennai, has completed a part-time executive education programme in ‘Business Analytics and Intelligence’ from the Indian Institute of Management, Bengaluru and an online program on ‘Leading Organisation in Disruptive Times’ from INSEAD, France. He has more than 20 years of work experience. He was previously associated with Citigroup Global Services Limited in retail banking, with Fidelity Business Services India Private Limited as the team leader, with Fullerton India Credit Company Limited as the senior manager, with DCB Bank Limited as the group vice president in business analytics and head of business intelligence unit, with Ahli United Bank as head of analytics in the data management department and with TransUnion CIBIL Limited as the senior vice president. He is, *inter alia*, responsible for credit risk, operational risk and enterprise risk management in our Company. During Fiscal 2026, he received a remuneration of ₹2.21 million.

Vikas Laxman Kalibaug is the Head – Internal Audit of our Company and has been associated with our Company since October 7, 2019. He holds a bachelor’s degree in commerce from the University of Mumbai. He is a member of the Institute of Chartered Accountants of India. He has more than 22 years of work experience. He was previously associated with Gayakwad & Arracken Co. as an article trainee, Achuthan & Co., Chartered Accountants as an articled clerk, with V Sankar Aiyar & Co. Chartered Accountants as audit executive, and with Aditya Birla Management Corporation Private Limited as senior manager - corporate audit. He is, *inter alia*, responsible for internal audit, internal controls and process reviews in our Company. During Fiscal 2026, he received a remuneration of ₹7.49 million[^].

Deepak Kumar Jha is the Chief Business Officer of our Company and has been associated with our Company since November 28, 2016*. He holds a bachelor’s degree in commerce from Bhupendra Narayan Mandal University, Madhepura, Bihar and a post graduate diploma in rural management from the Institute of Rural Management, Anand, Gujarat. He has more than 17 years of work experience. He was previously associated with SKS Microfinance as principal manager –

service quality. He is, *inter alia*, responsible for microfinance business operations, portfolio growth and asset quality in our Company. During Fiscal 2026, he received a remuneration of ₹13.92 million[^].

Salil G Nair is the Chief Technology Officer of our Company and has been associated with our Company since June 5, 2025. He holds a bachelor's degree in technology in computer science and engineering from the University of Kerala, Thiruvananthapuram, Kerala and a master's degree in software systems from the Birla Institute of Technology and Science, Pilani, Rajasthan. He has more than 25 years of work experience. He was previously associated with eFunds International India Private Limited as senior system executive, with FIS Payment Solutions and Services India Private Limited as head – technology, with Northern Arc Capital Limited as the chief technology and information officer, with Agrosperity Tech Solutions Private Limited as the chief technology officer and with Financial Software & Systems Private Limited as head – technology services and operations. He is, *inter alia*, responsible for technology platforms and IT systems supporting business operations in our Company. During Fiscal 2026, he received a remuneration of ₹12.03 million.

Kranti Pravin Singh Sety is the Head – Group Human Resources & CSR of our Company and has been associated with our Company since May 16, 2016. She holds a bachelor's degree in arts from the University of Mumbai, Maharashtra, and has passed the examination for the master's degree in human resources development management from the University of Mumbai, Maharashtra and CHRO program from the Wharton School of the University of Pennsylvania. She has more than 23 years of work experience. She was previously associated with GTL Limited as executive – human resource, with Randox Laboratories Limited as manager – human resources (India), with the ConJoin Solutions Private Limited as assistant general manager, with Elara Securities (India) Private Limited as head – human resources (global) and with Suryoday Micro Finance Limited as assistant vice president – human resource initiatives. She is, *inter alia*, responsible for the group's human resources strategy and CSR in our Company. During Fiscal 2026, she received a remuneration of ₹10.15 million[^].

Gaurav Pathak is the Head – Human Resources (Microfinance) of our Company and has been associated with our Company since February 9, 2021*. He has passed the final examination for the bachelor's degree in information technology engineering from PT. Ravishankar Shukla University, Raipur, Chhattisgarh, and holds a post graduate diploma in management from Indian Institute of Modern Management, Pune, Maharashtra. He has more than 19 years of work experience. He was previously associated with Government Polytechnic College, Bhopal as a lecturer (ad-hoc basis), with Kingfisher Airlines Limited as an assistant manager – human resources, R&R Salons Private Limited as the manager – people and culture and with DTDC Express Limited as deputy general manager – human resources (south and east). He is, *inter alia*, responsible for talent acquisition, employee life cycle management and HR compliances in our Company. During Fiscal 2026, he received a remuneration of ₹7.96 million[^].

* This includes the tenure of the respective SMPs in the erstwhile Chaitanya India Fin Credit Private Limited which, pursuant to the Scheme, has amalgamated into our Company with effect from March 21, 2026. For further details, see, "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years – Scheme of amalgamation between Svatantra Holdings Private Limited ("SHPL"), Chaitanya India Fin Credit Private Limited ("CIFCPL" and together with SHPL, the "Transferor Companies") and our Company ("Transferee Company") and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III ("NCLT") by way of its order dated March 12, 2026, respectively ("Scheme")" on page 290.

[^] Includes the contingent/ deferred compensation for the Fiscal 2025, paid in Fiscal 2026.

Relationship among Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel are related to each other.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

The attrition rate of our Company is not high as compared to the industry.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

None of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

Details of employee stock options granted to Key Managerial Personnel and Senior Management Personnel

Details of employee stock options held by our Key Managerial Personnel and Senior Management Personnel, pursuant to the ESOP Plans, as on the date of this Draft Red Herring Prospectus are as follows:

Name	Designation	Number of options held under ESOP Plans
Key Managerial Personnel*		
Vrushali Vishal Mahajan	Chief Financial Officer	731,170
Surinder Kumar Bhatia	Company Secretary and Chief Compliance Officer	516,174
Senior Management Personnel^		
Yuvraj Vasant Kamdar	Chief Risk Officer	445,046
Vikas Laxman Kalibaug	Head – Internal Audit	242,826
Deepak Kumar Jha	Chief Business Officer	729,876
Salil G Nair	Chief Technology Officer	445,046
Kranti Pravin Singh Sety	Head – Group Human Resources & CSR	484,636
Gaurav Pathak	Head – Human Resources (Microfinance)	402,661

*Does not include options under the ESOP Plans held by Directors.

^Does not include options under the ESOP Plans held by the KMPs.

For further details about the ESOP Plans, see “Capital Structure – Employee stock option plans” on page 113.

Bonus or Profit-Sharing Plans of the Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel is entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the employee stock options held by them, and dividend payable or any other benefit arising out of shareholding which may arise upon the exercise of such employee stock options held by them. For details, see “– Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company” on page 313.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and the members of the Senior Management for Fiscal 2026, which does not form part of their remuneration for such year:

		(₹ in million)
Name of the Key Managerial Personnel/ Senior Management Personnel	Contingent/deferred compensation for the Fiscal 2026, but paid/payable in Fiscal 2027	
Key Managerial Personnel*		
Vrushali Vishal Mahajan		2.58
Surinder Kumar Bhatia		1.37
Senior Management Personnel^		
Yuvraj Vasant Kamdar		0.38
Salil G Nair		2.46
Vikas Laxman Kalibaug		1.13
Deepak Kumar Jha		2.06
Kranti Pravin Singh Sety		1.83
Gaurav Pathak		1.24

*Does not include KMPs who are Directors.

^Does not include SMPs who are KMPs.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management Personnel have been appointed as a Key Managerial Personnel and Senior Management Personnel

Except as disclosed under “– Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director, Key Managerial Personnel or Senior Management Personnel”, none of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service Contracts with Key Managerial Personnel and Senior Management Personnel

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, none of our Key Managerial Personnel and Senior Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in Key Managerial Personnel and Senior Management Personnel

Other than as disclosed in “– *Changes in our Board in the last three years*” on page 304, the changes in the Key Managerial Personnel and Senior Management Personnel in the preceding three years are as follows:

Name	Date of change	Reason for change
Deepak Kumar Jha	July 1, 2026	Appointment as the Chief Business Officer
Kranti Pravin Singh Sety	July 1, 2026	Appointment as Head – Group Human Resources & CSR
Yuvraj Vasant Kamdar	March 31, 2026	Appointment as Chief Risk Officer
Vikas Laxman Kalibaug	March 31, 2026	Re-designation from Chief Risk Officer to Head – Internal Audit
Akruti Vishal Mashkaria	March 31, 2026	Resignation as the Head – Internal Audit
Salil G Nair	June 5, 2025	Appointment as the Chief Technology Officer
Anujeet Vishwanath Varadkar	May 23, 2024	Resignation as the Chief Executive Officer

Payment or benefit to Key Managerial Personnel and Senior Management Personnel

No amount or benefit has been paid or given to any officer of our Company, including Key Managerial Personnel or Senior Management Personnel, within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment or other than the employee stock options given to our Key Managerial Personnel or Senior Management Personnel as disclosed in “– *Shareholding of Directors in our Company*” and “– *Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company*” on pages 303 and 312, respectively or for services rendered as officers of our Company. For details of the related party transactions, see “*Other Financial Information – Related party transactions*” on page 429.

Confirmations

There are no conflicts of interest between the lessors of the immovable properties of our Company (which are crucial for the operations of our Company) and our Directors, Key Managerial Personnel and Senior Management Personnel.

There are no conflicts of interest between the third-party service providers (which are crucial for the operations of our Company) and our Directors, Key Managerial Personnel and Senior Management Personnel.

Employee stock options

For details of the employee stock option plans of our Company, see “*Capital Structure – Employee stock option plans*” on page 113.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Ananya Birla and Antimatter Media Private Limited.

As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 483,042,420 equity shares of face value of ₹10 each which constitutes 59.97% of the pre-Offer equity share capital of our Company on a fully diluted basis, assuming the exercise of all outstanding options that are vested as on the date of this Draft Red Herring Prospectus, under the ESOP Plans.

For details of the build-up of the shareholding of our Promoters in our Company, see “*Capital Structure – History of the share capital held by our Promoters – Build-up of the shareholding of our Promoters in our Company*” on page 107.

Details of our Individual Promoter

Ananyashree Birla



Ananyashree Birla (also known as Ananya Birla), aged 32 years, is a citizen of India. She resides at Mangal Adityayan, 20, Carmichael Road, Mumbai – 400 026, Maharashtra, India. She is the Chairperson and Non-Executive Director of our Company. For details of her date of birth, educational qualifications, professional experience, experience in the business of our Company, positions/ posts held in the past and other directorships, other ventures, special achievements, financial, business, and other activities, see “*Our Management – Our Board*” and “*Our Management – Brief profiles of our Directors*” on pages 295 and 298, respectively.

Her PAN number is BMNPB3760N.

Our Company confirms that the PAN number, driving license number, Aadhaar card number, bank account number and the passport number, as applicable, of our Individual Promoter, will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Corporate Promoter

Antimatter Media Private Limited (“Antimatter”)

Corporate information

Antimatter was incorporated on September 29, 2016, as a private limited company under the Companies Act, 2013 at Mumbai, Maharashtra. The registered office of Antimatter is located at Level-17, Birla Aurora, Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India. The corporate identification number of Antimatter is U74999MH2016PTC286359, and the permanent account number is AAOCA8464H.

Antimatter does not have adequate experience in the line of business of our Company. For further details, see “*Risk Factors – Our Corporate Promoter, Antimatter Media Private Limited, does not have experience in the business activities undertaken by our Company*” on page 63.

Nature of business

Antimatter is engaged in the business of creating audio visual contents and online streaming.

Board of directors

The board of directors of Antimatter, as on the date of this Draft Red Herring Prospectus, is as follows:

S. No.	Name of the director	Designation
1.	Ananya Birla	Non-executive director
2.	Neerja Birla	Non-executive director
3.	Bhuwnesh Vora	Non-executive director

Shareholding pattern of Antimatter

The shareholding pattern of the equity shares of face value of ₹10 each of Antimatter as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹10 each	Percentage of shareholding (%)
1.	Ananya Birla	347,585,000	82.25%
2.	Siddhipriya Enterprises LLP	75,000,000	17.75%
3.	Neerja Birla	5,000	Negligible

Details of change in control of Antimatter

Except as disclosed below, there has been no change in the control of Antimatter in the last three years preceding the date of this Draft Red Herring Prospectus:

Birla Group Holdings Private Limited and IGH Holdings Private Limited transferred 18,105,000 equity shares and 4,475,000 equity shares of Antimatter, respectively, to Ananya Birla on March 30, 2026, resulting in Ananya Birla holding 99.98% of the then fully paid-up equity share capital of Antimatter. As on date, Ananya Birla holds 82.25% of the fully paid-up equity share capital of Antimatter.

Promoter of Corporate Promoter

Ananya Birla is the sole promoter of Antimatter.

Our Company confirms that the permanent account number, bank account number, company registration number of Antimatter along with the address of the registrar of companies where Antimatter is registered, will be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Change of control of our Company

Except as disclosed below, there has been no change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus:

IGH Holdings Private Limited transferred 2,100,001 equity shares of face value of ₹10 each to our Corporate Promoter on March 20, 2026. Subsequently, our Corporate Promoter was allotted 57,535,865 equity shares of face value of ₹10 each on March 31, 2026.

Accordingly, pursuant to a resolution of our Board dated July 22, 2026, Ananya Birla and Antimatter were identified as Promoters of our Company.

Interests of our Promoters

Our Promoters are interested in our Company to the extent (i) they have promoted and have shareholding, to the extent applicable, in our Company; (ii) of the shareholding of the members of the Promoter Group in our Company and other entities in which our Promoters are interested. For details of the shareholding of the Promoters in our Company, see “*Capital Structure – History of the share capital held by our Promoters – Build-up of the shareholding of our Promoters in our Company*” on page 107.

Further, our Individual Promoter, Ananya Birla, Chairperson and Non-Executive Director, is also interested to the extent of her directorship held in our Company. For further details of the interest of our Individual Promoter in our Company in

her capacity as a Director of our Company, see “*Our Management – Interest of Directors*” on page 303.

Interests of Promoters in the property of our Company

Our Promoters do not have interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery etc.

Business Interests

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 our Individual Promoter to become, or to qualify her as a director, or otherwise, for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters and the members of the Promoter Group do not have any conflict of interest with the lessors of immovable properties of our Company which are crucial for the operations of our Company. Further, our Promoters and the members of the Promoter Group do not have any conflict of interest with the third-party service providers of our Company (which are crucial for operations of our Company).

Payment of benefits to our Promoters or the members of the Promoter Group

There has been no payment of amount or benefits to our Promoters or to the members of our Promoter Group during the two years immediately preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or any member of our Promoter Group by our Company, other than as stated in “*Other Financial Information – Related party transactions*” on page 429.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters or the members of our Promoter Group is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made.

Material guarantees given by our Promoters to third parties with respect to Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated from any company or firm during the last three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Promoter	Name of the company or firm from which the Promoter has disassociated	Reasons and circumstances for disassociation	Terms of disassociation	Date of disassociation
1.	Ananya Birla	Aditya Birla New Age Advisory Services Private Limited	Other commitments	Nil	January 12, 2026

Promoter Group

As on the date of this Draft Red Herring Prospectus, the following is the list of persons and entities constituting the members of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, in addition to our Promoters:

Natural persons forming part of the Promoter Group

As on the date of this Draft Red Herring Prospectus, the natural persons (in addition to our Individual Promoter) forming a part of the Promoter Group are as follows:

Name of the Promoter	Name of the Promoter Group member	Relationship with Promoter
Ananya Birla	Kumar Mangalam Birla	Father
	Neerja Birla	Mother
	Aryaman Vikram Birla	Brother
	Advaitesha Birla	Sister

Entities forming part of the Promoter Group

As on the date of this Draft Red Herring Prospectus, the entities (in addition to our Corporate Promoter and our Subsidiary) forming part of our Promoter Group are as follows:

S. No.	Name of the entity
1.	Aditya Birla New Age Advisory Services Private Limited (<i>formerly known as Aditya Birla New Age Hospitality Private Limited</i>)
2.	Aditya Birla New Age Hospitality Private Limited (<i>formerly known as KA Hospitality Private Limited</i>)
3.	Aditya Birla New Age Restaurants and Café Private Limited
4.	Aditya Birla Elixir Private Limited
5.	Aditya Vikram Kumar Mangalam Birla HUF
6.	Ananya Birla Foundation
7.	Aur Private Limited (<i>formerly known as Talk and Cheese Private Limited</i>)
8.	Aurlabs Investments FZE, UAE
9.	Birla AI Labs Private Limited
10.	Birla Cosmetics Private Limited
11.	Birla Group Holdings Private Limited
12.	Global Holdings Private Limited
13.	IKAI ASAI Foundation
14.	K5 Restaurants & Entertainment Private Limited
15.	Rajratna Holdings Private Limited
16.	Siddhipriya Enterprises LLP
17.	Stayonthesunnyside Pictures Private Limited
18.	Vaibhav Holdings Private Limited
19.	Vikram Holdings Private Limited

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board to the Shareholders for their approval in the Annual General Meeting, at their discretion, subject to compliance with the Articles of Association and provisions of the Companies Act, including the rules made thereunder and other relevant regulations, if any, each as amended, and the dividend policy of our Company which was approved and adopted by way of a resolution dated July 22, 2026, passed by the Board of Directors, which may be reviewed and periodically amended by the Board. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Companies Act.

The declaration and payment of dividend will depend on a number of internal and external factors. Some of the internal factors on the basis of which our Company may declare dividend shall, *inter alia*, include (a) minimum cash required for contingencies or unforeseen events, (b) funds required to service any outstanding loans, (c) future expansion plans, and (b) any other significant developments that require cash investments, as may be applicable from time to time. Some of the external factors on the basis of which our Company may declare dividend shall *inter alia* include state of the market and economic conditions, taxation provisions and shareholder expectations.

There is no guarantee that any dividends will be declared or paid in the future. For details in relation to risks involved in this regard, see “*Risk Factors –Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit for the year after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements*” on page 61.

Our Company has not declared dividends on the Equity Shares in the three preceding Fiscals and the period from April 1, 2026, until the date of this Draft Red Herring Prospectus.

Except as disclosed below, our Company has not declared any dividends on the Preference Shares during the three preceding Fiscals and the period from April 1, 2026 until the date of this Draft Red Herring Prospectus:

Particulars	From April 1, 2026 till the date of the DRHP*	Fiscal 2026*	Fiscal 2025	Fiscal 2024
Number of CCPS	NA	NA	175,500,000	175,500,000
Face value per CCPS (in ₹)	NA	NA	100.00	100.00
Paid-up value per CCPS	NA	NA	100.00	100.00
Interim dividend (₹ in million)	NA	NA	585.88	522.86
Final dividend (₹ in million)	NA	NA	Nil	Nil
Aggregate dividend (₹ in million)	NA	NA	585.88	522.86
Dividend per fully paid-up CCPS (in ₹)	NA	NA	5.00	5.00
Dividend per partly paid-up CCPS (₹ in million)	NA	NA	NA	NA
Rate of dividend	NA	NA	5.00%	5.00%
Mode of payment	NA	NA	Electronic mode	Electronic mode

* Our Company did not have any outstanding Preference Shares in Fiscal 2026 and the period from April 1, 2026 till the date of this Draft Red Herring Prospectus.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our “Restated Consolidated Summary Statements” on page 339 as well as “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 235 and 434, respectively. Unless otherwise indicated or unless context requires otherwise, the financial information included herein is based on our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Summary Statements” on page 339.

Certain non-GAAP measures presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of players in the Indian financial services industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. These non GAAP financial measures and certain other measures relating to our operations and financial performance are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Such non-GAAP financial measures may be different from financial measures and statistical information disclosed or followed by other NBFCs or NBFC-MFIs. For further information, see “Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies” on page 63.

Unless otherwise specified or unless context requires otherwise, information included in this section has been provided on a consolidated basis. Further, in this section, unless context requires otherwise, references to “MFI entity” or “MFI” pertain to our Company, Svatantra Microfin Limited, while references to “Housing Finance entity” or “Housing Finance” pertain to our Subsidiary, Svatantra Micro Housing Finance Corporation Limited.

Significant Financial Metrics

The following table sets forth selected financial metrics for the years and as of dates indicated:

Particulars	As of / For the Year Ended March 31,		
	2026	2025	2024
	₹ million, except percentages, ratios and per share data)		
AUM ⁽¹⁾	238,177.77	171,744.56	164,716.12
AUM Growth (%) ⁽²⁾	38.68%	4.27%	82.45%
Average AUM ⁽³⁾	204,961.17	168,230.34	127,499.07
Secured AUM (%) ⁽⁴⁾	11.44%	13.23%	12.35%
Assigned Assets ⁽⁵⁾	27,208.20	21,611.41	23,547.98
Assigned Assets, as a percentage of AUM (%) ⁽⁶⁾	11.42%	12.58%	14.30%
Disbursement ⁽⁷⁾	202,419.85	131,916.90	97,298.76
Disbursement Growth (%) ⁽⁸⁾	53.44%	35.58%	39.97%
Total Assets	238,373.83	159,338.30	156,816.78
Total Equity	47,380.07	35,697.19	23,698.06
Average Total Equity ⁽⁹⁾	41,538.63	29,697.63	19,052.57
Total Borrowings ⁽¹⁰⁾	186,132.63	119,883.71	129,172.82
Total Income excluding Interest Income ⁽¹¹⁾	4,463.24	3,330.57	2,553.98
Interest Income	37,425.17	31,609.51	22,098.02
Total Income	41,888.41	34,940.08	24,652.00
Net loss on fair value changes	45.54	-	-
Total Income adjusted for net loss on fair value changes ⁽¹²⁾	41,842.87	34,940.08	24,652.00
Finance Cost	12,460.36	12,406.27	9,670.73
Net Interest Income ⁽¹³⁾	24,964.81	19,203.24	12,427.29
Net Total Income ⁽¹⁴⁾	29,382.51	22,533.81	14,981.27
Operating Expenses ⁽¹⁵⁾	14,611.71	11,403.12	6,291.22
Pre-provision Operating Profit ⁽¹⁶⁾	14,770.80	11,130.69	8,690.05
Impairment on financial instruments	6,227.54	5,279.13	4,159.65
Profit before tax	8,543.26	5,851.56	4,530.40

Particulars	As of / For the Year Ended March 31,		
	2026	2025	2024
	(₹ million, except percentages, ratios and per share data)		
Profit for the year after tax	6,493.99	4,453.82	3,451.38
Cost of borrowings (%) ⁽¹⁷⁾	8.14%	9.96%	N.A.
Average Cost of Incremental Borrowings (%) ⁽¹⁸⁾	8.27%	9.25%	9.60%
Cost to Income Ratio (%) ⁽¹⁹⁾	49.73%	50.60%	41.99%
Debt to Equity Ratio (times) ⁽²⁰⁾	3.93	3.36	5.45
Gross Stage 3 Ratio (%) ⁽²¹⁾	1.37%	2.34%	2.00%
Net Stage 3 Ratio (%) ⁽²²⁾	0.48%	0.67%	0.42%
Basic Earnings per Share (in ₹) ⁽²³⁾	9.17	8.18	7.21
Diluted Earnings per Share (in ₹) ⁽²⁴⁾	9.13	8.15	7.17
Net Asset Value per Equity Share (in ₹) ⁽²⁵⁾	58.82	50.27	40.65

Notes:

- (1) AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year.
- (2) AUM Growth represents percentage growth in AUM for the relevant year over AUM of the last year.
- (3) Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately previous year.
- (4) Secured AUM represents the proportion of AUM secured by collateral as a percentage of AUM as of the last day of the year.
- (5) Assigned assets represents the aggregate of principal outstanding for all loans which have been transferred by our Company by way of direct assignment and co-lending as of the last day of the relevant year.
- (6) Assigned Assets, as a percentage of AUM is the value of assigned assets as a percentage of the AUM as on the last day of the relevant year.
- (7) Disbursement represents the aggregate amount of loans amounts extended to our borrowers in the relevant year. Disbursement for the year ended March 31, 2024 has been calculated excluding corporate loans amounting to ₹ 2,500.00 million.
- (8) Disbursement Growth represents percentage growth in disbursement for the relevant year over disbursement during the immediately preceding year. Disbursement growth for the year ended March 31, 2024 has been calculated excluding corporate loans amounting to ₹ 2,500.00 million in Fiscal 2024 and excluding corporate loans amounting to ₹ 800.00 million in Fiscal 2023. We do not disburse corporate loans any longer.
- (9) Average Total Equity represents the simple average of total equity as of the last day of the relevant year and total equity as of the last day of the immediately preceding year.
- (10) Total Borrowings represent the aggregate of our Debt securities, Borrowings (other than debt securities) and Subordinated liabilities as of the last day of the relevant year.
- (11) Total Income excluding Interest Income represents Total Income reduced by Interest Income for the relevant year.
- (12) Total Income adjusted for net loss on fair value changes represents Total Income reduced by net loss on fair value changes for the relevant year.
- (13) Net Interest Income represents Interest Income for the relevant year reduced by Finance Costs for the relevant year.
- (14) Net Total Income represents Total Income reduced by Finance Costs and Net loss on fair value changes for the relevant year.
- (15) Operating Expense represents Employee benefit expenses, depreciation and amortization expenses and other expenses for the relevant year.
- (16) Pre-provision Operating Profit represents Net Total Income reduced by Operating Expenses for the relevant year.
- (17) Cost of borrowings represents the finance costs divided by the average borrowings for the relevant year. Average borrowings is calculated as the simple average of total borrowings as of the last day of the relevant year and the total borrowings as of the last day of the immediately preceding year.
- (18) Average Cost of Incremental Borrowings represents the weighted average cost of borrowings, with weights being additional borrowings during the relevant year.
- (19) Cost to Income ratio represents Operating Expenses as a percentage of Net Total Income for the relevant year.
- (20) Debt to Equity Ratio represents total borrowings of the Company (comprising Debt securities, Borrowings (other than debt securities), and subordinated liabilities) divided by total equity, as of the last day of the relevant year.
- (21) Gross Stage 3 Ratio represents the Gross Stage 3 Loans outstanding as a percentage of Gross Loans as of the last day of the relevant year.
- (22) Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.
- (23) Basic earnings per share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding, as per IND AS 33, Earnings per share.
- (24) Diluted earnings per share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding which includes the effects of potential equity shares on Employee Stock Options outstanding, as per IND AS 33, Earnings per share.
- (25) Net Asset Value per Equity Share represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPS, and employee stock options vested as at the end of the relevant year.

AUM Mix by Business

Particulars	As of March 31,		
	2026	2025	2024
	(Percentages)		
AUM - MFI ⁽¹⁾	88.56%	86.77%	87.65%
AUM - Housing Finance ⁽²⁾	11.44%	13.23%	12.35%

Notes:

⁽¹⁾ AUM - MFI represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for our MFI entity as a percentage of AUM.

⁽²⁾ AUM - Housing Finance represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for the Housing Finance entity as a percentage of AUM.

Return Ratios and Other Ratios

Particulars	As of / For the Year Ended March 31,		
	2026	2025	2024
	(Percentages, unless stated otherwise)		
AUM (₹ million) ⁽¹⁾	238,177.77	171,744.56	164,716.12
Average AUM (₹ million) ⁽²⁾	204,961.17	168,230.34	127,499.07
Total Equity (₹ million)	47,380.07	35,697.19	23,698.06
Average Total Equity (₹ million) ⁽³⁾	41,538.63	29,697.63	19,052.57
Interest Income / Average AUM (%) ⁽⁴⁾	18.26%	18.79%	17.33%
Finance Cost/ Average AUM (%) ⁽⁵⁾	6.08%	7.37%	7.58%
Net Interest Income/ Average AUM (%) ⁽⁶⁾	12.18%	11.41%	9.75%
Net Total Income / Average AUM (%) ⁽⁷⁾	14.34%	13.39%	11.75%
Operating Expenses/ Average AUM (%) ⁽⁸⁾	7.13%	6.78%	4.93%
Pre-Provision Operating Profit / Average AUM (%) ⁽⁹⁾	7.21%	6.62%	6.82%
Impairment on financial instruments as a percentage of Average AUM (%) ⁽¹⁰⁾	3.04%	3.14%	3.26%
Profit Before Tax/ Average AUM (%) ⁽¹¹⁾	4.17%	3.48%	3.55%
Return on Average AUM ("RoAAUM") (%) ⁽¹²⁾	3.17%	2.65%	2.71%
Average AUM/ Average Total Equity (Leverage) (times) ⁽¹³⁾	4.93x	5.66x	6.69x
Return on Average Equity (%) ⁽¹⁴⁾	15.63%	15.00%	18.12%

Notes:

⁽¹⁾ AUM represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year.

⁽²⁾ Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.

⁽³⁾ Average Total Equity represents the simple average of total equity as of the last day of the relevant year and total equity as of the last day of the immediately preceding year.

⁽⁴⁾ Interest Income / Average AUM is the proportion of total interest income for the year expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽⁵⁾ Finance Costs / Average AUM is the proportion of finance costs for the year expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽⁶⁾ Net Interest Income / Average AUM is the proportion of net interest income i.e. Interest Income for the relevant year reduced by Finance Costs for the relevant year, expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽⁷⁾ Net Total Income as percentage of Average AUM is the proportion of net total income for the year expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽⁸⁾ Operating expenses / Average AUM is the proportion of operating expenses for the year expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽⁹⁾ Pre-Provision Operating Profit / Average AUM is the proportion of pre-provision operating profit for the year expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽¹⁰⁾ Impairment on financial instruments as a percentage of Average AUM is the proportion of impairment on financial instruments for the relevant year expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽¹¹⁾ Profit Before Tax / Average AUM is the proportion of profit before tax for the year expressed as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽¹²⁾ Return on Average AUM represents profit for the relevant year as a percentage of Average AUM. (For calculation of Average AUM, refer to Note 2).

⁽¹³⁾ Leverage represents the ratio of Average AUM for the year to Average Total Equity for the year. (For calculation of Average AUM, refer to Note 2).

⁽¹⁴⁾ Return on Average Equity is calculated as Profit for the year after tax divided by Average Total Equity. Average Total Equity is calculated as the simple average of total equity as of the last day of the relevant year and total equity as of the last day of the immediately preceding year.

Return Ratios and Other Ratios – MFI

Particulars	As of / For the Year Ended March 31,		
	2026	2025	2024
	(Percentages, unless stated otherwise)		
AUM - MFI (₹ million) ⁽¹⁾	210,932.22	149,020.66	144,378.72
Average AUM - MFI (₹ million) ⁽²⁾	179,976.44	146,699.69	109,686.40
Total Equity - MFI (₹ million) ⁽³⁾	48,625.01	37,024.57	25,227.71
Average Total Equity - MFI (₹ million) ⁽⁴⁾	42,824.79	31,126.14	20,679.82
Profit after Tax - MFI ⁽⁵⁾	6,423.62	4,252.03	3,255.33
Interest Income / Average AUM - MFI (%) ⁽⁶⁾	18.99%	19.64%	17.97%
Finance Cost/ Average AUM - MFI (%) ⁽⁷⁾	5.94%	7.34%	7.50%
Net Interest Income/ Average AUM - MFI (%) ⁽⁸⁾	13.06%	12.30%	10.47%
Net Total Income / Average AUM - MFI (%) ⁽⁹⁾	15.45%	14.55%	12.78%
Operating Expenses/ Average AUM - MFI (%) ⁽¹⁰⁾	7.36%	7.23%	5.15%
Cost to Income Ratio - MFI (%) ⁽¹¹⁾	47.65%	49.71%	40.35%
Pre-Provision Operating Profit / Average AUM - MFI (%) ⁽¹²⁾	8.09%	7.32%	7.62%
Impairment on financial instruments as a percentage of Average AUM - MFI (%) ⁽¹³⁾	3.39%	3.51%	3.72%
Profit Before Tax/ Average AUM - MFI (%) ⁽¹⁴⁾	4.70%	3.81%	3.90%
Return on Average AUM - MFI ("RoAAUM") (%) ⁽¹⁵⁾	3.57%	2.90%	2.97%
Debt to Equity Ratio (times) ⁽¹⁶⁾ - MFI	3.33	2.71	4.43
Average AUM - MFI/ Average Total Equity (Leverage) (times) ⁽¹⁷⁾	4.20x	4.71x	5.30x
Return on Average Equity - MFI (%) ⁽¹⁸⁾	15.00%	13.66%	15.74%

Notes:

- (1) AUM - MFI represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for our MFI entity.
- (2) Average AUM - MFI is calculated as the simple average of AUM – MFI as of the last day of the relevant year and AUM – MFI as at the last day of the immediately preceding year.
- (3) Total equity includes Equity share capital, Equity share pending for issuance, Instruments entirely equity in nature and other equity as of the last day of the relevant year, for the MFI entity.
- (4) Average Total Equity – MFI represents the simple average of total equity of MFI entity as of the last day of the relevant year and total equity of MFI entity as of the last day of the immediately preceding year.
- (5) Profit After Tax - MFI represents our profit for the year (after tax) of the MFI entity for the relevant year.
- (6) Interest Income / Average AUM - MFI is the proportion of total interest income for the year expressed as a percentage of Average AUM - MFI, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (7) Finance Costs/ Average AUM - MFI is the proportion of finance costs for the year expressed as a percentage of Average AUM - MFI, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (8) Net Interest Income / Average AUM - MFI is the proportion of net interest income (i.e. Interest Income for the relevant year reduced by Finance Cost), expressed as a percentage of Average AUM – MFI for the relevant year, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (9) Net Total Income / Average AUM - MFI is the proportion of net total income (i.e. Total income reduced by net loss on fair value changes and finance costs) expressed as a percentage of Average AUM – MFI for the relevant year, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (10) Operating expenses / Average AUM - MFI is the proportion of operating expenses (i.e. Employee benefit expenses, depreciation and amortization expenses and other expenses) for the year expressed as a percentage of Average AUM - MFI, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (11) Cost to Income Ratio - MFI represents operating expense as a percentage of Net Total Income for the relevant year, for the MFI entity.
- (12) Pre-Provision Operating Profit / Average AUM - MFI is the proportion of pre-provision operating profit for the year expressed as a percentage of Average AUM - MFI, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (13) Impairment on financial instruments as a percentage of Average AUM - MFI is the proportion of impairment on financial instruments for the relevant year expressed as a percentage of Average AUM - MFI, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (14) Profit Before Tax / Average AUM - MFI is the proportion of profit before tax for the year expressed as a percentage of Average AUM - MFI, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (15) Return on Average AUM – MFI represents profit of MFI entity for the relevant year as a percentage of Average AUM of MFI entity. (For calculation of Average AUM - MFI, refer to Note 2).
- (16) Debt to Equity Ratio - MFI represents total borrowings (comprising Debt securities, Borrowings (other than debt securities), and subordinated liabilities) - MFI divided by total equity - MFI, as of the last day of the relevant year.
- (17) Leverage represents the ratio of Average AUM - MFI for the year to Average Total Equity – MFI for the year, for the MFI entity (For calculation of Average AUM - MFI, refer to Note 2).
- (18) Return on Average Equity - MFI is calculated as Profit for the year after tax of MFI entity divided by Average Total Equity of MFI entity. Average Total Equity – MFI is calculated as the simple average of total equity of MFI entity as of the last day of the relevant year and total equity of MFI entity as of the last day of the immediately preceding year.

Yields, Spreads and Margins

Particulars	As of / For the Year Ended March 31,		
	2026	2025	2024
Gross Loans (₹ million) ⁽¹⁾	211,412.73	150,210.48	141,870.18
Gross Loans – MFI (₹ million) ⁽²⁾	184,182.01	127,522.25	121,586.38
Average Gross Loans (₹ million) ⁽³⁾	180,811.61	146,040.33	112,140.35
Average Gross Loans – MFI (₹ million) ⁽⁴⁾	155,852.13	124,554.32	94,370.44
Total Borrowings (₹ million) ⁽⁵⁾	186,132.63	119,883.71	129,172.82
Average Borrowings (₹ million) ⁽⁶⁾	153,008.17	124,528.27	N.A.
Portfolio Yield (%) ⁽⁷⁾	20.70%	21.64%	19.71%
Portfolio Yield – MFI (%) ⁽⁸⁾	21.93%	23.13%	20.89%
Cost of Borrowings (%) ⁽⁹⁾	8.14%	9.96%	N.A.
Average Cost of Incremental Borrowings (%) ⁽¹⁰⁾	8.27%	9.25%	9.60%

Notes:

⁽¹⁾ Gross Loans represents Gross Amount of loans as of the last day of the relevant year under IND AS.

⁽²⁾ Gross Loans - MFI represents Gross Amount of loans as of the last day of the relevant year under IND AS, for the MFI entity

⁽³⁾ Average Gross Loans is calculated as the simple average of total gross loans as at the last day of the relevant year and the total gross loans as at the last day of the immediately preceding year.

⁽⁴⁾ Average Gross Loans - MFI is calculated as the simple average of total gross loans of MFI entity as of the last day of the relevant year and the total gross loans of MFI entity as of the last day of the immediately preceding year.

⁽⁵⁾ Total Borrowings represent the aggregate of our Debt securities, Borrowings (other than debt securities) and Subordinated liabilities as of the last day of the relevant year.

⁽⁶⁾ Average Borrowings is calculated as the simple average of total borrowings as of the last day of the relevant year and the total borrowings as of the last day of the immediately preceding year.

⁽⁷⁾ Portfolio yield represents interest income divided by Average Gross Loans. Average Gross Loans is calculated as the simple average of total gross loans as at the last day of the relevant years and the total gross loans as at the last day of the immediately preceding year.

⁽⁸⁾ Portfolio yield - MFI represents interest income for the MFI entity divided by Average Gross Loans – MFI. Average Gross Loans – MFI is calculated as the simple average of total gross loans of MFI entity as of the last day of the relevant years and the total gross loans of MFI entity as of the last day of the immediately preceding year.

⁽⁹⁾ Cost of Borrowings represents finance costs divided by the average borrowings for the relevant year.

⁽¹⁰⁾ Average Cost of Incremental Borrowings represents the weighted average cost of borrowings, with weights being additional borrowings during the relevant year.

Borrowing Profile

The following table sets forth our borrowing profile by instrument as of the dates indicated:

Particulars	As of					
	March 31, 2026		March 31, 2025		March 31, 2024	
	Amount (₹ million)	Percentage of Total Borrowings (%)	Amount (₹ million)	Percentage of Total Borrowings (%)	Amount (₹ million)	Percentage of Total Borrowings (%)
Debt securities	23,189.12	12.46%	3,902.40	3.26%	4,305.24	3.33%
Borrowings (other than debt securities)	156,751.90	84.21%	109,658.79	91.47%	118,436.50	91.69%
Term loans (secured)						
- From Banks	144,705.06	77.74%	96,155.73	80.21%	94,315.98	73.02%
- From others	12,046.84	6.47%	13,503.06	11.26%	24,120.52	18.67%
Subordinated liabilities	6,191.61	3.33%	6,322.52	5.27%	6,431.08	4.98%
Total Borrowings	186,132.63	100.00%	119,883.71	100.00%	129,172.82	100.00%

The following table sets forth the breakdown of our lenders by the period of our relationship with them, as of the dates indicated:

Period of Relationship	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
More than 5 years	21	17	20
More than 10 years	14	9	4

Borrowings by Rate Method

Rate Method	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(Percentage Share)		
Fixed Rate Borrowings	18.26%	17.81%	31.20%
Floating Rate Borrowings	81.74%	82.19%	68.80%
Total Borrowings⁽¹⁾	100.00%	100.00%	100.00%

Note:

⁽¹⁾ Total Borrowings represent the aggregate of our Debt securities, Borrowings (other than debt securities) and Subordinated liabilities as of the last day of the relevant year.

Asset Quality

We follow a three-stage model for impairment based on changes in credit quality since initial recognition, as set forth below:

- **Stage 1 (0-30 days):** Includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date;
- **Stage 2 (31-89 days):** Includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date;
- **Stage 3 (> 89 days):** Includes loan assets that have objective evidence of impairment at the reporting date.

For further information, see “Key Regulations and Policies in India” on page 267 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary of Material Accounting Policies” on page 443.

The following table sets forth details of our stage-wise loan assets and loss allowance as of the dates indicated:

Asset Classification	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	₹ million, except percentages		
Gross Loans			
Stage 1 ⁽¹⁾ (A)	207,056.20	144,118.99	137,927.77
Stage 2 ⁽²⁾ (B)	1,461.18	2,577.90	1,102.93
Stage 3 ⁽³⁾ (C)	2,895.35	3,513.59	2,839.48
Total Gross Loans⁽⁴⁾ (D = A+B+C)	211,412.73	150,210.48	141,870.18
Gross Stage 3 Ratio (%)⁽⁵⁾ (C/D)	1.37%	2.34%	2.00%
Loss Allowance			
Loss allowance – Gross Stage 1 ⁽⁶⁾ (E)	4,454.71	3,293.85	3,741.33
Loss allowance – Gross Stage 2 ⁽⁷⁾ (F)	305.47	1,053.05	463.93
Loss allowance – Gross Stage 3 ⁽⁸⁾ (G)	1,884.93	2,521.10	2,250.60
Total Loss Allowance⁽⁹⁾ (H = E+F+G)	6,645.11	6,868.00	6,455.86
Net Stage 3 Loans⁽¹⁰⁾ (I = C – G)	1,010.42	992.49	588.88
Net Stage 3 Ratio (%)⁽¹¹⁾ (J = I/ (D – G))	0.48%	0.67%	0.42%
Gross Stage 3 Loans Loss Allowance Coverage Ratio (%)⁽¹²⁾ (K = G/C)	65.10%	71.75%	79.26%

Notes:

⁽¹⁾ Stage 1 (0-30 days) includes gross loans that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

⁽²⁾ Stage 2 (31-89 days) includes gross loans that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date.

⁽³⁾ Stage 3 (90 days and above) includes gross loans that have objective evidence of impairment at the reporting date.

⁽⁴⁾ Gross Loans represents Gross Amount of loans as of the last day of the relevant year under IND AS.

⁽⁵⁾ Gross Stage 3 Ratio represents the Gross Stage 3 Loans outstanding as a percentage of Gross Loans as of the last day of the relevant year.

⁽⁶⁾ Loss allowance – Gross Stage 1 represents the allowance made in the financial statements on account of impairment of loans shown under Stage 1 of gross loans.

⁽⁷⁾ Loss allowance – Gross Stage 2 represents the allowance made in the financial statements on account of impairment of loans shown under Stage 2 of gross loans.

⁽⁸⁾ Loss allowance – Gross Stage 3 represents the allowance made in the financial statements on account of impairment of loans shown under Stage 3 of gross loans.

⁽⁹⁾ Total Loss Allowance represents the total of impairment allowance as at the end of the relevant year.

⁽¹⁰⁾ Net Stage 3 Loans represents the Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance.

⁽¹¹⁾ Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.

⁽¹²⁾ Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) represents Total Loss Allowances (Provisions) as required under Ind AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year.

As an MFI, we are required to adopt the asset classification and provisioning norms as set forth below:

- (i) A “standard asset” means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;
- (ii) “Special mention accounts 0” means the accounts where the principal or interest payment is overdue for less than 31 days;
- (iii) “Special mention accounts 1” means the accounts where the principal or interest payment is overdue between 31 to 60 days;
- (iv) “Special mention accounts 2” means the accounts where the principal or interest payment is overdue between 61 to 90 days; and
- (v) A “non-performing asset” means an asset for which interest or principal payment has remained overdue for a period of 91 days or more. Once an NPA will be an NPA unless all dues are cleared to be captured as per Master Direction - Reserve bank of India (Non- banking Financial Company- Scale Based Regulation) Directions, 2023.

For our assets, ECL allowance is as per our ECL model, in compliance with RBI Circular No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

Asset Quality Metrics - MFI

Asset Classification	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Gross Loans			
Stage 1 ⁽¹⁾ (A)	181,380.92	122,849.37	118,550.38
Stage 2 ⁽²⁾ (B)	604.50	1,814.97	622.26
Stage 3 ⁽³⁾ (C)	2,196.59	2,857.91	2,413.74
Total Gross Loans⁽⁴⁾ (D = A+B+C)	184,182.01	127,522.25	121,586.38
Gross Stage 3 Ratio (%)⁽⁵⁾ (C/D)	1.19%	2.24%	1.99%
Loss Allowance			
Loss allowance – Gross Stage 1 ⁽⁶⁾ (E)	4,397.47	3,254.04	3,706.92
Loss allowance – Gross Stage 2 ⁽⁷⁾ (F)	257.05	1,010.06	441.26
Loss allowance – Gross Stage 3 ⁽⁸⁾ (G)	1,689.18	2,343.92	2,147.80
Total Loss Allowance⁽⁹⁾ (H = E+F+G)	6,343.70	6,608.02	6,295.98
Write-offs ⁽¹⁰⁾	6,348.61	4,723.80	3,189.36
Net Stage 3 Loans⁽¹¹⁾ (I = C – G)	507.41	513.99	265.94
Net Stage 3 Ratio (%)⁽¹²⁾ (J = I/ (D – G))	0.28%	0.41%	0.22%
Collection Efficiency (Overall) (%) ⁽¹³⁾	96.21%	96.93%	97.77%
Collection Efficiency (X bucket) (%) ⁽¹⁴⁾	99.51%	99.32%	99.61%
Gross Stage 3 Loans Loss Allowance Coverage Ratio (%)⁽¹⁵⁾ (K = G/C)	76.90%	82.02%	88.98%
Average Monthly Stage 1 Roll Forward (%)⁽¹⁶⁾	0.44%	0.67%	0.35%

Notes:

- (1) Stage 1 (0-30 days) includes gross loans that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date, for the MFI entity.
- (2) Stage 2 (31-89 days) includes gross loans that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date, for the MFI entity.
- (3) Stage 3 (90 days and above) includes gross loans that have objective evidence of impairment at the reporting date, for the MFI entity.
- (4) Total Gross Loans represents gross principal outstanding of loans, corresponding interest accrued net of unamortised transaction costs as of the last day of the relevant year under Ind AS, for the MFI entity.
- (5) Gross Stage 3 Ratio represents the Gross Stage 3 Loans outstanding as a percentage of Gross Loans as of the last day of the relevant year, for the MFI entity.
- (6) Loss allowance – Gross Stage 1 represents the loss allowance made in the financial statements on account of impairment of loans shown under Stage 1 of gross loans, for the MFI entity.
- (7) Loss allowance – Gross Stage 2 represents the loss allowance made in the financial statements on account of impairment of loans shown under Stage 2 of gross loans, for the MFI entity.
- (8) Loss allowance – Gross Stage 3 represents the loss allowance made in the financial statements on account of impairment of loans shown under Stage 3 of gross loans, for the MFI entity.
- (9) Total Loss Allowance represents the total of loss allowance as at the end of the relevant year, for the MFI entity.
- (10) Write-off represent loans written off during the relevant year, for the MFI entity.
- (11) Net Stage 3 Loans represents the Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance, for the MFI entity.
- (12) Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year, for the MFI entity.
- (13) Collection Efficiency (Overall) represents the ratio of our collections (including overdue collections) for the year to billings for the year, for the MFI entity.
- (14) X Bucket Collection Efficiency represents the ratio of collections to billings for the year, in respect of borrower accounts with no overdue outstanding as at the end of the immediately preceding year, for the MFI entity.
- (15) Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) represents Total Loss Allowances (Provisions) as required under Ind AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year, for the MFI entity.
- (16) Average Monthly Stage 1 Roll Forward represents AUM in Current bucket (i.e. 0 DPD) in the previous month but moved to a 0+ DPD bucket in the present month as a percentage of total Current AUM for the previous month, for the MFI entity.

Asset Quality Metrics – Housing Finance

Asset Classification	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Gross Loans			
Stage 1 ⁽¹⁾ (A)	25,675.28	21,269.62	19,377.39
Stage 2 ⁽²⁾ (B)	856.68	762.93	480.67
Stage 3 ⁽³⁾ (C)	698.77	655.68	425.75
Total Gross Loans⁽⁴⁾ (D = A+B+C)	27,230.73	22,688.23	20,283.81
Gross Stage 3 Ratio (%)⁽⁵⁾ (C/D)	2.57%	2.89%	2.10%
Loss Allowance			
Loss allowance – Gross Stage 1 ⁽⁶⁾ (E)	57.25	39.81	34.47
Loss allowance – Gross Stage 2 ⁽⁷⁾ (F)	48.42	42.97	22.67
Loss allowance – Gross Stage 3 ⁽⁸⁾ (G)	195.76	177.20	102.75
Total Loss Allowance⁽⁹⁾ (H = E+F+G)	301.43	259.98	159.89
Net Stage 3 Loans⁽¹⁰⁾ (I = C – G)	503.01	478.48	323.00
Net Stage 3 Ratio (%)⁽¹¹⁾ (J = I/ (D – G))	1.86%	2.13%	1.60%
Gross Stage 3 Loans Loss Allowance Coverage Ratio (%)⁽¹²⁾ (K = G/C)	28.01%	27.03%	24.13%

Notes:

- (1) Stage 1 (0-30 days) includes gross loans that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date, for the Housing Finance entity.
- (2) Stage 2 (31-89 days) includes gross loans that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date, for the Housing Finance entity.
- (3) Stage 3 (90 days and above) includes gross loans that have objective evidence of impairment at the reporting date, for the Housing Finance entity.
- (4) Total Gross Loans represents gross principal outstanding of loans, corresponding interest accrued net of unamortised transaction costs as of the last day of the relevant year under Ind AS.
- (5) Gross Stage 3 Ratio represents the Gross Stage 3 Loans outstanding as a percentage of Gross Loans as of the last day of the relevant year, for the Housing Finance entity.
- (6) Loss allowance – Gross Stage 1 represents the loss allowance made in the financial statements on account of impairment of loans shown under Stage 1 of gross loans, for the Housing Finance entity.
- (7) Loss allowance – Gross Stage 2 represents the loss allowance made in the financial statements on account of impairment of loans shown under Stage 2 of gross loans, for the Housing Finance entity.
- (8) Loss allowance – Gross Stage 3 represents the loss allowance made in the financial statements on account of impairment of loans shown under Stage 3 of gross loans, for the Housing Finance entity.
- (9) Total Loss Allowance represents the total of loss allowance as at the end of the relevant year, for the Housing Finance entity.
- (10) Net Stage 3 Loans represents the Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance, for the Housing Finance entity.
- (11) Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year, for the Housing Finance entity.
- (12) Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) represents Total Loss Allowances (Provisions) as required under Ind AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year, for the Housing Finance entity.

Number of active borrowers by business

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(Number)		
MFI ⁽¹⁾	4,266,316	4,034,297	4,102,810
Housing finance ⁽²⁾	45,640	40,206	35,661

Notes:

- (1) Represents the number of borrowers as at the last day of the year, for the MFI entity.
- (2) Represents the number of borrowers as at the last day of the year, for the Housing Finance entity.

Disbursement mix by business

Particulars	For the Year Ended		
	March 31, 2026	March 31, 2025	March 31, 2024
MFI Disbursement (₹ million) ⁽¹⁾	193,876.54	126,232.27	89,663.95
MFI Disbursement (%) ⁽²⁾	95.78%	95.69%	92.15%
Housing finance disbursement (₹ million) ⁽³⁾	8,543.31	5,684.63	7,634.81
Housing finance disbursement (%) ⁽⁴⁾	4.22%	4.31%	7.85%

Notes:

- (1) MFI disbursement represents the amount of loans disbursed during the relevant year, for the MFI entity.
- (2) MFI disbursement (%) represents the amount of loans disbursed, for the MFI entity as a percentage of total disbursements during the relevant year.
- (3) Housing finance disbursement represents the amount of loans disbursed during the relevant year, for the Housing Finance entity. Housing finance disbursement for the year ended March 31, 2024 has been calculated excluding corporate loans amounting to ₹ 2,500.00 million.
- (4) Housing finance disbursement (%) represents the amount of loans disbursed, for the Housing Finance entity as a percentage of total disbursements during the relevant year.

Average ticket size by business

Particulars	For the Year Ended		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹)		
MFI ⁽¹⁾	59,261.10	53,731.43	46,449.00
Housing finance ⁽²⁾	863,109.90	656,470.69	764,752.40

Notes:

⁽¹⁾ Average ticket size with respect to MFI represents amount of loans disbursed, for the MFI entity divided by the total number of loans disbursed by the MFI entity during the relevant year.

⁽²⁾ Average ticket size with respect to housing finance represents sanctioned amount of loans, for the Housing Finance entity divided by the total number of loan sanctions for the Housing Finance entity during the relevant year. Average ticket size for housing finance for the year ended March 31, 2024 has been calculated excluding corporate loans amounting to ₹ 2,500.00 million.

Average tenure on disbursement by business

Particulars	As of/ For the Year Ended		
	March 31, 2026	March 31, 2025	March 31, 2024
	(Months)		
MFI ⁽¹⁾	24.58	25.00	24.83
Housing finance ⁽²⁾	167.08	174.03	181.78

Notes:

⁽¹⁾ Average tenure on disbursements is the weighted average tenure on disbursements of the MFI entity, weights being loans disbursed during the relevant year, by the MFI entity.

⁽²⁾ Average tenure on disbursements is the weighted average tenure on disbursements of the Housing Finance entity, weights being loans disbursed during the relevant year, by the Housing Finance entity.

Breakdown of MFI joint liability group (“JLG”) Borrowers by Unsecured Indebtedness

The following table sets forth details of our borrowers, classified according to unsecured indebtedness:

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	AUM (%)		
<=50,000 ⁽¹⁾	16.65%	19.22%	21.24%
50,000 to <=1,00,000 ⁽²⁾	27.06%	31.11%	30.54%
1,00,000 to <=2,00,000 ⁽³⁾	47.40%	41.56%	35.99%
>2,00,000 ⁽⁴⁾	8.89%	8.11%	12.23%
Total	100.00%	100.00%	100.00%

Notes:

⁽¹⁾ It represents the proportion of MFI JLG AUM to borrowers that have unsecured indebtedness of less than ₹ 50,000 as a percentage of MFI JLG AUM as at the last day of the year.

⁽²⁾ It represents the proportion of MFI JLG AUM to borrowers that have unsecured indebtedness of ₹ 50,000 upto ₹ 1,00,000 as a percentage of MFI JLG AUM as at the last day of the year.

⁽³⁾ It represents the proportion of MFI JLG AUM to borrowers that have unsecured indebtedness of ₹ 1,00,000 upto ₹ 2,00,000 as a percentage of MFI JLG AUM as at the last day of the year.

⁽⁴⁾ It represents the proportion of MFI JLG AUM to borrowers that have unsecured indebtedness of more than ₹ 2,00,000 as a percentage of MFI JLG AUM as at the last day of the year.

Breakdown of MFI JLG Borrowers by Number of Lenders

The following table sets forth details of our borrowers, classified according to number of lenders:

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	Borrowers (%)		
Unique (One lender) ⁽¹⁾	37.21%	30.45%	33.24%
Company +1 ⁽²⁾	34.55%	27.22%	25.19%
Company +2 ⁽³⁾	21.96%	21.78%	18.52%
Company +>=3 ⁽⁴⁾	6.28%	20.55%	23.05%
Total	100.00%	100.00%	100.00%
	AUM (%)		
	March 31, 2026	March 31, 2025	March 31, 2024
	AUM (%)		
Unique (One lender) ⁽⁵⁾	36.93%	29.22%	30.55%
Company +1 ⁽⁶⁾	36.84%	29.02%	25.74%
Company +2 ⁽⁷⁾	22.11%	23.57%	20.03%
Company +>=3 ⁽⁸⁾	4.12%	18.19%	23.68%
Total	100.00%	100.00%	100.00%

Notes:

- ⁽¹⁾ Unique (One lender) represents the proportion of MFI JLG borrowers who have loans outstanding only to one lender to the total number of MFI JLG borrowers as of the last day of the relevant year.
- ⁽²⁾ Company +1 represents the proportion of MFI JLG borrowers who have loans outstanding to two lenders to the total number of MFI JLG borrowers as of the last day of the relevant year.
- ⁽³⁾ Company +2 represents the proportion of MFI JLG borrowers who have loans outstanding to 3 lenders to the total number of MFI JLG borrowers as of the last day of the relevant year.
- ⁽⁴⁾ Company +>=3 represents the proportion of MFI JLG borrowers who have loans outstanding to more than 3 lenders to the total number of MFI JLG borrowers as of the last day of the relevant year.
- ⁽⁵⁾ Unique (One lender) represents the proportion of MFI JLG loans to borrowers that have loans outstanding only to one lender as a percentage of MFI JLG AUM as at the last day of the year.
- ⁽⁶⁾ Company +1 represents the proportion of MFI JLG loans to borrowers that have loans outstanding only to two lenders as a percentage of MFI JLG AUM as at the last day of the year.
- ⁽⁷⁾ Company +2 represents the proportion of MFI JLG loans to borrowers that have loans outstanding only to three lenders as a percentage of MFI JLG AUM as at the last day of the year.
- ⁽⁸⁾ Company +>=3 represents the amount and proportion of MFI JLG loans to borrowers that have loans outstanding to more than 3 lenders as a percentage of MFI JLG AUM as at the last day of the year.

State-wise AUM Mix

The following table sets forth the AUM as at the last day of the year for each respective state, and as a percentage of the total AUM:

State	As of					
	March 31, 2026		March 31, 2025		March 31, 2024	
	AUM (₹ million)	Percentage of Total AUM (%)	AUM (₹ million)	Percentage of Total AUM (%)	AUM (₹ million)	Percentage of Total AUM (%)
Bihar	48,559.13	20.39%	32,280.94	18.80%	29,918.98	18.16%
Uttar Pradesh	38,913.48	16.34%	25,356.62	14.76%	23,574.28	14.31%
Maharashtra	32,501.70	13.65%	25,999.33	15.14%	25,722.18	15.62%
Karnataka	28,025.86	11.77%	22,340.25	13.01%	20,187.50	12.26%
Madhya Pradesh	14,174.50	5.95%	10,154.73	5.91%	11,016.98	6.69%
Rajasthan	13,836.79	5.81%	11,829.21	6.89%	11,608.25	7.05%
West Bengal	12,941.42	5.43%	8,777.32	5.11%	8,330.96	5.06%
Jharkhand	10,222.84	4.29%	6,527.46	3.80%	7,038.30	4.27%
Gujarat	8,869.66	3.72%	8,767.20	5.10%	8,795.47	5.34%
Tamil Nadu	8,326.03	3.50%	5,778.45	3.36%	4,770.83	2.90%
Others ⁽¹⁾	21,806.36	9.16%	13,933.05	8.11%	13,752.39	8.35%
Total	238,177.77	100.00%*	171,744.56	100.00%*	164,716.12	100.00%*

Notes:

- ⁽¹⁾ Others include Chhattisgarh, Odisha, Haryana, Telangana, Punjab, Kerala, Andhra Pradesh, Arunachal Pradesh, Uttarakhand, Tripura, Daman & Diu, Puducherry, Assam.

* Percentages are subject to rounding off.

State-wise AUM Mix - MFI

The following table sets forth the AUM – MFI as at the last day of the year for each respective state, and as a percentage of the total AUM – MFI:

State	As of					
	March 31, 2026		March 31, 2025		March 31, 2024	
	AUM - MFI (₹ million)	Percentage of Total AUM – MFI (%)	AUM – MFI (₹ million)	Percentage of Total AUM – MFI (%)	AUM - MFI (₹ million)	Percentage of Total AUM – MFI (%)
Bihar	48,559.13	23.02%	32,280.94	21.66%	29,918.98	20.72%
Uttar Pradesh	38,913.48	18.45%	25,356.62	17.02%	23,574.28	16.33%
Karnataka	27,877.20	13.22%	22,340.25	14.99%	20,187.50	13.98%
Maharashtra	26,852.73	12.73%	21,001.88	14.09%	21,417.74	14.83%
Madhya Pradesh	12,605.70	5.98%	8,967.02	6.02%	9,852.53	6.82%
West Bengal	12,163.83	5.77%	8,064.59	5.41%	7,666.02	5.31%
Jharkhand	10,222.84	4.85%	6,527.46	4.38%	7,038.30	4.87%
Tamil Nadu	6,918.03	3.28%	4,791.81	3.22%	3,972.39	2.75%
Rajasthan	6,085.97	2.89%	4,761.02	3.19%	5,207.12	3.61%
Odisha	5,548.40	2.63%	3,835.26	2.57%	4,243.34	2.94%
Others ⁽¹⁾	15,184.91	7.20%	11,093.81	7.44%	11,300.52	7.83%
Total	210,932.22	100.00%*	149,020.66	100.00%*	144,378.72	100.00%*

Notes:

(1) Others include Chhattisgarh, Gujarat, Haryana, Punjab, Kerala, Telangana, Arunachal Pradesh, Uttarakhand, Tripura and Assam.

* Percentages are subject to rounding off.

State-wise AUM Mix – Housing Finance

The following table sets forth the AUM – Housing Finance as at the last day of the year for each respective state, and as a percentage of the total AUM – Housing Finance:

State	As of					
	March 31, 2026		March 31, 2025		March 31, 2024	
	AUM (₹ million)	Percentage of Total AUM – Housing Finance (%)	AUM (₹ million)	Percentage of Total AUM – Housing Finance (%)	AUM (₹ million)	Percentage of Total AUM – Housing Finance (%)
Rajasthan	7,750.82	28.45%	7,068.19	31.10%	6,401.13	31.47%
Maharashtra	5,648.97	20.73%	4,997.45	21.99%	4,304.44	21.17%
Gujarat	5,503.93	20.20%	5,400.76	23.77%	5,211.56	25.63%
Chhattisgarh	2,346.77	8.61%	2,116.44	9.31%	1,599.93	7.87%
Madhya Pradesh	1,568.80	5.76%	1,187.71	5.23%	1,164.45	5.73%
Tamil Nadu	1,408.00	5.17%	986.64	4.34%	798.45	3.93%
Telangana	1,102.57	4.05%	13.76	0.06%	-	-
Andhra Pradesh	783.49	2.88%	31.71	0.14%	-	-
West Bengal	777.59	2.85%	712.72	3.14%	664.95	3.27%
Karnataka	148.66	0.55%	-	-	-	-
Others	205.95	0.76%	208.52	0.92%	192.49	0.95%
Total	27,245.55	100.00%*	22,723.90	100.00%*	20,337.40	100.00%*

Notes:

(1) Others include Odisha, Haryana, Daman & Diu, Puducherry.

* Percentages are subject to rounding off.

Exposure of Districts – AUM – MFI

The following table sets forth the number and proportion of districts in which we operate which have proportion of AUM – MFI within certain brackets as defined below:

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	Number of districts		
<0.5% of AUM – MFI	339	336	319
0.5%-1.0% of AUM – MFI	39	37	39
1.0%-3.0% of AUM – MFI	16	18	18
Total	394	391	376
	Percentage of districts (%)		
<0.5% of AUM – MFI	86.04%	85.93%	84.84%
0.5%-1.0% of AUM – MFI	9.90%	9.46%	10.37%

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	Number of districts		
1.0%-3.0% of AUM – MFI	4.06%	4.60%	4.79%
Total	100.00%	100.00%	100.00%

Capital to Risk Assets Ratio (“CRAR”)

Our Company is subject to the CRAR requirements prescribed by the RBI. For the years presented, our Company was required to maintain a minimum CRAR of 15%, based on the total capital to risk-weighted assets.

CRAR – Our Company

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Tier I Capital	39,121.20	31,112.58	18,735.64
Tier II Capital	507.78	4,224.70	5,457.32
Tier I + Tier II Capital	39,628.98	35,337.28	24,192.96
Risk Weighted Assets	171,373.75	134,214.07	125,685.11
Tier I CRAR (%)	22.83%	23.18%	14.91%
Tier II CRAR (%)	0.29%	3.15%	4.34%
Total CRAR (%)	23.12%	26.33%	19.25%

CRAR – Housing Finance

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Tier I Capital	4,237.93	3,657.99	3,473.50
Tier II Capital	137.24	179.81	234.47
Tier I + Tier II Capital	4,375.17	3,837.80	3,707.97
Risk Weighted Assets	15,027.20	12,020.33	10,668.72
Tier I CRAR (%)	28.20%	30.43%	32.56%
Tier II CRAR (%)	0.91%	1.50%	2.20%
Total CRAR (%)	29.11%	31.93%	34.76%

Asset Liability Management

Asset Liability Management - MFI

The following table sets forth the maturity pattern of certain interest bearing assets and interest bearing liabilities for our Company's MFI business as of March 31, 2026:

Particulars	Deposit	Advances	Investments	Stock of securities	Borrowings	Foreign Currency Liabilities
	(₹ million)					
1 day to 7 days	-	5,249.14	1,799.97	-	474.35	-
8 day to 14 days	-	2,879.81	-	-	3,966.75	214.43
15 day to 30/31 days	-	3,053.12	-	-	4,573.87	-
Over one month to 2 months	-	9,080.41	-	-	9,505.64	-
Over 2 months up to 3 months	-	9,100.79	-	-	9,155.66	125.26
Over 3 months to 6 months	-	27,253.63	-	-	27,398.22	504.28
Over 6 months to 1 year	-	51,501.18	-	-	48,944.26	825.89
Over 1 year to 3 years	-	69,191.85	-	-	53,867.99	2,265.01
Over 3 years to 5 years	-	528.38	-	-	-	-
Over 5 years	-	-	5,892.26	-	-	-
Total	-	177,838.31	7,692.23	-	157,886.74	3,934.87

Asset Liability Management – Housing Finance

The following table sets forth the maturity pattern of certain interest bearing assets and interest bearing liabilities for our housing finance business as of March 31, 2026:

Particulars	Borrowings from banks, financial institutions and non-convertible debentures	Loans and Advances	Investments
	(₹ million)		
1 day to 7 days	48.83	205.83	-
8 day to 14 days	12.89	-	-
15 days to 30/31 days	-	1.60	-
Over 1 month and upto 2 months	746.03	191.30	-
Over 2 months and upto 3 months	644.16	171.49	-
Over 3 months and upto 6 months	1,673.53	425.62	-
Over 6 months and upto 1 year	3,279.39	800.49	-
Over 1 year and upto 3 years	10,974.83	3,823.24	-
Over 3 years and upto 5 years	5,640.82	4,012.85	-
Over 5 years	1,290.54	17,296.89	-
Total	24,311.01	26,929.31	-

Select Operational and Productivity Ratios - MFI

Particulars	As of/ For the Year Ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Number of states ⁽¹⁾	20	20	19
Number of districts ⁽²⁾	394	391	376
Number of branches ⁽³⁾	2,123	2,020	1,815
- <1 year	121	215	183
- 1 – 3 years	388	503	564
- > 3 years	1,614	1,302	1,068
Number of field officers ⁽⁴⁾	15,575	14,975	11,535
Number of active borrowers ⁽⁵⁾	4,266,316	4,034,297	4,102,810
Growth in active borrowers (%) ⁽⁶⁾	5.75%	(1.67)%	84.15%
New borrowers added ⁽⁷⁾	1,174,162	913,980	718,666
Number of active loan accounts ⁽⁸⁾	5,527,216	5,034,494	5,425,009
Active loan account per borrower (times) ⁽⁹⁾	1.30	1.25	1.32
Number of loans disbursed ⁽¹⁰⁾	3,271,565	2,349,319	1,930,374
Disbursement to repeat borrowers as a percentage of number of total disbursements (%) ⁽¹¹⁾	64.11%	61.10%	62.77%
Share of top states ⁽¹²⁾			
- Top state (%)	23.02%	21.66%	20.72%
- Top 3 states (%)	54.69%	53.67%	51.89%
- Top 5 states (%)	73.39%	73.78%	72.69%
Share of top districts ⁽¹³⁾			
- Top district (%)	2.74%	2.60%	2.35%
- Top 10 districts (%)	17.49%	17.43%	16.50%
- Top 50 districts (%)	48.28%	48.84%	47.39%
- Top 100 districts (%)	68.36%	68.97%	68.20%
AUM – MFI per branch (₹ million) ⁽¹⁴⁾	99.36	73.77	79.55
AUM – MFI per field officer (₹ million) ⁽¹⁵⁾	13.54	9.95	12.52
Disbursement per field officer (₹ million) ⁽¹⁶⁾	12.69	9.52	10.99
Number of active borrowers per branch ⁽¹⁷⁾	2,010	1,997	2,261
Number of active borrowers per field officer ⁽¹⁸⁾	274	269	356
AUM – MFI per active borrower (₹) ⁽¹⁹⁾	49,441.30	36,938.45	35,190.20

Notes:

- (1) Number of states represents the total number of states in India where our Company has a presence, for the MFI entity.
- (2) Number of districts represents the total number of districts in India where our Company has a presence, for the MFI entity.
- (3) Number of branches represents aggregate number of branches of the MFI entity as of the last day of relevant year categorized into buckets by vintage.
- (4) Number of field officers represents aggregate number of field officers of the MFI entity as of the last day of relevant year.
- (5) Number of active borrowers represents the aggregate number of borrowers in the MFI entity who have an active loan account as of the last day of the relevant year.
- (6) Growth in active borrowers (%) represents the annual percentage increase in the number of active borrowers in the MFI entity as at the last day of the relevant year.
- (7) New borrowers added represents the absolute number of new borrowers to the company added in the relevant year, for the MFI entity.
- (8) Number of active loan accounts represents aggregate number of all loan assets under management which includes loan assets held in the MFI entity as of the last day of the relevant year as well as loan assets which have been transferred out of the MFI entity by way of securitization or assignment and are outstanding as of the last day of the relevant year.
- (9) Active loan account per customer represents the total number of active loan accounts in the MFI entity divided by the total number of active borrowers in the MFI entity.
- (10) Number of loans disbursed represents the total number of loans disbursed during the year, for the MFI entity.
- (11) Repeat borrowers represents the number of borrowers who have taken one or more additional loans from us after taking their initial loan. Number of disbursements to repeat borrowers as a percentage of number of total disbursements represent repeat borrowers as a percentage of total borrowers in the MFI entity for the relevant year.
- (12) Share of top states represents the share of top 1, top 3 and top 5 states respectively as a percentage of AUM - MFI outstanding as at the last day of the relevant year.
- (13) Share of top districts represents the share of top 1, top 10, top 50, and top 100 districts respectively as a percentage of AUM - MFI outstanding as at the last day of the relevant year.
- (14) AUM - MFI per branch represents AUM - MFI as of last day of the relevant year divided by the number of branches as of the last day of the relevant year, in the MFI entity.
- (15) AUM - MFI per field officer represents AUM - MFI as of last day of the relevant year divided by the number of field officers as of the last day of the relevant year, in the MFI entity.
- (16) Disbursement per field officer represents the disbursements for the relevant year divided by the simple average of our field officers as of the last day of the relevant year and our field officers as of the last day of the previous year, for the MFI entity.
- (17) Number of active borrowers per branch represents the total number of active borrowers divided by the number of branches as at the last day of the year, for the MFI entity.
- (18) Number of active borrowers per field officer represents the total number of active borrowers divided by the number of field officers as at the last day of the year, for the MFI entity.

⁽¹⁹⁾ AUM - MFI per active borrower represents AUM - MFI as of the last day of the relevant year divided by the total number of active borrowers as of the last day of the relevant year, for the MFI entity.

Select Operational Ratios – Housing Finance

Particulars	As of/ For the Year Ended		
	March 31, 2026	March 31, 2025	March 31, 2024
AUM - Housing Finance (₹ million) ⁽¹⁾	27,245.55	22,723.90	20,337.40
- Housing loans (₹ million) ⁽²⁾	20,051.91	18,827.61	17,328.49
- Non-housing loans (₹ million) ⁽³⁾	7,193.64	3,896.29	3,008.91
Number of states ⁽⁴⁾	12	11	9
Number of branches ⁽⁵⁾	130	45	25
- <1 year	90	20	16
- 1 – 3 years	35	17	4
- > 3 years	5	8	5
Number of employees ⁽⁶⁾	2,241	1,224	1,017
Number of field officers ⁽⁷⁾	1,008	403	348
Share of top states ⁽⁸⁾			
- Top state (%)	28.45%	31.10%	31.47%
- Top 3 states (%)	69.38%	76.86%	78.27%
- Top 5 states (%)	83.75%	91.40%	91.86%
Average loan to value (“LTV”) (ratio) ⁽⁹⁾	49.63%	54.05%	57.66%
Average fixed obligation to income ratio (“FOIR”) (ratio) ⁽¹⁰⁾	45.60%	40.91%	40.00%

Notes:

- ⁽¹⁾ AUM - Housing Finance represents the aggregate of principal outstanding for all loans to borrowers and assets pertaining to securitization and assignment, as of the last day of the relevant year, for the Housing Finance entity.
- ⁽²⁾ Housing loans represents the total AUM with respect to home loans as at the last day of the year, for the Housing Finance entity.
- ⁽³⁾ Non-housing loans represents the total AUM with respect to MSME loans and LAP as at the last day of the year, for the Housing Finance entity.
- ⁽⁴⁾ Number of states represents the total number of states in India where we have a presence, for the Housing Finance entity.
- ⁽⁵⁾ Number of branches represents the aggregate number of branches as of the last day of the relevant year categorized into buckets by the length of time the respective branches have been operational, for the Housing Finance entity.
- ⁽⁶⁾ Number of employees represents the total number of our employees as at the last day of the year, for the Housing Finance entity.
- ⁽⁷⁾ Number of field officers represents aggregate number of field officers for housing finance entity as of the last day of relevant year.
- ⁽⁸⁾ Share of top states represents the share of top 1, top 3 and top 5 states respectively as a percentage of AUM - Housing Finance outstanding as at the last day of the year, for the Housing Finance entity.
- ⁽⁹⁾ Average LTV (Loan To Value) ratio is defined as the ratio of the amount of loan sanctioned to the value of the mortgaged assets, for the Housing Finance entity.
- ⁽¹⁰⁾ Average FOIR (Fixed Obligation to Income Ratio) is defined as the ratio of the amount of borrowers' fixed obligations per month to their monthly income, for the Housing Finance entity.

RECONCILIATION OF NON-GAAP MEASURES

The following tables set forth reconciliations of the non-GAAP measures included in this Draft Red Herring Prospectus:

Reconciliation of Total Borrowings

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million)		
Debt securities (A)	23,189.12	3,902.40	4,305.24
Borrowings (other than debt securities) (B)	156,751.90	109,658.79	118,436.50
Subordinated liabilities (C)	6,191.61	6,322.52	6,431.08
Total Borrowings (D) = (A)+(B)+(C)	186,132.63	119,883.71	129,172.82

Reconciliation of Net Stage 3 Ratio (%)

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million, except percentages)		
Gross Stage 3 Loans (A)	2,895.35	3,513.59	2,839.48
Gross Stage 3 Loans Loss Allowance (B)	1,884.93	2,521.10	2,250.60
Net Stage 3 Loans (C) = (A) - (B)	1,010.42	992.49	588.88
Gross Loans (D)	211,412.73	150,210.48	141,870.18
Net Carrying amount (E) = (D) - (B)	209,527.80	147,689.38	139,619.58
Net Stage 3 Ratio (%) (F) = (C) / (E)	0.48%	0.67%	0.42%

Reconciliation of Net Interest Income

Particulars	Fiscal		
	2026	2025	2024
	(₹ million)		
Interest income (A)	37,425.17	31,609.51	22,098.02
Finance costs (B)	12,460.36	12,406.27	9,670.73
Net Interest Income (C) = (A)-(B)	24,964.81	19,203.24	12,427.29

Reconciliation of Debt to Equity Ratio

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million, except ratios)		
Total Borrowings (A)	186,132.63	119,883.71	129,172.82
Total Equity (B)	47,380.07	35,697.19	23,698.06
Debt to Equity Ratio (in times) (C) = (A)/(B)	3.93	3.36	5.45

Reconciliation of Net Total Income

Particulars	Fiscal		
	2026	2025	2024
	(₹ million)		
Total Income (A)	41,888.41	34,940.08	24,652.00
Finance costs (B)	12,460.36	12,406.27	9,670.73
Net loss on fair value changes (C)	45.54	-	-
Net Total Income (D) = (A)-(B)-(C)	29,382.51	22,533.81	14,981.27

Reconciliation of Cost to Income Ratio

Particulars	Fiscal		
	2026	2025	2024
	(₹ million, except percentages)		
Employee benefit expenses (A)	9,421.83	7,419.79	4,093.93
Depreciation and amortisation expenses (B)	322.63	268.66	161.92
Other expenses (C)	4,867.25	3,714.67	2,035.37
Net Total Income (D)	29,382.51	22,533.81	14,981.27
Cost to Income Ratio (E) = (A+B+C)/(D)	49.73%	50.60%	41.99%

Reconciliation of Gross Stage 3 Loans Loss Allowance Coverage Ratio (%)

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million, except percentages)		
Gross Stage 3 Loans (A)	2,895.35	3,513.59	2,839.48
Gross Stage 3 Loans Loss Allowance (B)	1,884.93	2,521.10	2,250.60
Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) (C) = (B)/(A)	65.10%	71.75%	79.26%

Reconciliation of Total Assets to Total Equity Ratio

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million, except ratios)		
Total Assets (A)	238,373.83	159,338.30	156,816.78
Total equity (B)	47,380.07	35,697.19	23,698.06
Total Assets to Total Equity Ratio (in times) (C) = (A)/(B)	5.03	4.46	6.62

Reconciliation of Gross Stage 3 Ratio (%)

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million, except percentages)		
Gross Stage 3 Loans (A)	2,895.35	3,513.59	2,839.48

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million, except percentages)		
Gross Loans (B)	211,412.73	150,210.48	141,870.18
Gross Stage 3 Ratio (%) (C) = (A)/(B)	1.37%	2.34%	2.00%

Reconciliation of Net Stage 3 Loans

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million)		
Gross Stage 3 Loans (A)	2,895.35	3,513.59	2,839.48
Gross Stage 3 Loans Loss Allowance (B)	1,884.93	2,521.10	2,250.60
Net Stage 3 Loans (C) = (A) - (B)	1,010.42	992.49	588.88

Reconciliation of Total Income excluding Interest Income

Particulars	Fiscal		
	2026	2025	2024
	(₹ million)		
Total Income (A)	41,888.41	34,940.08	24,652.00
Interest income (B)	37,425.17	31,609.51	22,098.02
Total Income excluding Interest Income (C) = (A) - (B)	4,463.24	3,330.57	2,553.98

Reconciliation of Net Worth

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million)		
Equity share capital (A)	8,030.77	4,922.75	2,120.46
Equity share pending for issuance (B)	-	2,155.60	2,101.33
Instruments entirely equity in nature (C)	-	-	11,000.00
Other equity (D)	39,349.30	28,618.84	8,476.27
Net Worth (E) = (A) + (B) + (C) + (D)	47,380.07	35,697.19	23,698.06

Reconciliation of NAV per Equity Share

Particulars	As of March 31,		
	2026	2025	2024
	(₹ million)		
Net Worth (A) (₹ million)	47,380.07	35,697.19	23,698.06
Outstanding number of equity shares (B)	803,076,694	492,275,471	212,046,875
Add: Equity shares pending for issuance (C)	-	215,559,680	210,132,692
Add: Number of compulsory convertible Preference share (D)	-	-	158,888,889
Add: Vested number of options (E)	2,462,943	2,259,942	1,907,668
Adjusted number of equity shares (F) = (B+C+D+E)	805,539,637	710,095,093	582,976,124
NAV per Equity Share (₹) (G) = (A)/(F)	58.82	50.27	40.65

Reconciliation from profit for the year after tax to EBITDA

Particulars	Fiscal		
	2026	2025	2024
	(₹ million)		
Profit for the year after tax (A)	6,493.99	4,453.82	3,451.38
Total income tax expense (B)	2,049.27	1,397.74	1,079.02
Finance Costs (C)	12,460.36	12,406.27	9,670.73
Depreciation and amortisation (D)	322.63	268.66	161.92
EBITDA (E) = (A + B + C + D)	21,326.25	18,526.49	14,363.05

Reconciliation of Return on Average Equity

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
	(₹ million, except percentages)		
Profit for the year after tax (A)	6,493.99	4,453.82	3,451.38
Total Equity (B)	47,380.07	35,697.19	23,698.06
Average Total Equity (C)	41,538.63	29,697.63	19,052.57
Return on Average Equity (D) = (A/C)	15.63%	15.00%	18.12%

Reconciliation of Total Income adjusted for Net Loss on fair value changes

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ million)		
Total Income (A)	41,888.41	34,940.08	24,652.00
Net loss on fair value changes (B)	45.54	-	-
Total Income adjusted for Net Loss on fair value changes (C) = (A-B)	41,842.87	34,940.08	24,652.00

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED SUMMARY STATEMENTS

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Independent Auditors' Examination Report on the restated consolidated summary statements of assets and liabilities as at March 31, 2026, 2025 and 2024, restated consolidated summary statement of profit and loss (including other comprehensive income), restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity for each of the years ended March 31, 2026, 2025 and 2024, and summary statement of material accounting policies and other explanatory information of Svatantra Microfin Limited (formerly, Svatantra Microfin Private Limited) (collectively, the "Restated Consolidated Summary Statements").

To,
The Board of Directors
Svatantra Microfin Limited (formerly, Svatantra Microfin Private Limited)

Dear Sirs:

1. We have examined the attached Restated Consolidated Summary Statements of **Svatantra Microfin Limited (formerly, Svatantra Microfin Private Limited)** (the "Company") and its subsidiary (the Company together with its subsidiary hereinafter referred to as the "Group") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (BSE Limited and National Stock Exchange of India Limited have collectively been referred to as the "Stock Exchanges") in connection with its proposed initial public offer of equity shares of face value Rs. 10 each of the Company ("IPO") which comprises an offer for sale by certain existing shareholders' and a fresh issue of its equity shares of Rs. 10 each at such premium arrived at by the book building process, as may be decided by the Company's Board of Directors. The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on August 07, 2026, have been prepared in accordance with the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of the Restated Consolidated Summary Statements, which are to be included in the DRHP is the responsibility of the Management of the Company. The Restated Consolidated Summary Statements have been prepared by the Management of the Company on the basis of preparation, as stated in Annexure V (**note 2**) to the Restated Consolidated Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:
 - a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated June 26, 2026, requesting us to carry out the assignment, in connection with the proposed IPO;
 - b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI;
 - c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Summary Statements; and
 - d) the requirements of Section 26 of the Act and the ICDR Regulations.
4. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

Restated Consolidated Summary Statements

5. These Restated Consolidated Summary Statements have been compiled by the management of the Company from:
- Audited consolidated financial statements of the Group as at and for the years ended March 31, 2026 and March 31, 2025 which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 08, 2026 and May 29, 2025 respectively;
 - Audited consolidated financial statements of the Group as at and for the year ended March 31, 2024 which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 29, 2024;
 - Adjustments have been made in the Restated Consolidated Summary Statements as at and for the year ended March 31, 2025 and March 31, 2024, by the management, to give effect to the common control business combination as detailed in note 2 of Annexure V and note 47 of Annexure VI.

Auditors Report

6. For the purpose of our examination, we have relied on the:
- Independent auditors' reports issued by us, dated May 08, 2026 and May 29, 2025 on the consolidated financial statements of the Group as at and for each of the years ended March 31, 2026 and March 31, 2025, respectively, as referred in Paragraph 5 (a) above.

As indicated in our auditors' reports dated May 08, 2026 and May 29, 2025 as at and for each of the years ended March 31, 2026 and March 31, 2025, we did not audit the financial statements of the following entities as at and for each of the years ended March 31, 2026 and March 31, 2025, which have been audited by the Other Auditors, whose financial statements reflect total assets, total revenues and net cash inflows / (outflows) as tabulated below:

Name of the entity	As at and for the year ended	Total assets (in Rs. Million)	Total revenue (in Rs. Million)	Net cash inflow / (outflow) (in Rs. Million)
Svatantra Micro Housing Finance Corporation Limited	March 31, 2026	29,154.29	3,352.95	885.41
Chaitanya India Fin Credit Private Limited	March 31, 2025	69,616.22	15,621.83	(517.71)

These financial statements were audited by Other Auditors referred to below, whose reports were furnished to us by the Company's management and our opinion on the consolidated financial statements for the years ended March 31, 2026 and March 31, 2025, in so far as it related to the amounts and disclosures included in respect of these entities, was based solely on the report of such Other Auditors as listed below:

Sr. No	Name of the Entity	Relationship	Name of Audit Firm	Period	Date of auditors' report
1	Svatantra Micro Housing Finance Corporation Limited	Subsidiary	T R Chadha & Co LLP	Year ended March 31, 2026	May 4, 2026

Sr. No	Name of the Entity	Relationship	Name of Audit Firm	Period	Date of auditors' report
2	Chaitanya India Fin Credit Private Limited	Subsidiary	S.N. Dhawan & CO LLP	Year ended March 31, 2025	May 23, 2025

Further, in respect of common control transactions referred to in paragraph 5(c) above, reliance has been placed on the audit report on financial statements and on the examination report on restated standalone summary statements as at and for the year ended March 31, 2025 of entities which have been audited and examined by Other Auditors as listed below:

Sr. No	Name of the Entity	Relationship	Name of Audit Firm	Period	Date of auditors' report
1	Svatantra Micro Housing Finance Corporation Limited	Subsidiary (Pursuant to the merger of Svatantra Holdings Private Limited with the Company during the year ended March 31, 2026)	S Bhandari & Co LLP	Year ended March 31, 2025	May 12, 2025
2	Svatantra Holdings Private Limited	Entity having significant influence over the Company (Merged with the Company during the year ended March 31, 2026)	J M T and Associates	Year ended March 31, 2025	June 20, 2025

- b) Independent auditors' reports issued by the Company's previous auditor, M/s BGJC & Associates LLP, (the "Previous Auditor") dated May 29, 2024 on the consolidated financial statements of the Group as at and for the year ended March 31, 2024 as referred to in paragraph 5(b) above.

The Previous Auditor in their auditors' report have indicated that they did not audit the financial statements of the following entity as at and for the period ended March 31, 2024 which have been audited by the Other Auditors, whose financial statements reflect total assets, total revenues and net cash inflows / (outflows) as tabulated below:

Name of the entity	As at and for the year ended	Total assets (in Rs. Million)	Total revenue (in Rs. Million)	Net cash inflow / (outflow) (in Rs. Million)
Chaitanya India Fin Credit Private Limited	March 31, 2024	58,206.8	4,677.0	2,318.41

These financial statements were audited by Other Auditors whose reports were furnished to the Previous Auditor by the Company's management and their opinion on the consolidated financial statements for

the year ended March 31, 2024, in so far as it related to the amounts and disclosures included in respect of the entity, was based solely on the report of the such Other Auditors as listed below:

Sr. No	Name of the Entity	Relationship	Name of Audit Firm	Period	Date of auditors' report
1	Chaitanya India Fin Credit Private Limited	Subsidiary	Varma & Varma	Year ended March 31, 2024	May 16, 2024

- c) Examination report issued by the Company's Previous Auditor dated August 07, 2026. The Previous Auditor in their examination report has stated that reliance has been placed on the financial statements and standalone restatement summary statements of entities audited and examined by Other Auditors as below:

- i) in respect of the audited consolidated financial statements as at and for the year ended March 31, 2024 listed in paragraph 6(c)(1) below, and
- ii) in respect of adjustments for common control transactions referred to in paragraph 5(c) above, listed in 6(c)(2) and 6(c)(3) below:

Sr. No	Name of the Entity	Relationship	Name of Audit Firm	Period	Date of auditors' report
1	Chaitanya India Fin Credit Private Limited	Subsidiary of the Company till Mar-25 (Merged with the Company during the year ended March 31, 2026)	Varma and Varma	Year ended March 31, 2024	May 16, 2024
2	Svatantra Micro Housing Finance Corporation Limited	Subsidiary (Pursuant to the merger with the Company during the year ended March 31, 2026)	S Bhandari & Co LLP	Year ended March 31, 2024	July 6, 2024
3	Svatantra Holdings Private Limited	Entity having significant influence over the Company (Merged with the Company during the year ended March 31, 2026)	J M T and Associates	Year ended March 31, 2024	August 26, 2024

- d) The Previous Auditor in their examination report dated August 07, 2026 on the Restated Consolidated Summary Statements of the Group as at and for the year ended March 31, 2024, have included modifications that were reported in the Companies (Auditor's Report) Order, 2020 dated May 29, 2024 on the consolidated financial statements as at and for the year ended March 31, 2024, which are included in Annexure VII of the restated consolidated summary statements attached herewith, and do not require any adjustment to the Restated Consolidated Summary Statements of the Group as at and for the year ended March 31, 2024.
7. The auditors report on the consolidated financial statements of the Group as at and for the years ended March 31, 2026 and March 31, 2025, included the following matters which did not require any adjustment in the Restated Consolidated Summary Statements in the respective years:

For the year ended March 31, 2026

a) Emphasis of Matter paragraph

We draw attention to Note 47 to the consolidated financial statements (note 47 of the Restated Consolidated Summary Statements) regarding the Scheme of Amalgamation (the 'Merger Scheme') of Chaitanya India Fin Credit Private Limited and Svantra Holding Private Limited with the Company. Pursuant to Merger Scheme, the comparative financial information as at March 31, 2025, has been restated to give effect of the adjustments owing to the said Amalgamation.

Our opinion is not modified in respect of this matter.

b) Legal and regulatory matters

- I. The Report on Other Legal and Regulatory Requirements included in the auditor's report on the consolidated financial statements of the Group as at and for the year ended March 31, 2026 included the following modifications relating to the maintenance of books of account and other matters connected therewith as reproduced below (Annexure VII of the Restated Consolidated Summary Statements):
 - a) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books except in case of an accounting software the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on daily basis as stated in Note 62 to the consolidated financial statements (note 62 of the Restated Consolidated Summary Statements).
 - b) The modification relating to the maintenance of accounts and other matters connected therewith are as stated above.
 - c) Based on our examination which included test checks, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that i) in respect of software used for general ledger and loan management, the audit trail feature is not enabled at application level to the extent of edits to the master tables throughout the year and for direct changes to data when using certain access rights till June-24 ii) in respect of certain software for loan origination and loan management, the audit trail feature is not enabled for direct changes to data when using certain access rights till July-25 and iii) in respect to certain software used for general ledger, the audit trail feature is not enable for certain fields and tables at application level, as described in note 63 to the Consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of relevant prior years has been preserved by the company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 63 to the consolidated financial statements (note 63 of the Restated Consolidated Summary Statements).
- II. The auditor's report on the consolidated financial statements of the Group as at and for the year ended March 31, 2026, included modifications as reported in the Companies (Auditor's Report) Order, 2020, included in Annexure VII, of the Restated Consolidated Summary Statements, which do not require any adjustment to the Restated Consolidated Summary Statements of the Group as at and for the year ended March 31, 2026.

For the year ended March 31, 2025

a) Legal and regulatory matters

- I. The Report on Other Legal and Regulatory Requirements included in the auditor's report on the consolidated financial statements of the Group as at and for the year ended March 31, 2025 included the following modifications relating to the maintenance of books of account and other matters connected therewith as reproduced below (Annexure VII of the Restated Consolidated Summary Statements):

- a) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
 - b) The modification relating to the maintenance of accounts and other matters connected therewith are as stated above.
 - c) Based on our examination which included test checks and that performed by the respective auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and the subsidiary have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, i) in case of the Holding Company, with respect to the software used for general ledger and loan management, the audit trail feature is not enabled for direct changes to data when using certain access rights till June-24 and in respect of certain software for loan origination, the audit trail feature is not enabled for direct changes to data when using certain access rights, and ii) in case of the subsidiary, with respect to the software used for general ledger, the audit trail feature is not enable for certain fields and tables at application level, as described in note 65 to the consolidated financial statements. Further, during the course of our audit we and the auditors of the subsidiary company did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of relevant prior years has been preserved by the Holding Company and the subsidiary as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in note 65 to the consolidated financial statements (note 63 of the Restated Consolidated Summary Statements).
- II. The auditor's report on the consolidated financial statements of the Group as at and for the year ended March 31, 2025, included modifications as reported in the Companies (Auditor's Report) Order, 2020, included in Annexure VII, of the Restated Consolidated Summary Statements, which do not require any adjustment to the Restated Consolidated Summary Statements of the Group as at and for the year ended March 31, 2025.
 - III. The Other Auditors in their examination reports dated July 23, 2026 in respect of Svatantira Micro Housing Finance Corporation Limited and August 07, 2026 in respect of Svatantira Holdings Private Limited on the Restated Standalone Summary Statements of the respective entities as at and for the year ended March 31, 2025, have included modifications as reported in the Companies (Auditor's Report) Order, 2020 referred to in Annexure VII of the Restated Consolidated Summary Statements, which do not require any adjustment to the Restated Consolidated Summary Statements as at and for the year ended March 31, 2025.
8. In respect of the examination performed by the Previous Auditors:
- The audits for the financial year ended March 31, 2024 of the Group, mentioned in paragraph 5(b) above, was conducted by the Company's Previous Auditors and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities and the restated consolidated statements of profit and loss (including other comprehensive income), restated consolidated statements of changes in equity and cash flow statements, the summary statement of significant accounting policies, and other explanatory information examined by them for the said year. The Previous Auditor in their examination report has stated that they have placed reliance on the examination reports of Other Auditors as listed in paragraph 6(c)(1), 6(c)(2) and 6(c)(3) for the financial year ended March 31, 2024. The examination report included for the said year is based solely on the examination report submitted by the Previous Auditor. The Previous Auditors have also confirmed that the Restated Consolidated Summary Statements of the Group as at and for the year ended March 31, 2024:
- i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2024 to

- reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the Group for the year ended March 31, 2026;
 - ii) have been prepared after incorporating adjustments for the impact of common control business combination;
 - iii) does not contain any qualifications requiring adjustments; and
 - iv) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. In respect of examination performed by Other Auditors:
- The audits of the entities referred to in paragraph 6(a) above for the financial year ended March 31, 2026 and for the financial year ended March 31, 2025, were conducted by Other Auditors and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss (including other comprehensive income), restated statements of changes in equity and restated cash flow statements, the summary statement of significant accounting policies, and other explanatory information examined by them for the respective years. The Other Auditors have also confirmed that the respective Restated Summary Statements:
- i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications in the respective years to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the Group for the respective years;
 - ii) does not contain any qualifications requiring adjustments; and
 - iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
10. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by (a) the Previous Auditor as at and for the year ended March 31, 2024; and (b) Other Auditors as at and for the years ended March 31, 2026 and March 31, 2025, we report that Restated Consolidated Summary Statements of the Group:
- i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2026 March 31, 2025 and March 31, 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2026;
 - ii) there are no qualifications in the auditors' reports on the consolidated audited financial statements of the Company as at March 31, 2026, March 31, 2025 and March 31, 2024 which require any adjustments to the Restated Consolidated Summary Statements; and
 - iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
11. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2026. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to March 31, 2026.
12. 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.
13. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 5(a) above.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. 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 in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of

care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner
Membership Number: 123596
UDIN: 26123596NATAGD3540
Place of Signature: Mumbai
Date: August 07, 2026

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities
(All amounts in Rs. Million unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025*	As at 31 March 2024*
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	6	21,451.46	7,289.60	14,419.53
(b) Bank balances other than cash and cash equivalents	6	3,026.92	1,512.34	1,146.46
(c) Derivative financial instruments	7	256.91	54.01	-
(d) Receivables				
(i) Trade receivables	8	117.18	46.70	42.83
(ii) Other receivables	8	8.88	11.06	44.22
(e) Loans	9	2,04,767.62	1,43,342.48	1,35,414.32
(f) Investments	10	1,799.97	947.39	669.98
(g) Other financial assets	11	3,071.38	2,580.27	2,420.11
Total financial assets		2,34,500.32	1,55,783.85	1,54,157.45
(2) Non-financial assets				
(a) Current tax assets (net)		255.94	368.58	82.94
(b) Deferred tax assets (net)	12	1,639.59	1,718.81	1,422.32
(c) Investment property	13	0.25	0.25	0.25
(d) Property, plant and equipment	14	458.77	443.48	381.51
(e) Right of use asset	15	220.66	196.52	240.15
(f) Other intangibles assets	16	79.23	75.95	59.92
(g) Intangible assets under development	17	265.04	157.49	-
(h) Other non financial assets	18	954.03	593.37	472.24
Total non-financial assets		3,873.51	3,554.45	2,659.33
TOTAL ASSETS		2,38,373.83	1,59,338.30	1,56,816.78
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables	19			
(I) Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises		63.27	33.34	0.38
(ii) Total outstanding dues of creditors other than micro and small enterprises		726.71	247.97	199.28
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		11.42	101.74	79.46
(b) Debt securities	20	23,189.12	3,902.40	4,305.24
(c) Borrowings (other than debt securities)	21	1,56,751.90	1,09,658.79	1,18,436.50
(d) Subordinated liabilities	22	6,191.61	6,322.52	6,431.08
(e) Lease Liabilities	44	240.74	211.05	246.95
(f) Other financial liabilities	23	3,034.82	2,433.67	2,916.88
Total financial liabilities		1,90,209.59	1,22,911.48	1,32,615.77
(2) Non-financial liabilities				
(a) Provisions	24	568.00	485.52	356.15
(b) Other non-financial liabilities	25	175.59	203.41	127.19
(c) Current tax liabilities (net)		40.58	40.70	19.61
Total non-financial liabilities		784.17	729.63	502.95
TOTAL LIABILITIES		1,90,993.76	1,23,641.11	1,33,118.72

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities
(All amounts in Rs. Million unless otherwise stated)

EQUITY				
(a) Equity share capital	26	8,030.77	4,922.75	2,120.46
(b) Equity share pending for issuance	26	-	2,155.60	2,101.33
(c) Instruments entirely equity in nature	26	-	-	11,000.00
(d) Other equity	26	39,349.30	28,618.84	8,476.27
Equity attributable to Owners of the Holding Company		47,380.07	35,697.19	23,698.06
Non-controlling interest		-	-	-
TOTAL EQUITY		47,380.07	35,697.19	23,698.06
TOTAL LIABILITIES AND EQUITY		2,38,373.83	1,59,338.30	1,56,816.78

* The figures as at 31 March 2025 and 31 March 2024 have been restated on account of business combination. Refer note 47 of Annexure VI.

The above Statement should be read with Annexure V - Material Accounting Policies to Restated Consolidated Summary Statements, Annexure VI - Notes to the Restated Consolidated Summary statements and Annexure VII - Statement of Restatement Adjustments to Audited financial statements.

As per our report of even date attached
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration. No.: 301003E/E300005

For and on behalf of the Board of Directors of
Svatantra Microfin Limited

per Rutushtra Patell
Partner
Membership No. 123596
Place : Mumbai
Date : 07 August 2026

Ananyashree Birla
Director
DIN No. 06625036

Vineet Bijendra Chattree
Director
DIN No. 07962531

Vrushali Mahajan
Chief Financial Officer

Place : Mumbai
Date : 07 August 2026

Surinder Kumar Bhatia
Company Secretary
Membership No. 17227

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure II - Restated Consolidated Summary Statement of Profit and Loss
(All amounts in Rs. Million unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025*	For the year ended 31 March 2024*
Revenue from operations				
Interest income	27	37,425.17	31,609.51	22,098.02
Fees and commission income	28	495.49	108.75	135.64
Net gain on fair value changes	29	-	325.48	197.70
Net gain on derecognition of financial instruments under amortized cost category		3,288.45	2,366.49	1,860.90
Total Revenue from operations		41,209.11	34,410.23	24,292.26
Other income	30	679.30	529.85	359.74
Total income		41,888.41	34,940.08	24,652.00
Expenses				
Finance costs	31	12,460.36	12,406.27	9,670.73
Net loss on fair value changes	29	45.54	-	-
Impairment on financial instruments	32	6,227.54	5,279.13	4,159.65
Employee benefit expenses	33	9,421.83	7,419.79	4,093.93
Depreciation and amortization expenses	34	322.63	268.66	161.92
Other expenses	35	4,867.25	3,714.67	2,035.37
Total expenses		33,345.15	29,088.52	20,121.60
Profit before tax		8,543.26	5,851.56	4,530.40
Tax expense:				
Current tax		2,042.65	1,695.34	1,310.34
Adjustment of tax relating to earlier periods		(34.33)	(9.03)	17.38
Deferred tax charge / (credit)		40.95	(288.57)	(248.70)
Profit for the year after tax [A]		6,493.99	4,453.82	3,451.38
Other comprehensive income				
Item that will not to be reclassified to the statement of profit and loss				
Re-measurement gains /(loss) on defined benefit plans		109.46	(13.83)	(7.41)
Less: Income tax expense on above		(27.55)	3.60	1.87
Subtotal (I)		81.91	(10.23)	(5.54)
Items that will be reclassified to profit or loss				
Net movement on Effective portion and cost of Cash Flow Hedges		43.78	(5.65)	-
Net (loss)/gain on debt instruments through Other Comprehensive Income		-	(14.85)	(26.20)
Less: Income tax expense on above		(11.02)	5.16	6.59
Subtotal (II)		32.76	(15.34)	(19.61)
Total other comprehensive income for the year [I+II] [B]		114.67	(25.57)	(25.15)
Total comprehensive income for the year [A+B]		6,608.66	4,428.25	3,426.23
Profit attributable to:				
Owners of the Holding Company		6,493.99	4,453.82	3,451.38
Non-controlling interest		-	-	-
Other Comprehensive Income attributable to:				
Owners of the Holding Company		114.67	(25.57)	(25.15)
Non-controlling interest		-	-	-
Total Comprehensive Income attributable to:				
Owners of the Holding Company		6,608.66	4,428.25	3,426.23
Non-controlling interest		-	-	-

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure II - Restated Consolidated Summary Statement of Profit and Loss
(All amounts in Rs. Million unless otherwise stated)

Earnings per equity share (Nominal value of share Re. 10 each) (31 March 2026, 31 March 2025 and 31 March 2024 : Rs. 10 each)				
Basic		9.17	8.18	7.21
Diluted		9.13	8.15	7.17

* The figures for the year ended 31 March 2025 and 31 March 2024 have been restated on account of business combination. Refer note 47 of Annexure VI.

The above Statement should be read with Annexure V - Material Accounting Policies to Restated Consolidated Summary Statements, Annexure VI - Notes to the Restated Consolidated Summary statements and Annexure VII - Statement of Restatement Adjustments to Audited financial statements.

As per our report of even date attached
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration. No.: 301003E/E300005

per Rutushtra Patell
Partner
Membership No. 123596
Place : Mumbai
Date : 07 August 2026

For and on behalf of the Board of Directors of
Svatantra Microfin Limited

Ananyashree Birla
Director
DIN No. 06625036

Vineet Bijendra Chatterjee
Director
DIN No. 07962531

Vrushali Mahajan
Chief Financial Officer

Surinder Kumar Bhatia
Company Secretary
Membership No. 17227

Place : Mumbai
Date : 07 August 2026

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure III - Restated Consolidated Summary Statement of Changes in Equity
(All amounts in Rs. Million unless otherwise stated)

A.	Equity share capital		
	Particulars	Number of shares	Amount
	Balance as at 1 April 2023	21,20,46,875	2,120.46
	Change in equity share capital due to prior period errors	-	-
	Share issuance during the year	-	-
	Balance as at 31 March 2024	21,20,46,875	2,120.46
	Change in equity share capital due to prior period errors	-	-
	Share issuance during the year (refer note 26)	28,02,28,596	2,802.29
	Restated Balance as at 31 March 2025	49,22,75,471	4,922.75
	Change in equity share capital due to prior period errors	-	-
B	Share issued pursuant to business combination (refer note 47)	21,55,59,680	2,155.60
	Share issuance other than above (refer note 26)	9,52,41,543	952.42
	Restated Balance as at 31 March 2026	80,30,76,694	8,030.77
	Equity share pending for issuance		
	Particulars	Number of shares	Amount
	Balance as at 1 April 2023	20,14,78,846	2,014.79
	Change during the year (refer note 26)	86,53,846	86.54
	Balance as at 31 March 2024	21,01,32,692	2,101.33
	Change during the year (refer note 26)	54,26,988	54.27
C	Balance as at 31 March 2025	21,55,59,680	2,155.60
	Changes during the year (refer note 26)	(21,55,59,680)	(2,155.60)
	Balance as at 31 March 2026	-	-
	Instruments entirely equity in nature		
	Compulsorily convertible non-cumulative preference shares ("CCPS")		
	Particulars	Number of shares	Amount
	Balance as at 1 April 2023	-	-
	Change in equity share capital due to prior period errors	-	-
	Share issuance during the year (refer note 26)	11,00,00,000	11,000.00
	Balance as at 31 March 2024	11,00,00,000	11,000.00
	Change during the year	(11,00,00,000)	(11,000.00)
	Balance as at 31 March 2025	-	-
	Change during the year	-	-
	Balance as at 31 March 2026	-	-

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure III - Restated Consolidated Summary Statement of Changes in Equity
(All amounts in Rs. Million unless otherwise stated)

D Other equity

Particulars	Reserves and surplus								Other comprehensive income			Total
	Securities premium	Capital reserve	Statutory reserves	Impairment reserve	Employee stock option plan reserve	Retained earnings	Amalgamation Adjustment Deficit Reserve	Remeasurement of gain/(loss) on defined benefit plans	Equity instruments measured at FVOCI	Net (loss)/ gain on debt instruments through Other Comprehensive Income	Effective portion and cost of Cash Flow Hedges	
Balance as at 1 April 2023	1,508.96	44.22	734.10	92.54	18.71	2,580.08	-	1.88	5,110.84	-	-	10,091.33
Adjustments pursuant to business combination*	(1,508.56)	9,626.54	(216.21)	(69.03)	-	(816.57)	(1,724.83)	-	(5,110.84)	-	-	180.50
Restated Balance as at 1 April 2023*	0.40	9,670.76	517.89	23.51	18.71	1,763.51	(1,724.83)	1.88	-	-	-	10,271.83
Pursuant to common control business combination*	4,098.28	(9,670.76)	478.14	-	-	(157.23)	-	(3.15)	-	27.60	-	(5,227.12)
Profit for the year	-	-	-	-	-	3,451.38	-	-	-	-	-	3,451.38
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(5.54)	-	(19.61)	-	(25.15)
Transfer to statutory reserve	-	-	1,106.08	-	-	(1,106.08)	-	-	-	-	-	-
Expenses on employee stock option plan	-	-	-	-	5.33	-	-	-	-	-	-	5.33
Balance as at 31 March 2024*	4,098.68	-	2,102.11	23.51	24.04	3,951.58	(1,724.83)	(6.81)	-	7.99	-	8,476.27
Profit for the year	-	-	-	-	-	4,453.82	-	-	-	-	-	4,453.82
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(10.23)	-	(11.11)	(4.23)	(25.57)
Transfer to statutory reserve	-	-	912.88	-	-	(912.88)	-	-	-	-	-	-
Expenses on employee stock option plan	-	-	-	-	9.88	-	-	-	-	-	-	9.88
Reclass within equity **	-	-	-	-	-	(3.12)	-	-	-	3.12	-	-
Dividend on CCPS	-	-	-	-	-	(1,108.98)	-	-	-	-	-	(1,108.98)
Adjustment on account of conversion of CCPS*	5,603.89	-	-	-	-	-	(5,603.89)	-	-	-	-	-
On issuance of Equity Share (refer note 26)	16,497.71	-	-	-	-	-	-	-	-	-	-	16,497.71
Acquisition of reserves on account of business combination *	1,604.87	-	-	-	-	-	(1,289.15)	-	-	-	-	315.72
Balance at 31 March 2025*	27,805.15	-	3,014.99	23.51	33.92	6,380.42	(8,617.87)	(17.04)	-	-	(4.23)	28,618.84
Profit for the year	-	-	-	-	-	6,493.99	-	-	-	-	-	6,493.99
On issuance of Equity (refer note 26)	4,047.77	-	-	-	-	-	-	-	-	-	-	4,047.77
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	81.91	-	-	32.76	114.67
Reclassified to the statement of profit and loss	-	-	-	-	-	-	-	-	-	-	(2.33)	(2.33)
Transfer to statutory reserve	-	-	1,312.72	-	-	(1,312.72)	-	-	-	-	-	-
Expenses on employee stock option plan	-	-	-	-	76.46	-	-	-	-	-	-	76.46
Share issue expense	-	-	-	-	-	(0.13)	-	-	-	-	-	(0.13)
Balance at 31 March 2026	31,852.92	-	4,327.71	23.51	110.39	11,561.56	(8,617.87)	64.87	-	-	26.21	39,349.30

* The figures for the year ended 01 April 2023, 31 March 2024 and 31 March 2025 have been restated on account of business combination. Refer note 47 of Annexure VI.

** The balance of gains accumulated on loan assets in OCI has been transferred to Retained Earnings and reflected within equity

The above Statement should be read with Annexure V - Material Accounting Policies to Restated Consolidated Summary Statements, Annexure VI - Notes to the Restated Consolidated Summary statements and Annexure VII - Statement of Restatement Adjustments to Audited financial statements.

As per our report of even date attached
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration. No.: 301003E/E300005

per Rutushtra Patell
Partner
Membership No. 123596
Place : Mumbai
Date : 07 August 2026

For and on behalf of the Board of Directors of
Svatantra Microfin Limited

Ananyashree Birla
Director
DIN No. 06625036

Vineet Bijendra Chatterjee
Director
DIN No. 07962531

Vrushali Mahajan
Chief Financial Officer

Surinder Kumar Bhatia
Company Secretary
Membership No. 17227

Place : Mumbai
Date : 07 August 2026

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure IV - Restated Consolidated Summary Statement of Cash Flows
(All amounts in Rs. Million unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025*	For the year ended 31 March 2024*
Cash flow from operating activities			
Profit before tax	8,543.26	5,851.56	4,530.40
Adjustment for:			
Net gain on derecognition of financial instruments under amortized cost category	(3,288.45)	(2,366.49)	(1,860.90)
Net loss/(gain) on fair value changes	45.53	(325.48)	(197.70)
Amortisation of Interest expenses (transaction cost)	138.47	244.48	87.25
Expenses on employee stock option plan	76.46	9.88	5.33
Depreciation and amortisation	322.63	268.66	161.92
Amortisation of Interest income (transaction cost)	(695.69)	(84.26)	(92.44)
Interest on fixed deposits	(182.27)	(241.01)	(291.15)
Finance cost on lease liabilities	26.58	24.37	16.14
Impairment on financial instruments	6,227.54	5,279.13	934.68
Interest accrued on borrowings	322.08	316.41	394.66
Movement in working capital:			
- (Increase) / decrease in loans and advances	(66,956.99)	(13,091.00)	(15,032.49)
- (Increase) / decrease in receivables	(68.30)	29.31	(64.93)
- (Increase) / decrease in other financial assets including derivatives	2,594.44	2,120.29	1,442.91
- (Increase) / decrease in other non financial assets	(360.66)	(79.91)	256.64
- Increase / (decrease) in trade payables	418.35	103.96	(15.23)
- Increase / (decrease) in other financial Liabilities	601.16	(522.83)	(62.11)
- Increase / (decrease) in other non financial Liabilities	(27.82)	40.38	(75.10)
- Increase / (decrease) in provisions	195.04	102.84	(55.76)
Cash generated from/(used in) operations	(52,068.64)	(2,319.71)	(9,917.88)
Income tax paid (net)	(1,857.43)	(1,958.26)	(1,574.58)
Cash generated from/(used in) operations [A]	(53,926.07)	(4,277.97)	(11,492.46)
Cash flow from/(used in) investing activities			
Purchase of property, plant and equipment, intangibles including intangibles under development	(365.07)	(436.56)	(415.78)
Proceeds from sale of property, plant and equipment and intangibles	4.61	2.00	217.99
Capital advance given	-	(5.09)	(170.34)
Purchase of mutual funds	(33,679.39)	(93,456.77)	(84,073.46)
Proceeds from sale of mutual funds	34,085.33	93,376.80	88,221.30
Interest received on fixed deposits	199.55	158.99	348.85
Purchase of Government securities and others	(15,865.00)	(26,235.00)	(8,755.44)
Proceeds from sale of Government securities and others	14,573.30	26,363.28	8,101.47
Acquisition of subsidiary (net of cash and cash equivalents)	-	-	(14,637.84)
Maturity /(investments) of /in fixed deposits	(1,531.86)	(283.87)	1,099.80
Cash generated from/(used in) investing activities [B]	(2,578.53)	(516.22)	(10,063.45)
Cash flow from/(used in) financing activities			
Proceeds from issue of share capital (including securities premium)	5,000.18	8,670.12	475.29
Proceeds from issuance of compulsorily convertible preference shares	-	-	11,000.00
Proceeds from borrowings, debt securities and subordinated liabilities	1,56,253.30	67,534.96	70,262.25
Repayment of borrowings, debt securities and subordinated liabilities	(90,477.26)	(77,345.68)	(56,035.92)
Dividend paid	-	(1,108.98)	-
Repayment of lease liabilities (including interest)	(109.76)	(86.16)	(35.00)
Cash generated from/(used in) financing activities [C]	70,666.46	(2,335.74)	25,666.62
Net increase/(decrease) in cash and cash equivalents [A+B+C]	14,161.86	(7,129.93)	4,110.71
Cash and cash equivalents at the beginning of the year (Refer Note 6)	7,289.60	14,419.53	10,308.82
Cash and cash equivalents at the end of the year (Refer Note 6)	21,451.46	7,289.60	14,419.53

Svatantra Microfin Limited (erstwhile Svatantra Mircofin Private Limited)

Annexure IV - Restated Consolidated Summary Statement of Cash Flows

(All amounts in Rs. Million unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	As at 1 April 2023	Cash flows	Non Cash Adjustment	As at 31 March 2024
Debt securities	6,530.94	(2,720.06)	494.36	4,305.24
Borrowings (Other than debt securities)	1,00,950.55	17,670.51	(184.56)	1,18,436.50
Subordinated liabilities	7,126.38	(724.12)	28.82	6,431.08
Particulars	As at 1 April 2024	Cash flows	Non Cash Adjustment	As at 31 March 2025
Debt securities	4,305.24	92.59	(495.43)	3,902.40
Borrowings (Other than debt securities)	1,18,436.50	(9,753.31)	975.60	1,09,658.79
Subordinated liabilities	6,431.08	(150.00)	41.44	6,322.52
Particulars	As at 1 April 2025	Cash flows	Non Cash Adjustment	As at 31 March 2026
Debt securities	3,902.40	19,200.63	86.09	23,189.12
Borrowings (Other than debt securities)	1,09,658.79	46,725.41	367.70	1,56,751.90
Subordinated liabilities	6,322.52	(150.00)	19.09	6,191.61

* The figures for the year ended 31 March 2025 and 31 March 2024 have been restated on account of business combination. Refer note 47 of Annexure VI.

The above Statement should be read with Annexure V - Material Accounting Policies to Restated Consolidated Summary Statements, Annexure VI - Notes to the Restated Consolidated Summary statements and Annexure VII - Statement of Restatement Adjustments to Audited financial statements.

Notes:

1. The Restated Consolidated Summary Statement of Cash Flows has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
2. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. For movement of lease liabilities, refer note no. 44

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration. No.: 301003E/E300005

per Rutushtra Patell
Partner
Membership No. 123596
Place : Mumbai
Date : 07 August 2026

**For and on behalf of the Board of Directors of
Svatantra Microfin Limited**

Ananyashree Birla
Director
DIN No. 06625036

Vineet Bijendra Chatterjee
Director
DIN No. 07962531

Vrushali Mahajan
Chief Financial Officer

Surinder Kumar Bhatia
Company Secretary
Membership No. 17227

Place : Mumbai
Date : 07 August 2026

1 Corporate Information

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited) ('the Holding Company' or 'SML' or 'the Company')) (CIN: U74120MH2012PLC227069) is a limited company incorporated on 17 February 2012 under the provision of the Companies Act, 1956 applicable in India having its registered office at 20th Floor, Sunshine Towers, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013, Maharashtra. The Holding Company is registered with Reserve Bank of India (RBI) as a "Non Banking Financial Company- Micro Finance Institution with effect from 05 February 2013 (Certificate of Registration Number: N-13.02038)". Its non-convertible debentures are listed on BSE Limited.

The Company was converted from a private to a public limited company pursuant to the approval of the Board of Directors dated March 31, 2026 and approval of the members was obtained on April 2, 2026. Consequent to the conversion, the name of the Company was changed from "Svatantra Microfin Private Limited" to "Svatantra Microfin Limited". The Registrar of Companies approved the conversion and issued a fresh Certificate of Incorporation dated April 15, 2026.

The Board of Directors of the Company at their meeting held on 6 November 2024 had inter-alia, considered and approved the draft Scheme of Amalgamation ('the Scheme') between Svatantra Holdings Private Limited ('First Transferor Company' or 'SHPL'), Chaitanya India Fin Credit Private Limited ('Second Transferor Company' or 'CIFCPL') and Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited) ('Transferee Company' or 'the Company' or 'SML') and their respective shareholders under sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 for;

- a) Merger of SHPL, an entity having significant influence on SML, with SML and consequent consideration payout to the shareholders of SHPL through issuance of equity shares of SML.
- b) Merger of CIFCPL, a wholly owned subsidiary of SML, with SML. Since CIFCPL is a wholly owned subsidiary of SML, no separate consideration is to be discharged.
- c) As a result of merger of SHPL with SML, Svatantra Micro Housing Finance Corporation Limited ("SMHFC" or "the Subsidiary"), a wholly owned subsidiary of SHPL, will become a wholly owned subsidiary of SML.

The Company had filed a petition before the Hon'ble National Company Law Tribunal, Mumbai Bench, on 23 September 2025. The Hon'ble NCLT pronounced its final order on 12 March 2026. The certified copy of the order has been filed with the Registrar of Companies on 21 March 2026 and the Appointed Date under the said Scheme was 1 April 2025.

With the Scheme becoming effective, the merger of SHPL and CIFCPL has been accounted in accordance with "pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 read with the Expert Advisory Committee opinion issued by the Institute of Chartered Accountants of India on 'Accounting treatment and disclosure of Debit Balance of Capital Reserve arising on merger' dated 11 July 2023. It is imperative to note that the Company acquired a 100% stake in CIFCPL effective 23 November 2023. For the purpose of accounting for this transaction as a business combination under common control, the Company used 30 November 2023 as the cut-off date, as there were no material or exceptional transactions during this period that could have materially impacted the restated financial results. Accordingly, the Company has retrospectively accounted for the merger of SHPL from 1 April 2023 and has included the balances of CIFCPL from the cut-off date of 30 November 2023. The balances of SHPL and CIFCPL have been included at their respective carrying values, and no fair value adjustments have been made.

The Holding Company and the Subsidiary company together referred as the "Group". The Holding Company is engaged primarily in providing micro finance services to women and organized as Joint Liability Groups ('JLG') or Individual Loans ('IL'). The subsidiary company is engaged in providing housing finance for financially excluded families, particularly lower income informal sector households. The Subsidiary company was registered with National Housing Bank ("NHB") as housing finance company. However, vide certificate of registration dated 12 February 2020, the Company is also registered with the Reserve Bank of India ("RBI") as a housing finance company.

2 Basis of preparation

The Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2026, 31 March 2025 and 31 March 2024, the Restated Consolidated Summary Statement of Profit and Loss, the Restated Consolidated Summary Statement of Cash Flows and the Restated Consolidated Summary Statement of Changes in Equity for the years ended 31 March 2026, 31 March 2025 and 31 March 2024, and the Material accounting policies to Restated Consolidated Summary Statements and other explanatory information are collectively referred to as 'Restated Consolidated Summary Statements'.

These Restated Consolidated Summary Statements have been prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with the proposed initial public offering of equity shares of face value of Rs. 10 each of the Holding Company (the "Offer"), in terms of the requirements of:

- (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- (ii) The SEBI ICDR Regulations; and
- (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"), as amended time to time.

The Restated Consolidated Summary Statements have been compiled from:

- a) Audited consolidated financial statements of the Group as at and for the year ended 31 March 2026 and 31 March 2025 which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 08 May 2026 and 29 May 2025 respectively.

The audited consolidated financial statements of the Group as at and for the year ended 31 March 2025, have been adjusted by the management to give effect to the common control business combination as detailed in note 47 of Annexure VI and Annexure VII to the Restated Consolidated Summary Statements.

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure V - Material accounting policies to Restated Consolidated Summary Statements

- b) Audited consolidated financial statements of the Group as at and for the year ended 31 March 2024 which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 29 May 2024.

The audited consolidated financial statements of the Group as at and for the year ended 31 March 2024, have been adjusted by the management to give effect to the common control business combination as detailed in note 47 of Annexure VI and Annexure VII to the Restated Consolidated Summary Statements.

The Restated Consolidated Summary Statements

- a) do not require any adjustment for change in accounting policies as there are no changes in accounting policies during the period/ year of these Restated Consolidated Summary Statements.
- b) do not require any adjustment for material errors as there are no material errors during the period/ year of these Restated Consolidated Summary Statements.
- c) have been prepared after incorporating adjustments for regrouping/reclassifications retrospectively in the years ended 31 March 2025 and 31 March 2024 to reflect the same grouping/classifications followed as at and for the year ended 31 March 2026.
- d) do not require any adjustment or qualifications as there are no qualifications in the underlying auditors' reports which require any adjustments.

The Audited Consolidated Financial Statements as at and for the year ended 31 March 2026 as well as the adjustments to the Restated Consolidated Summary Statements as at and for the year ended 31 March 2025 and 31 March 2024 includes the financial statements and other financial information in relation to the following:

- i. Audited by Other Auditors:

Name of the Entity	Relationship	Period audited by Other Auditors
Svatantra Micro Housing Finance Corporation Limited	Subsidiary	Year ended 31 March 2026
Svatantra Micro Housing Finance Corporation Limited	Subsidiary	Year ended 31 March 2025
Svatantra Micro Housing Finance Corporation Limited	Subsidiary	Year ended 31 March 2024
Svatantra Holdings Private Limited	Entity having significant influence over the Company (Merged with the Company in March 2026)	Year ended 31 March 2025
Svatantra Holdings Private Limited	Entity having significant influence over the Company (Merged with the Company in March 2026)	Year ended 31 March 2024
Chaitanya India Fin Credit Private Limited	Subsidiary of the Company till March 2025	Year ended 31 March 2025
Chaitanya India Fin Credit Private Limited	Subsidiary of the Company from November 2023 till March 2025*	Year ended 31 March 2024

* It is imperative to note that the Company acquired a 100% stake in CIFCPL effective 23 November 2023. For the purpose of accounting for this transaction as a business combination under common control, the Company used 30 November 2023 as the cut-off date, as there were no material or exceptional transactions during this period that could have materially impacted the restated financial results. Accordingly, the Company has included the balances of CIFCPL from the cut-off date of 30 November 2023. Also, refer note no 47.

3 Material accounting policies

i Basis of Consolidation

The Restated Consolidated Summary Statements incorporate the financial statements of the Holding Company and its subsidiary, being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statement of subsidiaries are prepared for the same reporting year as the parent company.

The Restated Consolidated Summary Statements include results of the subsidiary of Svatantra Microfin Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statement'.

Figures for preparation of Restated Consolidated Summary Statements have been derived from the audited financial statements of the Svatantra Micro Housing Finance Corporation Limited.

- a. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intragroup balances and intra-group transactions.
- b. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
- c. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
- d. The Restated Consolidated Summary Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- e. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
- f. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Restated Consolidated Summary Statement of Assets and Liabilities.

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure V - Material accounting policies to Restated Consolidated Summary Statements

Details of companies consolidated in these Restated Consolidated Summary Statements:

Name of the company	Type	Country of Incorporation	Holding as at 31 March 2026
Svatantra Microfin Limited	Holding Company	India	Holding Company
Svatantra Micro Housing Finance Corporation Limited	Subsidiary Company	India	100%

ii Common control business combinations

Common control business combination refers to a business combination involving entities in which all the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities. Adjustments are made only to harmonise accounting policies.

The financial information in the Restated Consolidated Summary Statements in respect of prior periods have been restated as if the business combination had occurred from the beginning of the earliest period presented in these Restated Consolidated Summary Statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information would have been restated only from that date.

The difference, if any, between the purchase consideration paid either in the form of share capital or cash or other assets and the amount of net assets of the entities acquired is transferred to capital reserve in case of credit balance and Amalgamation adjustment deficit account in case of debit balance and presented separately from other reserves within equity. The nature and purpose of such reserve is disclosed in the notes.

iii Functional and presentation currency

These Restated Consolidated Summary Statements are presented in Indian Rupees ('INR or 'Rs.') in millions except otherwise, which is also the functional currency of the Group, with rounding off to two decimals as permitted by Schedule III to the Act, indicated.

iv Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Summary Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Restated Consolidated Summary Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and quoted/unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

v Revenue recognition

Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured at amortised cost other than credit-impaired assets and financial assets classified as measured at FVTPL. Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of ECL provision) of the financial asset.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for upfront expenses and incomes attributable to the acquisition of the financial asset.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the Restated Consolidated Summary Statement of Profit and Loss.

Penal Charges and Penal Interest

Penal Charges and Penal Interest are accrued and due on receipt basis.

Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Net loss on fair value changes" under expenses in the Restated Consolidated Summary Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at Fair value through profit and loss ("FVTPL") and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Restated Consolidated Summary Statement of Profit and Loss.

Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Group recognises commission income on completion of distribution of third-party products

(b) Other operating income

The Group recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

Income from direct assignment and securitization

Interest Income on securitized loans are considered at par with own loans and is also recognised under the Effective Interest Rate method. In case of Direct Assignment, Group recognize the income upfront on the basis of fair value by discounting the entire interest strip (excess interest spread) of assigned portfolio.

vi Impairment of financial assets

Loan assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is calculated to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

- i) Stage 1: 12-months ECL - For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.
- ii) Stage 2: Lifetime ECL – not credit impaired - For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD 31 days to 89 days are classified as stage 2. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

- iii) Stage 3: Lifetime ECL – credit impaired - Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equals to or more than 90 days are classified as stage 3.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

It has been the Group's policy to regularly review its ECL model in the context of actual loss experience and adjust when necessary. For details, refer note 42 (C).

Other receivables

In respect of other receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Write-offs :

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Restated Consolidated Summary Statement of Profit and Loss.

vii Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

viii (a) Derivative financial instruments

The Group enters into a derivative financial instruments to manage its exposure to foreign exchange rate risk arising on account of repayment of external commercial borrowings and debts.

Initial Recognition and Subsequent Measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss on remeasurement of derivative instrument will be recognised in the Restated Consolidated Summary Statement of Profit and Loss unless derivative instrument is designated as hedged instrument, qualifies for cash flow hedge and is effective. A derivative with positive fair value is recognised as financial asset whereas a derivative with a negative fair value is recognised as financial liability.

Hedge Accounting

The Group uses derivative instruments to manage its risk on exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction and the nature of the risk being hedged. Hedge effectiveness is determined at the inception of the hedge relationship and at the end of each reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two. The critical terms of the foreign currency derivatives entered into exactly match the terms of the hedged item. With respect to interest rate derivative, the change in the fair value of the hedge item to the extent regarded as change in interest rate will be considered as the effective hedge. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on floating interest rate) or a highly probable forecast transaction that can affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI reserve within Other Equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the Restated Consolidated Summary Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time is transferred to the Restated Consolidated Summary Statement of Profit and Loss.

Fair Value Hedge

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset or liability, that is attributable to a particular risk and could affect profit or loss. For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Restated Consolidated Summary Statement of Profit and Loss under Net Gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet, and is also recognised in the Restated Consolidated Summary Statement of Profit and Loss under Net Gain on fair value changes. The Group classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments.

Non derivative financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

viii (b) Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Restated Consolidated Summary Statement of Profit and Loss.

ii. Investments in mutual funds and government securities etc.

Investments in such financial instruments are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;

A transfer only qualifies for derecognition if either :

- (a) the Group has transferred substantially all the risks and rewards of the asset, or
- (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. The Group continues to recognise the assets on finance on books which have been securitized under pass through arrangement and does not meet the de-recognition criteria.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Restated Consolidated Summary Statement of Profit and Loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the Restated Consolidated Summary Statement of Profit and Loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ('MRR'). Therefore, it continues to recognise the portion retained by it as MRR.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Restated Consolidated Summary Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the Group and/or its counterparties

ix Foreign currency

The Group enters to foreign currency transactions during the course of business predominantly relating to borrowing (avalement/repayment of borrowing) and payment of fee/charges towards services/products such as license costs, maintenance charges etc.

- i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.
- ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.
- iii) Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

x Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, attributable to the assets.

Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

- i. Depreciation is provided on a straight-line basis for the Holding Company and on a written down value basis for the Subsidiary Company, over the estimated useful lives of the respective assets, at the rates and in the manner prescribed under Schedule II of the Companies Act, 2013, or based on the useful lives estimated by the management, whichever results in a higher depreciation charge:

Assets Category	Useful Life (in years)
Computer Equipment	3
Computer Servers	6
Furniture & Fixtures	10
Office Equipment's	5
Vehicle	8
Electrical Equipment	5
Leasehold improvements are depreciated over the lease period.	

- ii. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.
- iii. Property, plant and equipment costing up to INR 5,000 (amount in full) individually are fully depreciated in the year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of assets

An item of property plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Amortisation of Intangible Assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on

intangible assets with finite lives is recognised in the Restated Consolidated Summary Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group's intangible assets mainly comprise computer software and trademark. These assets are considered to have a finite useful life and are amortised over 5 years for computer software and 3 years for trademark using the straight-line method.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Derecognition of assets

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Consolidated Summary Statement of Profit and Loss when the asset is derecognised.

Capital work-in-progress

Capital work-in-progress are carried at cost less impairment loss, if any, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

Intangible assets under development

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

xi Income taxes

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Restated Consolidated Summary Statement of Profit and Loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to tax payable or receivable in respect of prior years. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

xii Employee Benefits

ESOP

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 46 that cost is recognised, together with a corresponding increase in Employee stock option plan reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Holding Company best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated Summary Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not

ultimately vest because of service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Short-term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution to provident fund and other funds :

In accordance with Indian Law, eligible employees receive benefits from Provident Fund , Employee State Insurance Contribution (ESIC) and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Restated Consolidated Summary Statement of Profit and Loss when incurred.

Gratuity:

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefits / obligations are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.

Compensated Absences:

The employees of the Group are entitled to leave as per the leave policy of the Group. The liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Restated Consolidated Summary Statement of Profit and Loss.

xiii Borrowing costs:

Borrowing cost of financial liabilities is recognised using the Effective Interest Rate (EIR) method.

xiv Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Restated Consolidated Summary Statement of Profit and Loss. If at the reporting date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

xv Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management

xvi Provisions, Contingent liabilities and Contingent assets:

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

Possible obligations which will be confirmed only by future events not wholly within the control of the Group or

Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

xvii Earnings per share

The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

xviii Leases

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

xix Segment Reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments, which is primarily market based. Unallocated corporate items include general corporate income and expenses, which are not attributable to segments.

xx Reimbursement of processing fee and other charges

As per the guidelines of new government schemes under Pradhan Mantri Awas Yojana (PMAY), no processing fee is allowed to be charged to the eligible customers. However, the Company is entitled to get a reimbursement from the customers for the expenses incurred in connection with origination of the

loans. Such reimbursement receivable forms part of "Non-housing loans", included under Loans and advances in the Balance Sheet.

4 Critical accounting estimates and judgements

The preparation of the Restated Consolidated Summary Statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

i Fair value of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind-AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
 - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
 - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Group can access at measurement date
- Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 41.2

ii Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward looking information. The inputs used and process followed by the Group in determining the ECL have been detailed in Note 42(C).

iii Effective interest rate

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioural life of the financial asset to the gross carrying amount of the financial asset. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

iv Business model assessment

Classification and measurement of financial assets depends on the results of the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

v Useful life and expected residual value of assets

Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

vi Leases

- the determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options.
- the determination of the incremental borrowing rate used to measure lease liabilities.

vii Deferred Tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced.

viii Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit

obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ix Provisions and contingencies

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Group's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

5 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Group does not have any impact due to this amendment on the financial statements.

6 (a) Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Cash on hand	10.57	7.22	1.79
Balances with banks			
- In current accounts*	13,245.16	5,581.01	7,256.04
- Deposit with original maturity of less than three months (Refer note below)	2,302.22	250.57	6,661.76
Investment in reverse repo			
- Investment in reverse repo	5,893.51	1,450.80	499.94
	21,451.46	7,289.60	14,419.53
* Includes amounts received towards NHB subsidy pending transfer to customers/unspent CSR	1.48	0.75	0.25

Note: Short-term deposits are placed for varying periods between one day to three months, depending on the immediate cash requirements of the Group.

(b) Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
In fixed deposit accounts with original maturity of less than 12 months*	466.73	46.89	247.89
In fixed deposit accounts with original maturity of more than 12 months*	2,560.19	1,465.45	898.57
	3,026.92	1,512.34	1,146.46
*Bank deposit held as securities/lien marked			
against bank guarantee for NHB refinancing	228.05	241.69	228.92
earmarked balance with banks	3.32	-	-
against borrowings	2,712.23	1,249.81	830.92

7 Derivative financial instruments

(a) Cash flow Hedge

Cross currency swap

Particulars	For the year ended 31 March 2026				
Cross currency swap	Notional amount	Fair value assets	Fair value liabilities	Hedging gains or (losses) recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
External Commercial Borrowing	812.87	115.12	-	16.60	-
Foreign Currency Denominated Floating Rate Borrowings	3,117.80	183.15	-	27.18	-
	3,930.67	298.27	-	43.78	-

Particulars	For the year ended 31 March 2025				
Cross currency swap	Notional amount	Fair value assets	Fair value liabilities	Hedging gains or (losses) recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
External Commercial Borrowing	1,611.81	54.01	-	(5.65)	-
Foreign Currency Denominated Floating Rate Borrowings	-	-	-	-	-
	1,611.81	54.01	-	(5.65)	-

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Particulars	For the year ended 31 March 2024				
	Notional amount	Fair value assets	Fair value liabilities	Hedging gains or (losses) recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
Cross currency swap					
External Commercial Borrowing	-	-	-	-	-
Foreign Currency Denominated Floating Rate Borrowings	-	-	-	-	-
	-	-	-	-	-

The Holding Company has policy for entering into derivative transactions. Derivatives comprises of cross currency swap entered by the Holding Company to hedge foreign currency borrowings.

(b) Fair Value Hedge
Interest Rate Swap
Hedging instruments

Particulars	Notional amount			Carrying amount			Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year		
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024		As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Interest Rate Swaps	2,650.00	-	-	(41.36)	-	-	Derivative Financial Instruments	(41.36)	-	-

Hedged items

Particulars	Notional amount			Line Item in the Statement of Financial Position	Accumulated Fair Value Adjustment -Liability		
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024		As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Fixed Rate Non Convertible Debenture	2,650.00	-	-	Debt securities	29.28	-	-

The Effect of the Fair Value Hedge in the Statement of Profit and Loss is as follows:

Particulars	Hedge Ineffectiveness Recognised in the Statement of Profit and Loss			Line in the Statement of Profit and Loss As at that includes Hedge Ineffectiveness
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024	
Interest Rate Swaps	-	(12.08)	-	Net Gain on Fair Value Changes

8 Receivables

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Trade receivables			
Trade receivables - considered good - unsecured	117.18	46.70	42.83
Trade receivables - considered doubtful - unsecured	3.48	-	-
Less: Impairment loss allowance	(3.48)	-	-
	117.18	46.70	42.83
Other receivables			
Other receivables - considered good - unsecured	8.88	11.06	44.22
Unsecured and considered having significant increase in credit risk	-	-	-
Allowance for other receivables having significant increase in credit risk	-	-	-
	8.88	11.06	44.22
	126.06	57.76	87.05

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Trade receivables ageing schedule for the year ended as on 31 March 2026

Particulars	Not Due	Less than 6 Months	Outstanding from due date of payment				Total
			6 months to 1 year	1-2 years	2-3 Years	More than 3 Years	
Undisputed trade receivables - considered good	107.19	9.94	-	-	-	0.05	117.18
Undisputed trade receivables - considered doubtful	-	-	-	-	3.48	-	3.48

There are no balances unbilled as at 31 March 2026.

Trade receivables ageing schedule for the year ended as on 31 March 2025

Particulars	Not Due	Less than 6 Months	Outstanding from due date of payment				Total
			6 months to 1 year	1-2 years	2-3 Years	More than 3 Years	
Undisputed trade receivables - considered good	43.17	-	-	3.48	-	0.05	46.70

There are no balances unbilled as at 31 March 2025.

Trade receivables ageing schedule for the year ended as on 31 March 2024

Particulars	Not Due	Less than 6 Months	Outstanding from due date of payment				Total
			6 months to 1 year	1-2 years	2-3 Years	More than 3 Years	
Undisputed trade receivables - considered good	-	42.83	-	-	-	-	42.83

There are no balances unbilled as at 31 March 2024.

Note: NIL receivables are due from directors and other officers of the Group either severally or jointly with any other person. Nor any other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

9 Loans

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
(A) Loans at amortised cost			
i) Secured by Tangible Assets			
(i) Secured - Mortgage housing loans*	20,143.48	18,725.06	17,181.88
(ii) Secured - Small Business Loans	-	-	0.50
(iii) Secured - Livestock Loan	-	-	2.35
(iv) Secured - Non Housing Loans*	7,082.84	3,956.54	3,108.58
ii) Unsecured Loan			
(i) Term loans (Joint liability group and individual loans)	1,84,165.12	1,27,504.53	1,15,928.53
(ii) Loans to employees	21.29	24.35	24.79
(B) Loans at fair value through OCI			
(i) Unsecured - Joint liability loans	-	-	5,623.56
Total (A+B) - Gross	2,11,412.73	1,50,210.48	1,41,870.19
Less: Impairment loss allowance	6,645.11	6,868.00	6,341.97
Less: Impairment loss allowance through OCI	-	-	113.90
Total (A+B) - Net	2,04,767.62	1,43,342.48	1,35,414.32
(C) Secured/unsecured			
(i) Secured by tangible assets and intangible assets	27,226.32	22,681.60	20,293.31
(ii) Unsecured	1,84,186.41	1,27,528.88	1,21,576.88
Total (C) - Gross	2,11,412.73	1,50,210.48	1,41,870.19
Less: Impairment loss allowance	6,645.11	6,868.00	6,455.87
Total (C) - Net	2,04,767.62	1,43,342.48	1,35,414.32
(D) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	2,11,412.73	1,50,210.48	1,41,870.19
Total (D)- Gross	2,11,412.73	1,50,210.48	1,41,870.19
Less: Impairment loss allowance	6,645.11	6,868.00	6,455.87
Total(D)-Net	2,04,767.62	1,43,342.48	1,35,414.32

* Loans granted by the Subsidiary Company are secured by equitable mortgage/ registered mortgage of the property including mortgage under process.

During the year, based on internal business model assessment in accordance with requirement of Ind AS 109, the company has reclassified loans at fair value through other comprehensive income to amortised cost. Accordingly Rs. 14.85 million has been transferred from other comprehensive income to the loan portfolio as per the Ind AS 109.

10 Investments

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Investment carried at fair value through profit and loss			
Investments in Govt. Securities			
Investment in treasury bill	1,750.52	49.97	94.21
Investment in certificate of deposit	-	499.75	-
Units of Mutual Fund	49.45	397.67	13.93
Investment in Government Securities	-	-	561.84
	1,799.97	947.39	669.98
Out of Above			
(i) Investments in India	1,799.97	947.39	669.98
(ii) Investments outside India	-	-	-
Total	1,799.97	947.39	669.98

11 Other financial assets

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
At amortised cost : Unsecured, considered good			
Excess interest spread (EIS) receivable	2,131.78	1,416.43	1,527.67
Less: Impairment loss allowance	(46.28)	(50.36)	-
Security deposits	101.10	91.68	66.08
Deposit with SIDBI*	449.71	710.70	668.86
Receivable from insurance company	143.21	278.45	111.84
Other receivable**	287.76	129.26	41.42
Receivable from government authorities***	4.10	4.11	4.24
Unsecured, considered doubtful			
Receivables - unsecured, considered doubtful	27.50	57.36	24.96
Impairment for doubtful advances	(27.50)	(57.36)	(24.96)
	3,071.38	2,580.27	2,420.11

* Lien marked against the term loan

** Majorly includes receivable from CMS Partners

*** Represents receivable from municipal authority on account of loans defaulted by the customers under BSUP scheme.

Reconciliation of impairment loss allowance on other financial assets

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Impairment loss allowance as at beginning of the year	107.72	24.96	25.84
Net increase/(decrease) during the year	(33.94)	82.76	(0.88)
Impairment loss allowance as at the end of the year	73.78	107.72	24.96

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12 Deferred tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Deferred tax assets			
On account of:			
Impairment of financial instruments	1,542.87	1,670.47	1,529.53
Expenses allowable on payment basis	170.61	129.84	95.05
Temporary differences of written down value of intangible assets and property, plant and equipment	48.25	34.90	30.98
Transaction costs on loans	473.86	317.79	310.02
Lease liabilities	29.87	42.71	36.93
Derivative designated cash flow hedge	1.42	1.42	-
Other	1.13	1.25	1.51
Total deferred tax assets	2,268.01	2,198.38	2,004.02
Deferred tax liabilities			
On account of:			
Transaction costs on borrowings and debt securities	68.57	96.61	159.05
Measurement gain on direct assignment	534.79	344.04	384.48
Right to use of assets	24.06	37.94	33.69
Fair value change of loans through other comprehensive income	-	-	3.74
Fair value gain / (loss) on investments	0.42	0.42	-
Other	0.58	0.56	0.74
Total deferred tax liabilities	628.42	479.57	581.70
Net Deferred tax assets / (liabilities)	1,639.59	1,718.81	1,422.32
(Refer note 37.2 for movement of deferred tax assets/(liabilities)).			

13 Investment property

Particulars	Freehold land	Total
Gross block		
As at 1 April 2023	0.25	0.25
Additions	-	-
Deletions	-	-
As at 31 March 2024	0.25	0.25
Additions	-	-
Deletions	-	-
As at 31 March 2025	0.25	0.25
Additions	-	-
Deletions	-	-
As at 31 March 2026	0.25	0.25
Accumulated depreciation		
As at 1 April 2023	-	-
Charge for the year	-	-
Deletions	-	-
As at 31 March 2024	-	-
Charge for the year	-	-
Deletions	-	-
As at 31 March 2025	-	-
Charge for the year	-	-
Deletions	-	-
As at 31 March 2026	-	-
Net block		
As at 31 March 2026	0.25	0.25
As at 31 March 2025	0.25	0.25
As at 31 March 2024	0.25	0.25

Notes:

The Subsidiary Company's investment property is a piece of land in India, currently for undetermined use. The Subsidiary Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements. The Group confirms that the title deeds of immovable properties are held in the name of the Subsidiary Company.

(a) Fair value of investment property

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Freehold land	0.16	0.19	0.15

The fair value of investment property has been determined by an independent valuer, who has adequate professional experience as well as adequate expertise in the location and category of the investment property. The value is determined based on the rate prescribed by government authorities for the property. Management believes that the net recoverable value of the property would be higher than carrying amount and therefore, no impairment has been made. The resultant fair value estimates for investment property is included in level 2.

There are no amounts recognised in the Restated Consolidated Summary Statement of Profit and Loss in relation to the above investment property.

14 Property, plant and equipment

Particulars	Furniture & fixtures	Computers	Office equipment's	Vehicles	Electrical equipment	Leasehold Improvements	Total
Gross block (at cost)							
As at 1 April 2023	69.80	190.55	90.94	-	-	16.33	367.62
Additions pursuant to business combination (refer note 47)	110.64	180.46	28.93	0.09	25.22	-	345.34
Additions	25.06	59.93	57.82	-	2.08	15.39	160.28
Disposals	0.34	4.33	7.11	-	-	-	11.78
As at 31 March 2024	205.16	426.61	170.58	0.09	27.30	31.72	861.46
Additions	38.74	84.39	78.66	-	9.90	22.21	233.90
Disposals	0.21	14.71	10.56	-	0.72	-	26.20
As at 31 March 2025	243.69	496.29	238.68	0.09	36.48	53.93	1,069.16
Additions	46.48	84.33	53.85	-	5.23	24.40	214.29
Disposals	2.17	41.79	10.77	-	-	-	54.73
As at 31 March 2026	288.00	538.83	281.76	0.09	41.71	78.33	1,228.72
Accumulated depreciation							
As at 1 April 2023	49.87	118.56	50.00	-	-	13.51	231.94
Additions pursuant to business combination (refer note 47)	38.28	94.01	10.80	0.08	7.64	-	150.81
Charge for the year	18.14	41.97	42.82	0.00	0.66	3.96	107.55
Deduction for the year	0.28	4.01	6.06	-	-	-	10.35
As at 31 March 2024	106.01	250.53	97.56	0.08	8.30	17.47	479.95
Charge for the year	21.16	81.73	55.57	0.00	2.66	8.27	169.39
Deduction for the year	0.18	13.84	9.04	-	0.60	-	23.66
As at 31 March 2025	126.99	318.42	144.09	0.08	10.36	25.74	625.68
Charge for the year	29.71	88.88	59.99	0.00	3.28	12.71	194.57
Deduction for the year	1.67	39.61	8.97	-	0.05	-	50.30
As at 31 March 2026	155.03	367.69	195.11	0.08	13.59	38.45	769.95
Net Block							
As at 31 March 2024	99.15	176.08	73.02	0.01	19.00	14.25	381.51
As at 31 March 2025	116.70	177.87	94.59	0.01	26.12	28.19	443.48
As at 31 March 2026	132.97	171.14	86.65	0.01	28.12	39.88	458.77

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15 Right of use Asset

Particulars	Premises	Vehicles	Total
As at 1 April 2023	188.06	-	188.06
Additions pursuant to business combination (refer note 47)	72.65	-	72.65
Additions	94.71	8.80	103.51
Deletions	1.91	-	1.91
As at 31 March 2024	353.51	8.80	362.31
Additions	25.89	-	25.89
Deletions	-	-	-
As at 31 March 2025	379.40	8.80	388.20
Additions	130.82	-	130.82
Deletions	17.96	-	17.96
As at 31 March 2026	492.26	8.80	501.06
Accumulated amortisation			
As at 1 April 2023	77.91	-	77.91
Additions pursuant to business combination (refer note 47)	3.38	-	3.38
Charge for the year	40.14	1.46	41.60
Deduction for the year	0.73	-	0.73
As at 31 March 2024	120.70	1.46	122.16
Charge for the year	67.22	2.30	69.52
Deduction for the year	-	-	-
As at 31 March 2025	187.92	3.76	191.68
Charge for the year	86.38	2.34	88.72
Deduction for the year	-	-	-
As at 31 March 2026	274.30	6.10	280.40
Net block			
As at 31 March 2024	232.81	7.34	240.15
As at 31 March 2025	191.48	5.04	196.52
As at 31 March 2026	217.96	2.70	220.66

16 Other intangible assets

Particulars	Computer Software	Trade Mark	Amount
Gross Block (at cost)			
As at 1 April 2023	56.55	-	56.55
Additions pursuant to business combination (refer note 47)	44.31	-	44.31
Additions	28.22	10.00	38.22
Disposals	0.01	-	0.01
As at 31 March 2024	129.07	10.00	139.07
Additions	45.78	-	45.78
Disposals	-	-	-
As at 31 March 2025	174.85	10.00	184.85
Additions	42.62	-	42.62
Disposals	4.80	-	4.80
As at 31 March 2026	212.67	10.00	222.67
Accumulated amortization			
As at 1 April 2023	44.39	-	44.39
Additions pursuant to business combination (refer note 47)	22.00	-	22.00
Charge for the year	11.56	1.20	12.76
Deduction for the year	-	-	-
As at 31 March 2024	77.95	1.20	79.15
Charge for the year	26.42	3.33	29.75
Deduction for the year	-	-	-
As at 31 March 2025	104.37	4.53	108.90
Charge for the year	35.89	3.44	39.34
Deduction for the year	4.79	-	4.79

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As at 31 March 2026	135.47	7.97	143.44
Net Block			
As at 31 March 2024	51.12	8.80	59.92
As at 31 March 2025	70.48	5.47	75.95
As at 31 March 2026	77.20	2.03	79.23

17 Intangible assets under development

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Opening Balance	157.49	-	1.02
Additions	107.81	157.49	-
Deletions	0.26	-	1.02
Closing Balance	265.04	157.49	-

Intangible assets under development aging schedule as at 31 March 2026

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	107.55	157.49	-	-	265.04
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule as at 31 March 2025

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	157.49	-	-	-	157.49
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule as at 31 March 2024

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2025-26 and 2024-25.

18 Other non-financial assets

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good			
Prepaid expenses	564.33	467.92	343.73
Other advances*	386.17	122.05	127.15
Contribution to Gratuity	4.56	-	-
Advance to staff	3.52	3.40	1.36
Less: Impairment on other advances	(4.55)	-	-
	954.03	593.37	472.24

* Majorily includes the advances for employee insurance, processing fees and staff advances.

Reconciliation of impairment loss allowance on other non-financial assets

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Impairment loss allowance as at beginning of the year	-	-	-
Net increase/(decrease) during the year	4.55	-	-
Impairment loss allowance as at the end of the year	4.55	-	-

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19 Payables

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	63.27	33.34	0.38
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	726.71	247.97	199.28
(II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11.42	101.74	79.46
	801.40	383.05	279.12

Trade payables ageing schedule for the year ended as on 31 March 2026

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	5.30	57.97	-	-	-	-	63.27
(ii) Others		678.57	47.75	0.20	0.14	0.05	726.71
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Trade payables ageing schedule for the year ended as on 31 March 2025

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	15.05	17.88	0.41	-	-	-	33.34
(ii) Others	25.94	97.81	123.73	0.35	0.09	0.05	247.97
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Trade payables ageing schedule for the year ended as on 31 March 2024

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.38		-	-	0.38
(ii) Others	166.53	-	32.61	0.09	-	0.05	199.28
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

* The Group has NIL outstanding dues and interest payable for micro, small and medium enterprises- refer Note 45

20 Debt Securities

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
At amortised cost			
Redeemable non-convertible debentures			
Secured*	83.70	165.90	1,298.94
Unsecured	1,513.03	2,435.59	3,006.30
Borrowings under securitisation arrangement (refer note 41.4)**	21,592.39	1,300.91	-
Total (A)	23,189.12	3,902.40	4,305.24
Debt securities in India	23,189.12	3,902.40	4,305.24
Debt securities outside India	-	-	-
Total (B)	23,189.12	3,902.40	4,305.24

*The above debentures are secured by the way of first and exclusive charge over specified unsecured microfinance JLG loans of the Company.

**Borrowings under securitisation arrangements represents securities issued by the special purpose vehicles ('SPVs') to the investors pursuant to the securitisation arrangement. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities with corresponding loan.

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure VI - Notes to the Restated Consolidated Summary Statements
(All amounts in Rs. Million unless otherwise stated)

21 Borrowings (Other than Debt securities)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
At amortised cost			
Term loans			
Secured*			
(i) from banks	1,44,705.06	96,155.73	94,315.98
(ii) from others	12,046.84	13,503.06	24,120.52
Total (A)	1,56,751.90	1,09,658.79	1,18,436.50
Borrowings in India	1,55,943.34	1,08,040.27	1,16,706.10
Borrowings outside India	808.56	1,618.52	1,730.40
Total (B)	1,56,751.90	1,09,658.79	1,18,436.50

* Secured against the loans of the Group

22 Subordinated liabilities

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
At amortised cost			
Debentures	6,191.61	6,322.52	6,431.08
Total (A)	6,191.61	6,322.52	6,431.08
Subordinated liabilities in India	6,191.61	6,322.52	6,431.08
Subordinated liabilities outside India	-	-	-
Total (B)	6,191.61	6,322.52	6,431.08

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Debt Securities Particulars	Terms of Debentures	Tenor	Date of redemption	Number of Debentures				Amount of Debentures					
				As at		As at		As at		As at			
				31 March 2026	31 March 2025	31 March 2024	As at	31 March 2026	31 March 2025	31 March 2024	As at		
Secured - Redeemable at par													
10.10% Rated, Listed, Senior, Secured, Redeemable, Transferable Non-Convertible Debentures of face value of Rs.1,00,000 each.Redemable at par.	Principal payment frequency :Bullet Coupon payment frequency : Monthly	36 Months	10-10-2026	2,500	2,500	2,500	2,500	83.86	167.54	251.37			
10.95% rated, listed, senior, secured, redeemable, taxable, transferable Non Convertible Debentures of face value of Rs.1,00,000 each.Redemable at par.	Principal payment frequency : Quarterly Coupon payment frequency : Monthly	36 Months	29-09-2024	-	-	700	-	-	-	127.31			
9.50% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.5000000 each. Redeemable at par.	Principal payment frequency : Quarterly Coupon payment frequency : Monthly	24 Months	20-12-2024	-	-	2,000	-	-	-	375.96			
11.92% Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Transferable, non-convertible debentures of face value of Rs.7,50,000 each. Redeemable at par.	Principal payment frequency :Bullet Coupon payment frequency : Monthly	36 Months	30-03-2025	-	-	500	-	-	-	375.00			
9.45% secured ,rated, unlisted, 265,000 redeemable non convertible debentures of Rs. 1,000 at par on 18 November 2024*	Principal payment frequency : Bullet Coupon payment frequency : Semi-Annually	84 Months	18-11-2024	-	-	2,65,000	-	-	-	274.13			
10.60% secured ,rated, unlisted, 266,000 redeemable non convertible debentures of Rs. 1,000 at par on 18 November 2024*	Principal payment frequency : Bullet Coupon payment frequency : Semi-Annually	84 Months	18-11-2024	-	-	2,66,000	-	-	-	277.01			
Unsecured - Redeemable at par													
10.55% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.1,00,000 each.Redemable at par.	Principal payment frequency :Bullet Coupon payment frequency : Monthly	36 Months	30-09-2026	10,000	10,000	10,000	10,000	1,000.58	1,004.11	1,001.58			
10.45% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.1,00,000 each.Redemable at par.	Principal payment frequency :Quarterly Coupon payment frequency : Monthly	18 Months	17-04-2025	-	2,500	2,500	-	-	83.33	250.52			
9.33% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.1,00,000 each.Redemable at par.	Principal payment frequency : Monthly Coupon payment frequency : Monthly	24 Months	10-11-2025	-	8,500	8,500	-	-	850.52	850.90			
12.83% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.1,00,000 each.Redemable at par.	Principal payment frequency :Bullet Coupon payment frequency : Monthly	50 Months	28-09-2026	500	500	500	500	515.82	515.81	515.99			
8.51%, unsecured, rated, unlisted, fully paid up, taxable, 300 redeemable non-convertible debentures of Rs.1,000,000 at par on 22 September 2024	Principal payment frequency : Quarterly Coupon payment frequency : Monthly	36 Months	22-09-2024	-	-	300	-	-	-	50.11			
Sub -Total													
Adjustments of unamortised processing fee based on EIR basis													
Total													
											1,600.26	2,621.31	4,349.88
											(3.53)	(19.82)	(44.64)
											1,596.73	2,601.49	4,305.24

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Borrowings under securitisation arrangement as at 31 March 2026												
Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years and above		Total
				No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Borrowings under securitisation arrangement	Monthly	Upto 2 Years	7.00% to 8.50%	206	19,571.01	32	2,027.09	-	-	-	-	21,598.10
Adjustments of unamortised processing fee based on EIR basis												(5.71)
Total												21,592.39
Borrowings under securitisation arrangement as at 31 March 2025												
Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years and above		Total
				No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Borrowings under securitisation arrangement	Monthly	Upto 2 Years	7.50% to 8.99%	26	1,239.83	2	61.91	-	-	-	-	1,301.74
Adjustments of unamortised processing fee based on EIR basis												(0.83)
Total												1,300.91
Borrowings under securitisation arrangement as at 31 March 2024												
Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years and above		Total
				No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Borrowings under securitisation arrangement				-	-	-	-	-	-	-	-	-
Borrowings under securitisation arrangement												-
Total												-

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
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Borrowings (Other than Debt securities and subordinated liabilities) as at 31 March 2026

Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due within 4 years and above	Total	
				No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount			
Term loans from bank	Monthly	Upto 2 Year	7.00% to 8.99%	1,337	43,697.68	549	24,270.82	2	181.82	-	-	-	68,150.32	
			9.00% to 9.50%	87	2,006.74	7	531.75	-	-	-	-	-	2,538.49	
			10.01% to 10.50%	2	33.34	-	-	-	-	-	-	-	33.34	
	2 year to 3 Year	7.00% to 8.99%	375	11,386.09	223	6,743.87	6	325.00	-	-	-	-	18,454.96	
		9.00% to 9.50%	169	3,194.02	16	529.88	-	-	-	-	-	-	3,723.90	
		9.51% to 10.00%	136	1,981.98	10	206.40	-	-	-	-	-	-	2,188.38	
		10.01% to 10.50%	21	490.65	-	-	-	-	-	-	-	-	490.65	
		2.50%-7.49%	143	502.59	132	498.00	100	362.83	20	58.33	-	-	1,421.75	
	3 and above	7.50% to 8.99%	219	1,004.24	168	896.60	127	749.20	102	653.92	50	483.00	3,786.96	
		9.00% to 9.50%	46	235.74	24	190.38	21	171.46	12	115.38	2	19.20	732.16	
		9.51% to 10.00%	30	235.71	24	230.40	22	218.37	6	78.39	-	-	762.87	
		10.01% to 10.50%	-	-	-	-	-	-	-	-	-	-	-	
		10.51% to 11.00%	20	69.09	10	32.87	-	-	-	-	-	-	101.96	
	Quarterly	Upto 2 Year	11.01% to 11.50%	-	-	-	-	-	-	-	-	-	-	-
			11.51% to 12.00%	44	19.93	48	21.74	-	-	-	-	-	-	41.67
		2 year to 3 Year	7.00% to 8.99%	21	2,475.90	17	2,368.75	-	-	-	-	-	-	4,844.65
			9.00% to 9.50%	7	65.35	-	-	-	-	-	-	-	-	65.35
			7.00% to 8.99%	54	6,183.54	57	5,749.32	26	2,392.45	-	-	-	-	14,325.31
	3 and above	9.00% to 9.50%	28	2,185.24	16	1,188.36	-	-	-	-	-	-	3,373.60	
2.50%-7.49%		75	759.26	51	804.15	31	435.45	16	197.17	23	100.59	2,296.62		
7.50% to 8.99%		143	2,122.54	120	2,211.71	109	2,136.77	101	1,991.40	162	2,370.18	10,832.60		
9.00% to 9.50%		23	346.06	12	268.52	12	268.52	11	240.68	10	198.87	1,322.65		
9.51% to 10.00%		20	199.04	8	82.95	4	40.00	4	40.00	1	9.61	371.60		
Half-Yearly	Upto 2 Year	10.01% to 10.50%	23	281.47	7	119.92	-	-	-	-	-	-	401.39	
		10.51% to 11.00%	4	47.13	-	-	-	-	-	-	-	-	47.13	
		11.01% to 11.50%	-	-	-	-	-	-	-	-	-	-	-	
		11.51% to 12.00%	-	-	-	-	-	-	-	-	-	-	-	
		7.00% to 8.99%	20	2,049.40	9	1,206.66	-	-	-	-	-	-	3,256.06	
Yearly	3 and above	9.00% to 9.50%	32	2,236.76	8	743.05	-	-	-	-	-	2,979.81		
		9.51% to 10.00%	2	143.01	1	142.86	1	142.86	1	141.46	-	-	570.19	

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Term loan from non-banking financial companies	Monthly	Upto 2 Year	7.50% to 8.99%	85	937.04	56	497.50	41	236.87	13	108.33	5	41.67	1,821.41
		3 year to 4 Year	9.51% to 10.00%	11	154.82	-	-	-	-	-	-	-	-	154.82
	Quarterly	3 and above	9.00% to 9.50%	16	71.43	16	71.43	16	71.43	16	71.43	5	30.36	316.08
Term loan from Financial Institutions	Monthly	2 year to 3 Year	9.51% to 10.00%	14	271.51	-	-	-	-	-	-	-	-	271.51
		3 and above	10.01% to 10.50%	34	1,685.61	-	-	-	-	-	-	-	-	1,685.61
	Quarterly	2 year to 3 Year	7.00% to 8.99%	10	1,314.47	8	1,299.71	2	324.93	-	-	-	-	2,939.11
		3 and above	9.51% to 10.00%	3	90.00	-	-	-	-	-	-	-	-	90.00
	Bullet	Upto 2 Years	7.00% to 8.99%	2	1,506.69	-	-	-	-	-	-	-	-	1,506.69
External commercial borrowings	Half-Yearly	3 and above	12.01% to 12.50%	3	355.38	2	352.07	-	-	-	-	-	-	707.45
Sub - Total														<u>1,56,607.05</u>
Adjustments of unamortised processing fee based on EIR basis														<u>144.85</u>
Total														<u>1,56,751.90</u>

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
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Borrowings (Other than Debt securities and subordinated liabilities) as at 31 March 2025

Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due within 4 years and above		Total
				No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Term loans from bank	Monthly	Upto 2 Year	7.50% to 8.99%	165	6,623.59	51	1,524.58	-	-	-	-	-	-	8,148.17
			9.00% to 9.50%	494	12,140.98	234	5,785.98	-	-	-	-	-	-	17,926.96
			9.51% to 10.00%	168	3,992.39	14	333.33	-	-	-	-	-	-	4,325.72
		2 year to 3 Year	10.01% to 10.50%	91	2,526.22	-	-	-	-	-	-	-	-	2,526.22
			10.51% to 11.00%	23	485.88	2	40.00	-	-	-	-	-	-	525.88
			11.01% to 11.50%	2	41.67	-	-	-	-	-	-	-	-	41.67
	Quarterly	3 and above	7.50% to 8.99%	39	516.15	36	400.00	6	66.67	-	-	-	-	982.82
			9.00% to 9.50%	330	10,516.50	207	7,846.20	27	1,090.40	-	-	-	-	19,453.10
			9.51% to 10.00%	232	3,198.52	99	943.21	5	55.00	-	-	-	-	4,196.73
		2 year to 3 Year	10.01% to 10.50%	88	1,733.26	25	762.78	-	-	-	-	-	-	2,496.04
			7.5-8.99%	244	909.08	190	723.37	180.00	674.99	132.00	470.83	38.00	103.33	2,881.60
			9.00-9.50%	103	367.70	92	349.39	72.00	269.39	44.00	171.62	36.00	124.97	1,283.07
Term loans from bank	Quarterly	Upto 2 Year	9.51% to 10.00%	82	491.11	46	400.90	36.00	345.78	34.00	333.78	20.00	212.14	1,783.71
			10.01% to 10.50%	26	60.95	18	45.00	-	-	-	-	-	-	105.95
			10.51-11.00%	24	90.00	20	69.15	11.00	32.92	-	-	-	-	192.07
		2 year to 3 Year	11.01% to 11.50%	44	19.93	48	21.74	48.00	21.74	-	-	-	-	63.41
			9.00% to 9.50%	11	687.50	5	312.50	1	62.50	-	-	-	-	1,062.50
			10.01% to 10.50%	7	531.25	-	-	-	-	-	-	-	-	531.25
	Half-Yearly	Upto 2 Year	10.51% to 11.00%	7	111.97	-	-	-	-	-	-	-	-	111.97
			11.01% to 11.50%	4	45.30	-	-	-	-	-	-	-	-	45.30
			9.00% to 9.50%	75	4,480.55	43	3,957.66	19	1,314.16	-	-	-	-	9,752.37
		2 year to 3 Year	9.51% to 10.00%	9	1,150.00	4	599.64	-	-	-	-	-	-	1,749.64
			10.01% to 10.50%	14	1,334.55	-	-	-	-	-	-	-	-	1,334.55
			10.51% to 11.00%	2	20.84	-	-	-	-	-	-	-	-	20.84
Term loans from bank	Half-Yearly	3 and above	11.01% to 11.50%	3	166.05	-	-	-	-	-	-	-	-	166.05
			2.50%-7.49%	33	285.32	34	372.56	27.00	318.20	18.00	226.97	27.00	242.36	1,445.41
			7.50% to 8.99%	97	1,178.11	88	1,288.30	84.00	1,248.77	63.00	914.30	143.00	1,198.78	5,828.26
		2 year to 3 Year	9.00% to 9.50%	28	411.49	23	425.18	12.00	292.33	12.00	292.33	23.00	552.57	1,973.90
			9.51% to 10.00%	15	173.39	9	148.33	5.00	64.99	4.00	40.00	5.00	49.69	476.40
			10.01% to 10.50%	21	244.69	12	145.60	4.00	42.43	-	-	-	-	432.72
	Yearly	3 and above	10.51% to 11.00%	20	223.83	13	185.59	6.00	95.09	-	-	-	-	504.51
			9.00% to 9.50%	25	2,068.00	13	1,608.00	-	-	-	-	-	-	3,676.00
			9.51% to 10.00%	1	249.81	-	-	-	-	-	-	-	-	249.81
	Yearly	3 and above	9.51% to 10.00%	3	143.24	1	142.85	1.00	142.86	1.00	142.86	1.00	142.48	714.29
														-
														-

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
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Borrowings (Other than Debt securities and subordinated liabilities) as at 31 March 2025

Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due within 4 years and above		Total	
				No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount		
Term loan from non-banking financial companies	Monthly	Upto 2 Year	9.00% to 9.50%	26	636.64	4	90.97	-	-	-	-	-	-	727.61	
			9.51% to 10.00%	17	271.43	10	153.79	-	-	-	-	-	-	425.22	
	Quarterly	3 and above	7.50% to 8.99%	24	112.50	24	112.50	24	112.50	21.00	96.87	1.00	8.33	442.70	
			9.00% to 9.50%	26	116.37	24	110.00	15	76.67	8.00	40.00	-	-	343.04	
Term loan from DFI	Quarterly	Upto 2 Year 3 and above	10.01% to 10.50%	8	382.76	-	-	-	-	-	-	-	-	382.76	
			9.00% to 9.50%	16	71.43	16	71.43	16.00	71.43	16.00	71.43	21.00	101.79	387.51	
	Monthly	2 year to 3 Year	10.01% to 10.50%	5	188.47	1	46.84	-	-	-	-	-	-	235.31	
			7.50% to 8.99%	13	611.45	-	-	-	-	-	-	-	-	611.45	
	Quarterly	2 year to 3 Year	9.51% to 10.00%	68	2,484.59	43	1,945.20	-	-	-	-	-	-	-	4,429.79
			10.01% to 10.50%	20	603.62	-	-	-	-	-	-	-	-	-	603.62
External commercial borrowings	Quarterly	2 year to 3 Year 3 and above	10.51% to 11.00%	11	670.58	-	-	-	-	-	-	-	-	670.58	
			10.01% to 10.50%	4	200.00	-	-	-	-	-	-	-	-	200.00	
	Bullet	Upto 2 Years	9.51% to 10.00%	9	217.93	3	90.00	-	-	-	-	-	-	307.93	
			7.50% to 8.99%	1	6.69	1	1,500.00	-	-	-	-	-	-	1,506.69	
	Half-Yearly	3 and above	12.01% to 12.50%	3	407.74	2	352.07	2	352.07	-	-	-	-	1,111.88	
			10.01% to 10.50%	2	263.95	-	-	-	-	-	-	-	-	263.95	
Sub -Total		2 year to 3 Year	10.51% to 11.00%	2	260.79	-	-	-	-	-	-	-	-	260.79	
														1,09,919.72	
Adjustments of unamortised processing fee based on EIR basis														(260.93)	
Total														1,09,658.79	

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
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Borrowings (Other than Debt securities and subordinated liabilities) as at 31 March 2024

Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due within 4 years and above		Total
				No of Instalments		No of Instalments		No of Instalments		No of Instalments		No of Instalments		
				Amount	Instalments	Amount	Instalments	Amount	Instalments	Amount	Instalments	Amount	Instalments	
Term loans from bank	Monthly	Upto 2 Year	9.00% to 9.50%	193	6,817.60	123	5,046.34	-	-	-	-	-	-	11,863.94
			9.51% to 10.00%	282	8,046.70	113	3,259.66	-	-	-	-	-	-	11,306.36
			10.01% to 10.50%	224	5,574.47	49	1,418.12	-	-	-	-	-	-	6,992.59
			10.51% to 11.00%	107	2,605.64	42	1,012.09	-	-	-	-	-	-	3,617.73
			11.01% to 11.50%	15	283.72	-	-	-	-	-	-	-	-	283.72
	2 year to 3 Year		5.00% to 8.99%	34	563.68	6	180.70	-	-	-	-	-	-	744.38
			9.00% to 9.50%	159	3,325.77	88	2,485.79	20	792.07	-	-	-	-	6,603.63
			9.51% to 10.00%	392	6,221.47	212	3,247.42	75	607.21	-	-	-	-	10,076.10
			10.01% to 10.50%	151	2,556.81	56	1,073.70	19	102.78	-	-	-	-	3,733.29
	3 year to 5 Year		10.51% to 11.00%	60	2,467.34	11	100.00	-	-	-	-	-	-	2,567.34
			11.01% to 11.50%	13	500.24	-	-	-	-	-	-	-	-	500.24
			2.50%-7.49%	-	-	-	-	-	-	-	-	-	-	-
			7.50% to 8.99%	208	820.51	177	763.16	138	563.76	108	429.67	88	336.17	2,913.27
Quarterly	Upto 2 Year		9.00% to 9.50%	114	489.04	108	489.62	86	433.35	84	428.23	56	403.07	2,243.31
			9.51% to 10.00%	62	1,202.62	45	1,323.49	27	896.93	12	153.60	18	231.56	3,808.20
			10.01% to 10.50%	49	127.83	25	65.08	18	45.00	-	-	-	-	237.91
			10.51% to 11.00%	10	46.73	-	-	-	-	-	-	-	-	46.73
			11.01% to 11.50%	80	138.50	75	118.87	68	90.92	58	54.67	-	-	402.96
	2 year to 3 Year		11.51% to 12.00%	-	-	-	-	-	-	-	-	-	-	-
			9.00% to 9.50%	4	250.00	4	250.00	-	-	-	-	-	-	500.00
			9.51% to 10.00%	14	875.25	11	781.25	-	-	-	-	-	-	1,656.50
			10.01% to 10.50%	5	900.25	-	-	-	-	-	-	-	-	900.25
			10.51% to 11.00%	37	1,149.84	1	13.75	-	-	-	-	-	-	1,163.59
			11.01% to 11.50%	3	112.50	-	-	-	-	-	-	-	-	112.50
			2.50%-7.49%	3	20.70	1	2.45	-	-	-	-	-	-	23.15
			7.50% to 8.99%	-	-	-	-	-	-	-	-	-	-	-
3 and above		9.00% to 9.50%	35	1,827.88	27	2,480.55	11	2,142.51	-	-	-	-	6,450.94	
		9.51% to 10.00%	41	2,472.88	20	1,663.64	-	-	-	-	-	-	4,136.52	
		10.01% to 10.50%	18	1,217.54	2	222.22	-	-	-	-	-	-	1,439.76	
		10.51% to 11.00%	33	3,288.50	1	20.83	-	-	-	-	-	-	3,309.33	
		11.01% to 11.50%	4	300.00	-	-	-	-	-	-	-	-	300.00	
3 and above		2.50%-7.49%	57	348.37	44	373.97	30	355.28	20	281.12	15	333.54	1,692.28	
		7.50% to 8.99%	51	389.34	46	529.24	44	526.02	43	506.30	75	620.35	2,571.25	
		9.00% to 9.50%	25	351.41	16	209.33	14	179.61	-	-	-	-	740.35	
		9.51% to 10.00%	31	387.55	23	359.17	17	251.18	9	108.74	9	89.92	1,196.56	
		10.01% to 10.50%	25	550.15	11	265.26	6	62.49	-	-	-	-	877.90	
10.51% to 11.00%	13	369.12	8	119.05	8	119.05	6	95.04	-	-	-	702.26		
	11.01% to 11.50%	-	-	-	-	-	-	-	-	-	-	-		
11.51% to 12.00%	-	-	-	-	-	-	-	-	-	-	-	-		

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Type of instrument/institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due within 4 years and above		Total
				No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Yearly		3 and above	9.00% to 9.50%	2	143.08	1	142.86	1	142.86	1	142.86	2	285.34	857.00
Bullet		Upto 2 Years	10.51% to 11.00%	1	400.00	-	-	-	-	-	-	-	-	400.00
		Upto 2 Year	9.51% to 10.00%	13	403.07	3	100.00	-	-	-	-	-	-	503.07
			10.01% to 10.50%	31	702.57	-	-	-	-	-	-	-	-	702.57
			10.51% to 11.00%	11	220.02	-	-	-	-	-	-	-	-	220.02
		2 year to 3 Year	9.51% to 10.00%	2	23.07	-	-	-	-	-	-	-	-	23.07
			10.01% to 10.50%	4	26.13	-	-	-	-	-	-	-	-	26.13
			10.51% to 11.00%	6	113.75	-	-	-	-	-	-	-	-	113.75
		3 and above	7.50% to 8.99%	13	61.65	12	60.00	12	60.00	12	60.00	8	40.00	281.65
			9.00% to 9.50%	26	89.32	14	56.37	12	50.00	3	16.67	-	-	212.36
			9.51% to 10.00%	13	156.20	12	168.85	10	153.79	-	-	-	-	478.84
		Upto 2 Year	9.51% to 10.00%	15	628.55	4	287.50	-	-	-	-	-	-	916.05
			9.51% to 10.00%	5	376.82	1	93.75	-	-	-	-	-	-	470.57
			9.00% to 9.50%	16	71.43	16	71.43	16	71.43	16	71.43	37	173.21	458.93
			10.01% to 10.50%	5	189.25	4	187.50	1	46.88	-	-	-	-	423.63
			9.51% to 10.00%	54	1,914.44	60	2,456.80	43	1,947.75	-	-	-	-	6,318.99
			10.01% to 10.50%	39	1,616.82	28	1,266.67	-	-	-	-	-	-	2,883.49
			5.00% to 8.99%	51	1,760.40	10	606.20	-	-	-	-	-	-	2,366.60
			11.51% to 12.00%	12	443.04	-	-	-	-	-	-	-	-	443.04
			9.00% to 9.50%	4	100.68	-	-	-	-	-	-	-	-	100.68
			10.01% to 10.50%	15	568.37	6	322.22	-	-	-	-	-	-	890.59
		More than 5 Year	9.51% to 10.00%	8	441.00	8	216.00	3	90.00	-	-	-	-	747.00
		3 year to 5 Year	12.01% to 12.50%	5	210.93	2	352.07	2	352.07	2	352.07	-	-	1,267.14
		Upto 2 Years	5.00% to 8.99%	2	6.58	-	-	1	1,500.00	-	-	-	-	1,506.58
		2 year to 3 Year	10.01% to 10.50%	1	7.58	1	244.65	-	-	-	-	-	-	252.23
			10.51% to 11.00%	1	4.38	1	244.80	-	-	-	-	-	-	249.18
Sub -Total														1,18,828.00
Adjustments of unamortised processing fee based on EIR basis														(391.50)
Total														1,18,436.50

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Subordinated liabilities									
Particulars	Terms of Debentures	Tenor	Date of redemption	Number of Debentures			Amount of Debentures		
				As at	As at	As at	As at	As at	As at
				31 March 2026	31 March 2025	31 March 2024	31 March 2026	31 March 2025	31 March 2024
Unsecured - Redeemable at par									
13.75% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.10 each.Redemable at par.	Principal payment frequency : Bullet	72 Months	31-Mar-26	-	1,50,00,000	1,50,00,000	-	150.00	150.00
12.90% rated, listed, unsecured, taxable, redeemable, subordinated, transferable, Non Convertible Debentures of face value of Rs.1,000,000 each.Redemable at par.	Coupon payment frequency : Quarterly	66 Months	30-Sep-26	600	600	600	600.21	600.19	600.19
11.77% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redemable at par.	Principal payment frequency : Yearly	72 Months	30-Nov-27	1,250	1,250	1,250	1,250.00	1,250.00	1,263.46
11.77% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redemable at par.	Principal payment frequency : Monthly	72 Months	05-Jan-28	900	900	900	907.55	906.77	906.77
11.77% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redemable at par.	Coupon payment frequency : Bullet	66 Months	23-Jul-27	750	750	750	765.24	763.64	750.00
11.90% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redemable at par.	Coupon payment frequency : Half Yearly	72 Months	15-Jun-28	500	500	500	502.61	502.35	502.35
12.40% Subordinated, Rated, Unlisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures of face value of Rs.5,00,000 each.Redemable at par.	Principal payment frequency : Quarterly	66 Months	21-May-28	750	750	750	376.40	376.26	376.26
12.40% Subordinated, Rated, Unlisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures of face value of Rs.5,00,000 each.Redemable at par.	Coupon payment frequency : Monthly	66 Months	21-May-28	750	750	750	376.40	376.26	376.26
12.40% Subordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures of face value of Rs.1,00,000 each.Redemable at par.	Principal payment frequency : Bullet	68 Months	21-May-28	12,500	12,500	12,500	1,250.00	1,250.30	1,250.00
9.50% subordinated, unsecured, rated, unlisted, fully paid up, taxable, 200 redeemable non-convertible debentures of Rs.1,000,000 at par on 05 January 2028	Coupon payment frequency : Monthly	72 Months	05-Jan-28	200	200	200	201.69	201.53	201.17
9.50% subordinated, unsecured, rated, unlisted, fully paid up, taxable,1000 redeemable non-convertible debentures of Rs.1,000,00 at par on 15 June 2028.	Principal payment frequency : Quarterly	72 Months	15-Jun-28	1,000	1,000	1,000	100.00	100.37	100.37
16.00% Subordinated, Rated, Unlisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures	Principal payment frequency : Monthly	66 Months	21-May-28	-	-	-	-	100.59	100.59
16.00% Subordinated, Rated, Unlisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures	Coupon payment frequency : Bullet	68 Months	21-May-28	-	-	-	-	50.00	50.00
Sub - Total	Coupon payment frequency : Monthly						6,330.10	6,477.32	6,627.42
Adjustments of unamortised processing fee based on EIR basis									
Total							6,191.61	6,322.52	6,431.08

23 Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Employee benefits payable	514.20	370.46	229.17
Payable towards assigned portfolio	2,411.44	2,046.67	2,681.20
Other payables	15.49	16.29	6.26
Subsidy received from NHB pending transfer to customer	0.68	0.25	0.25
Book Overdraft	93.01	-	-
	3,034.82	2,433.67	2,916.88

24 Provisions:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits			
Gratuity (refer note 43)	186.90	223.97	135.36
Leave encashment (unfunded)	380.56	259.84	218.98
ECL on Loan commitment	0.54	0.51	0.61
Other provisions	-	1.20	1.20
	568.00	485.52	356.15

25 Other non-financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Statutory dues	146.65	181.16	110.27
Advances from customers *	21.96	19.53	14.53
Others **	6.98	2.72	2.39
	175.59	203.41	127.19

* Represents processing fees collected and EMI in advance for pending settlements/adjustments

** Majorly includes unspent CSR

26 (a) Share Capital**(i) Details of authorised, issued, subscribed and paid up share capital**

Particulars	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	Numbers of shares		Numbers of shares	Amount	Numbers of shares	Amount
Authorized:						
Equity shares of Rs. 10 each	5,20,85,00,000	52,085.00	4,75,50,00,000	47,550.00	4,75,50,00,000	47,550.00
Preference shares of Rs. 100 each	66,00,00,000	66,000.00	53,00,00,000	53,000.00	53,00,00,000	53,000.00
Preference shares of Rs. 10 each	1,80,00,000	180.00	-	-	-	-
	1,18,265.00		1,00,550.00		1,00,550.00	
Issued, subscribed and paid-up:						
Equity shares of Rs. 10 each fully paid up	80,30,76,694	8,030.77	49,22,75,471	4,922.75	21,20,46,875	2,120.46
	8,030.77		4,922.75		2,120.46	

(ii) Equity share capital pending for issuance

Particulars	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	Numbers of shares	Amount	Numbers of shares	Amount	Numbers of shares	Amount
Equity shares of Rs. 10 each fully paid up	-	-	21,55,59,680	2,155.60	21,01,32,692	2,101.33
	-	-	21,55,59,680	2,155.60	21,01,32,692	2,101.33

(iii) Instruments entirely equity in nature

Particulars	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	Numbers of shares	Amount	Numbers of shares	Amount	Numbers of shares	Amount
Compulsorily convertible non-cumulative preference shares ("CCPS") of Rs 100 each fully paid up	-	-	-	-	11,00,00,000	11,000.00
	-	-	-	-	11,00,00,000	11,000.00

(iv) Rights, preferences and restrictions attached to equity shares

a) The Company has 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.

b) The Board of Directors in their meeting held on 31 October 2024 had allotted 12,13,39,707 equity shares of face value INR 10/- (Indian Rupees Ten only) each at a premium of INR 58.40/- per equity share by way of preferential issue on private placement basis at an aggregate consideration of INR 8,300 million.

c) Pursuant to the business combination, the Company has issued 21,55,59,680 Equity shares at face value during the year ended 31 March 2026 amounting to Rs. 2,155.60 million to the shareholders of First Transferor company. (Also refer Note no 47)

d) On 31 March 2026, the Company has raised Rs. 5,000.18 million by way of issue of 9,52,41,543 equity shares of face value INR 10/- at a premium of INR 42.50/- to shareholders of the Company by way of right issue.

(v) Details of shareholders holding more than 5% equity shares in the Company on reporting date:

Name of the shareholder	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
Ms. Ananyashree Birla	21,32,89,439	26.56%	20,78,46,874	42.22%	20,78,46,874	98.02%
IGH Holdings Private Limited	21,01,15,385	26.16%	21,00,001	0.43%	21,00,001	0.99%
Violicina Limited	22,56,83,915	28.10%	19,89,18,745	40.41%	-	0.00%
Antimatter Media Private Limited	5,96,35,866	7.43%	-	0.00%	-	0.00%
Multiples Private Equity Fund III	4,87,47,187	6.07%	4,29,65,974	8.73%	-	0.00%
Total	75,74,71,792	94.32%	45,18,31,594	91.79%	20,99,46,875	99.01%

Shares held by promoters at at 31 March 2026:

Name of the promoters	Numbers of shares	Percentage of Shareholding	% of change during the year
Ms. Ananyashree Birla	21,32,89,439	26.56%	15.66%
Total	21,32,89,439	26.56%	15.66%

Shares held by promoters at at 31 March 2025:

Name of the promoters	Numbers of shares	Percentage of Shareholding	% of change during the year
Ms. Ananyashree Birla	20,78,46,874	42.22%	0.00%
Total	20,78,46,874	42.22%	0.00%

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Shares held by promoters at at 31 March 2024:

Name of the promoters	Numbers of shares	Percentage of Shareholding	% of change during the year
Ms. Ananyashree Birla	20,78,46,874	98.02%	0.00%
Total	20,78,46,874	98.02%	0.00%

The reconciliation of the number of equity shares outstanding:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Shares at the beginning of the year	49,22,75,471	21,20,46,875	21,20,46,875
Add :Shares issued during the year	31,08,01,223	28,02,28,596	-
Shares at the end of the year	80,30,76,694	49,22,75,471	21,20,46,875

(vi) Instruments entirely equity in nature

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
IGH Holdings Private Limited	-	-	11,00,00,000
5% Compulsorily Convertible Non-Cumulative Preference Shares	-	-	11,00,00,000

The reconciliation of Compulsorily Convertible Non Cumulative Preference Shares

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Shares at the beginning of the year	-	11,00,00,000	-
Add :Shares issued during the year	-	(11,00,00,000)	11,00,00,000
Shares at the end of the year	-	-	11,00,00,000

Right, preferences and restrictions attached to 5% Compulsorily Convertible Non-Cumulative Preference Shares

The Compulsorily Convertible Non-Cumulative Preference Shares (CCPS) shall carry a fixed rate of dividend of 5% (Five Percent) per annum on the capital paid up thereon calculated on a proportionate basis from the date of allotment and shall be non-cumulative. The CCPS shall be compulsorily convertible into equity shares of the Holding Company anytime at the option of the CCPS holder. If the CCPS holder does not exercise the option to convert the CCPS into equity shares before the expiry of 10 (Ten) years from the date of allotment of CCPS, then CCPS shall be convertible into equity shares of the Holding Company on the expiry of 10 (Ten) years from the date of allotment of CCPS. The conversion ratio is 9 CCPS of Rs. 100 each fully paid-up convertible into 13 Equity Shares of Rs. 10 each fully paid up . The Equity Shares to be allotted on conversion of the CCPS shall rank pari passu in all respects with the existing Equity Shares of the Holding Company and shall be subject to Memorandum and Articles of Association of the Holding Company.

The Board of Directors in their meeting held on 31 October 2024 had allotted 4,61,02,475 equity shares on conversion of 3,19,17,098 5% Compulsorily Convertible Non-Cumulative Preference Shares (CCPS) of INR 100/- at a conversion ratio of 13:9 (9 CCPS of INR 100 each fully paid-up convertible into 13 Equity Shares of INR 10 each fully paid up).

Futher the Board of Directors in the meeting held on 9 January 2025 allotted 11,27,86,414 equity shares on conversion of 7,80,82,902 5% Compulsorily Convertible Non-Cumulative Preference Shares (CCPS) of INR 100/- at a conversion ratio of 13:9 (9 CCPS of INR 100 each fully paid-up convertible into 13 Equity Shares of INR 10 each fully paid up)

(vii) Shares issued for consideration other than cash

The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2026.

(viii) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Group (refer note 46)

(b) Other equity

Particulars	Refer note	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Securities premium	26.2	31,852.92	27,805.15	4,098.68
Statutory reserve	26.3	4,327.71	3,014.99	2,102.11
Impairment reserve	26.4	23.51	23.51	23.51
Retained earnings	26.5	11,561.56	6,380.42	3,951.58
Employee stock option plan reserve	26.6	110.39	33.92	24.04
Remeasurement of gain/(loss) on defined benefit plans	26.7	64.87	(17.04)	(6.81)
Other comprehensive income	26.8	-	-	7.99
Net (loss)/gain on debt instruments through Other Comprehensive Income		26.21	(4.23)	-
Net movement on Effective portion and cost of Cash Flow Hedges		(8,617.87)	(8,617.87)	(1,724.83)
Amalgamation Adjustment Deficit Reserve	26.9	39,349.30	28,618.84	8,476.27

26.1 Particulars

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Securities premium			
Opening balance	27,805.15	4,098.68	0.40
Add: Addition during the year	4,047.77	23,706.47	-
Add: Pursuant to business combination	-	-	4,098.28
Closing balance	31,852.92	27,805.15	4,098.68
Statutory reserve			
Opening balance	3,014.99	2,102.11	517.89
Add: Current year transfer	1,312.72	912.88	1,106.08
Add: Pursuant to business combination	-	-	478.14
Closing balance	4,327.71	3,014.99	2,102.11
Impairment reserve			
Opening balance	23.51	23.51	23.51
Add: Addition during the year	-	-	-
Closing balance	23.51	23.51	23.51
Retained earnings			
Opening balance	6,380.42	3,951.58	1,763.51
Add: Transferred from statement of profit and loss	6,493.99	4,453.82	3,451.38
Less: Transfer to statutory reserves	(1,312.72)	(912.88)	(1,106.08)
Less: Remeasurement of financial assets	-	(3.12)	-
Less: Share issue expense	(0.13)	-	-
Less: Dividend on CCPS	-	(1,108.98)	-
Add: Pursuant to business combination	-	-	(157.23)
Closing balance	11,561.56	6,380.42	3,951.58
Employee stock option plan reserve			
Opening balance	33.92	24.04	18.71
Add: Compensation for options granted	76.46	9.88	5.33
Closing balance	110.39	33.92	24.04
Capital reserve			
Opening balance	-	-	9,670.76
Add: Current year transfer	-	-	(9,670.76)
Closing balance	-	-	-
Remeasurement of gain/(loss) on defined benefit plans			
Opening balance	(17.04)	(6.81)	1.88
Add: Pursuant to business combination	-	-	(3.15)
Add: Current year transfer	81.91	(10.23)	(5.54)
Closing balance	64.87	(17.04)	(6.81)

Other comprehensive income**Net movement on Effective portion and cost of Cash Flow Hedges**

Opening balance	(4.23)	-	-
Add: Current year transfer	32.76	(4.23)	-
Change during the year	(2.32)	-	-
Closing balance	26.21	(4.23)	-

Net (loss)/gain on debt instruments through Other Comprehensive Income

Opening balance	-	7.99	-
Add: Pursuant to business combination	-	-	27.60
Add: Current year transfer	-	(11.11)	(19.61)
Change during the year	-	3.12	-
Closing balance	-	-	7.99

Amalgamation Adjustment Deficit Reserve

Opening balance	(8,617.87)	(1,724.83)	-
Add: Current year transfer	-	(6,893.04)	(1,724.83)
Closing balance	(8,617.87)	(8,617.87)	(1,724.83)
	39,349.30	28,618.84	8,476.27

26.2 Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

26.3 Statutory reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45 - IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purpose specified by the RBI. Further, as per Section 29C of National Housing Bank Act (NHB), 1987, the Subsidiary Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserves created by the Subsidiary Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Thus, during the year ended 31 March 2024, 31 March 2025 and year ended 31 March 2026, the Subsidiary Company has transferred to Statutory Reserves, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

26.4 Impairment Reserves as per RBI notification

As per DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserves'. The balance in the 'Impairment Reserves' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserves without prior permission from the Department of Supervision, RBI.

26.5 Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the Group over the years.

26.6 Employee stock option plan reserve

The Holding Company has an employee stock option scheme under which the option to subscribe for the companies share have been granted to the key employees and directors. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to the key employees as part of their remuneration. Refer to note 46 for further details of the scheme.

26.7 Remeasurement of gain/(loss) on defined benefit plans

Represents remeasurement due to changes in actuarial assumptions, recognized in OCI

26.8 Other comprehensive income**i) Net (loss)/gain on debt instruments through Other Comprehensive Income**

The amount refers to changes in the fair value of loans measured at fair value through other comprehensive income

ii) Net movement on Effective portion and cost of Cash Flow Hedges

The amount refers to changes in the fair value and cost of Derivative Financial Contracts which are designated as Effective portion and cost of Cash Flow Hedges

26.9 Amalgamation Adjustment Deficit Reserve

The difference between nominal value of equity shares issued and the net assets taken over has been presented as Amalgamation Adjustment Deficit Reserve within other equity. This is akin to debit balance to retained earnings.

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27 Interest income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
On financial assets measured at amortised cost			
Interest on loans	36,844.32	31,173.75	21,665.15
Interest on deposits with banks	182.27	241.01	291.15
Interest on employee loans	1.32	1.45	1.87
Interest income on corporate deposit	-	-	42.01
Interest on others	31.16	21.71	17.50
Interest income on reverse repo	185.17	76.12	38.82
On financial assets measured at fair value through profit or loss (FVTPL)			
Interest income on investments	180.93	95.47	41.52
Total	37,425.17	31,609.51	22,098.02

28 Fees and commission income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Income from commission	495.49	108.75	135.64
Total	495.49	108.75	135.64

Revenue from contracts with customers

Particulars			
Type of services			
Fees and commission income	495.49	108.75	135.64
Geographical markets			
India	495.49	108.75	135.64
Outside India	-	-	-
Timing of revenue recognition			
Services transferred at a point in time	495.49	108.75	135.64
Services transferred over time	-	-	-

29 Net gain on fair value changes

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Net gain on financial instruments at fair value through profit or loss			
i) On trading investment portfolio			
- Investments in mutual funds	57.73	303.77	195.62
'- Investments in government Securities	(91.19)	21.36	2.08
ii) Others			
- On derivatives instrument	(12.08)	-	-
- Gain/ (Loss) on fair valuation of other investments	-	0.35	-
	(45.54)	325.48	197.70
Total net gain on fair value changes			
Fair Value changes:			
-Realised	(35.78)	325.13	197.80
-Unrealised	(9.76)	0.35	(0.10)
Total	(45.54)	325.48	197.70

30 Other income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Recovery against loans written off	570.01	289.12	61.21
Miscellaneous income	109.29	240.73	298.53
Total	679.30	529.85	359.74

31 Finance costs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest			
On borrowings (other than debt securities)	11,003.35	10,998.32	8,257.93
On debt securities	970.50	423.37	375.47
On subordinated liabilities	298.67	808.56	730.38
On lease liabilities	26.58	24.37	16.14
Other borrowing costs	161.26	151.65	290.81
Total	12,460.36	12,406.27	9,670.73

32 Impairment on financial instruments

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Impairment on loan portfolio	(222.89)	416.57	934.68
Loan portfolio written-off*	6,430.43	4,754.80	3,206.11
Other balance written-off	45.86	25.04	19.74
Impairment on other asset**	(25.86)	82.72	(0.88)
Total	6,227.54	5,279.13	4,159.65

* Including write-off on account of ARC transaction which were fully provided.

** Including impairment on receivables, other financial assets and other non financial assets.

33 Employee benefit expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and Wages	8,068.27	6,313.82	3,494.45
Contribution to provident and other funds	660.75	549.22	280.74
Gratuity expense	173.68	95.62	52.81
Expenses on employee stock option plan	76.46	9.88	5.33
Staff welfare expenses	442.67	451.25	260.60
Total	9,421.83	7,419.79	4,093.93

34 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation of plant, property and equipment	194.57	169.39	107.59
Amortisation of right of use assets	88.72	69.52	41.55
Amortisation of intangible asset	39.34	29.75	12.78
Total	322.63	268.66	161.92

35 Other expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Advertisement expenses	8.46	9.53	1.81
Rates and taxes	129.02	18.96	62.42
Rent	439.52	370.54	194.36
Communication expenses	181.45	155.68	79.37
Credit Guarantee Fee	241.58	-	-
Director's fees, allowances and expenses	3.35	3.58	0.92
Travelling and conveyance expenses	1,340.18	1,120.22	551.57
Training expenses	206.60	206.73	63.46
Recruitment expenses	6.08	5.58	2.38
Insurance expenses	10.91	11.97	6.49
Printing and stationery	117.37	117.01	81.62
Legal and professional fees	692.90	455.48	215.21
Website development expenses	3.42	3.50	1.57

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(All amounts in Rs. Million unless otherwise stated)

Electricity and water expenses	92.65	85.62	41.62
Membership and subscription	34.49	30.75	13.85
Repairs and maintenance	34.50	39.28	19.31
Software Service and Maintenance	623.90	428.48	234.27
Other Administrative Expenses	95.87	95.07	52.28
Cash management charges (CMS)	312.58	336.81	273.46
Commission and brokerage	10.93	19.78	59.05
Expenses on Corporate social responsibility	113.21	83.23	28.46
Bank charges	4.76	1.90	1.59
Auditors' remuneration*	23.70	20.88	8.91
Other expenditure	139.82	94.09	41.39
Total	4,867.25	3,714.67	2,035.37

*including fees paid to auditors of amalgamated entities and subsidiary

36 Contingent liabilities and capital commitments

(A) Contingent liabilities

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
i) In respect of Income tax demands where the Group has filed an appeal with relevant authority*	44.42	31.43	31.65
ii) Bank guarantee issued by Banks favoring the NHB for refinance facilities	217.50	217.50	217.50
iii) Traces of tax deducted at source	-	-	0.11
Total	261.92	248.93	249.26

*On account of certain disallowances made by the Assessing Officer such as share premium, share issue expenses, ESOP expenses, and deduction of TDS at concessional rates. The management believes that there will be no probable economic outflow arising from these cases and, accordingly, no provision has been made in the financial statements.

(B) Commitments not provided for

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	28.91	5.38	4.47
ii) Undrawn Commitment given to Borrowers	2,105.11	1,184.74	1,396.14
Total	2,134.02	1,190.12	1,400.61

37 Tax expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax expense			
Current tax for the year	2,042.65	1,695.34	1,310.34
Earlier year tax	(34.33)	(9.03)	17.38
Total	2,008.32	1,686.31	1,327.72
Deferred taxes liabilities / (assets)			
Relating to origination and reversal of temporary differences	40.95	(288.57)	(248.70)
Net deferred tax expense	40.95	(288.57)	(248.70)
Total income tax expense	2,049.27	1,397.74	1,079.02

37.1 Tax reconciliation

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before income tax expense	8,543.26	5,851.56	4,530.40
Statutory income tax rate	25.168%	25.168%	25.168%
Tax at statutory income tax rate	2,150.20	1,472.70	1,140.20
Tax effect of amounts which are not deductible / not taxable in calculating taxable income			
Tax impact on expenses which is non deductible	96.31	87.82	31.57
Tax impact on deductions under section 80JJAA	(176.30)	(139.65)	(42.04)
Others	(20.94)	(23.13)	(50.71)
Income tax expense	2,049.27	1,397.74	1,079.02
Effective tax rate	23.99%	23.89%	23.82%

37.2 Deferred tax movement related to the following:

1 April 2025 to 31 March 2026

Particulars	Balance as at 1 April 2025	(Charge)/ Credit in Profit & Loss	Recognised in OCI	Recognised in Other Equity	Balance as at 31 March 2026
Deferred tax asset on account of:					
Impairment of financial instruments	1,670.47	(127.60)	-	-	1,542.87
Expenses allowable on payment basis	129.84	68.32	(27.55)	-	170.61
Temporary differences of written down value of intangible assets and property, plant and equipment	34.90	13.35	-	-	48.25
Transaction costs on loans	317.79	156.07	-	-	473.86
Lease liabilities	42.71	(12.84)	-	-	29.87
Derivatives designated at cash flow hedge	1.42	11.02	(11.02)	-	1.42
Others	1.25	(0.12)	-	-	1.13
	2,198.38	108.20	(38.57)	-	2,268.01
Deferred tax liability on account of:					
Transaction cost on borrowings and debt securities	96.61	(28.04)	-	-	68.57
Measurement gain on direct assignment	344.04	190.75	-	-	534.79
Fair value gain(loss) on investment	-	0.42	-	-	0.42
Right to use of assets	37.94	(13.88)	-	-	24.06
Other	0.98	(0.40)	-	-	0.58
	479.57	148.85	-	-	628.42
	1,718.81	(40.65)	(38.57)	-	1,639.59

1 April 2024 to 31 March 2025

Particulars	Balance as at 1 April 2024	(Charge)/ Credit in Profit & Loss	Recognised in OCI	Recognised in Other Equity	Balance as at 31 March 2025
Deferred tax asset on account of:					
Impairment of financial instruments	1,529.53	140.94	-	-	1,670.47
Expenses allowable on payment basis	95.05	31.19	3.60	-	129.84
Temporary differences of written down value of intangible assets and property, plant and equipment	30.98	3.92	-	-	34.90
Transaction costs on loans	310.02	7.77	-	-	317.79
Lease liabilities	36.93	5.78	-	-	42.71
Derivatives designated at cash flow hedge	-	-	1.42	-	1.42
Others	1.51	(0.26)	-	-	1.25
	2,004.02	189.34	5.02	-	2,198.38
Deferred tax liability on account of:					
Transaction cost on borrowings and debt securities	159.05	(62.44)	-	-	96.61
Measurement gain on direct assignment	384.48	(40.44)	-	-	344.04
Fair value change of loans through other comprehensive income	3.74	-	(3.74)	-	-
Right to use of assets	33.69	4.25	-	-	37.94
Others	0.74	0.24	-	-	0.98
	581.70	(98.39)	(3.74)	-	479.57
	1,422.32	287.73	8.76	-	1,718.81

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1 April 2023 to 31 March 2024

Particulars	Balance as at 1 April 2023	Acquisition of reserves on account of business combination	(Charge)/ Credit in Profit & Loss	Recognised in OCI	Recognised in Other Equity	Balance as at 31 March 2024
Deferred tax asset on account of:						
Impairment of financial instruments	1,067.46	199.07	263.00	-	-	1,529.53
Expenses allowable on payment basis	35.03	35.13	23.02	1.87	-	95.05
Temporary differences of written down value of intangible assets and property, plant and equipment	20.28	5.51	5.19	-	-	30.98
Transaction costs on loans	194.14	81.44	34.44	-	-	310.02
Lease liabilities	36.53	-	0.40	-	-	36.93
Derivatives designated at cash flow hedge						-
Others	0.49	-	0.42	-	0.60	1.51
	1,353.93	321.15	326.47	1.87	0.60	2,004.02
Deferred tax liability on account of:						
Transaction cost on borrowings and debt securities	100.65	48.82	9.58	-	-	159.05
Measurement gain on direct assignment	146.64	152.25	85.59	-	-	384.48
Fair value change of loans through other comprehensive income	-	10.33	-	(6.59)	-	3.74
Right to use of assets	33.11	-	0.58	-	-	33.69
Others	1.62	17.03	(17.91)	-	-	0.74
	282.02	228.43	77.84	(6.59)	-	581.70
	1,071.91	92.72	248.63	8.46	0.60	1,422.32

38 Earnings per share

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Net profit attributable to equity shareholders	6,493.99	4,453.82	3,451.38
Weighted average number of equity shares outstanding for the purpose of basic earning per share	70,80,96,087	54,43,04,491	47,87,70,130
Effects of potential equity shares on Employee Stock Options outstanding	32,42,087	20,77,631	25,71,990
Weighted average number of equity shares in computing diluted earnings per share	71,13,38,174	54,63,82,122	48,13,42,120
Earnings per share			
Basic earning per share (₹)	9.17	8.18	7.21
Diluted earning per share (₹)	9.13	8.15	7.17
Nominal value per share (₹)	10	10	10

39 Related party disclosures

Related party disclosures as required under Indian Accounting standard 24, "Related party disclosure" are given below.

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(All amounts in Rs. Million unless otherwise stated)

39.1 List of related parties

Nature of relationship	Name of related party
Key Managerial Personnel (KMP)	Kumar Mangalam Birla (Director) Neerja Birla (Director) Ananyashree Birla (Director) Shankar Girija Natarajan (Independent Director) Meena Jagtiani (Independent Director) Vineet Bijendra Chatterjee (Managing Director) Anujeet Varadkar (Chief Executive Officer) (resigned w.e.f. 23 May 2024) Renuka Ramnath (Director) (appointed w.e.f. 31 October 2024) Shweta Jalan (Director) (appointed w.e.f. 31 October 2024) Gagan Lalit Mohan Joshi (Director) (appointed w.e.f. 31 October 2024) Vrushali Mahajan (Chief Financial Officer) Surinder Kumar Bhatia (Company Secretary)
Entities with significant influence over the Holding company	Violicina Limited (w.e.f. 31 October 2024) IGH Holdings Private Limited (upto 30 October 2024) IGH Holdings Private Limited (w.e.f. 21 March 2026)
(Parties on which KMP's of the Holding Company are able to exercise control)	Svatantra Microfin Employee Gratuity Fund IKAI ASAI Online Services Private Limited (Formerly Known as Svatantra Online Services Private Limited) Aditya Birla Education Trust Ananya Birla Foundation Antimatter Media Private Limited (w.e.f. 23 March 2026)

39.2 Transactions during the year with related parties :

Nature of transactions	Transactions with	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Equity shares issued including securities premium	Violicina Limited	1,405.17	-	-
	Antimatter Media Private Limited	3,020.63	-	-
Equity shares issued	Ananyashree Birla	54.43	-	-
Issue of Compulsorily convertible non-cumulative preference shares ("CCPS")	IGH Holdings Private Limited	-	-	11,000.00
CSR expenses	Ananya Birla Foundation	62.44	28.54	4.00
		-		
Contribution to Gratuity Fund	Svatantra Microfin Employee Gratuity Fund	70.00	-	17.50
Director's Sitting Fees	Independent Directors	2.40	3.58	0.92
Purchase of goods	IKAI ASAI Online Services Private Limited			0.43
Remuneration				
Key Managerial Personnel (KMP) Compensation:				
(a) short-term employee benefits		24.56	24.86	27.50
(b) post-employment benefits		-	-	-
(c) other long-term benefits		-	-	-
(d) termination benefits		-	-	-
(e) share-based payment (in Nos)		29,96,057	-	-

Terms and conditions:

1. All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.
2. CSR expenses incurred towards ongoing project entered into with Ananya Birla Foundation refer note 50 (f) for further details.
3. The Holding Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Svatantra Microfin Employee Gratuity Fund).
4. Employee benefits in relation to gratuity are calculated at the Holding Company level and hence not considered in above disclosure.

Closing balances :

Transactions with	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
IGH Holdings Private Limited	-	-	11,000.00

Related Party transaction prior to elimination (As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations).

Following are the details of the transactions and balances eliminated during the year ended 31 March 2026, 31 March 2025 and 31 March 2024:

Particulars	Transactions with	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024

Transactions eliminated

Commission received	Svatantra Micro Housing Finance Corporation Limited	-	0.67	-
Investment in Equity Shares	Svatantra Micro Housing Finance Corporation Limited	500.58	-	500.00

Corporate guarantee given on behalf of subsidiary company

Corporate guarantee given to bank for term loan taken	Svatantra Micro Housing Finance Corporation Limited	-	-	1,300.00

Balances eliminated

Investment in Equity Shares	Svatantra Micro Housing Finance Corporation Limited	5,892.26	5,391.68	5,391.68
Corporate guarantee given on behalf of subsidiary company	Svatantra Micro Housing Finance Corporation Limited	2,900.00	3,060.00	3,060.00

The above commission income amounting to Rs.0.67 million during the FY 2025 has been eliminated against Other Expenses and the investment in equity shares amounting to Rs. 500.58 million and Rs.500.00 million during the FY 2026 and FY 2024 respectively has been eliminated against Equity Share Capital amounting to Rs. 97.36 million and Rs. 109.29 million and Securities Premium amounting to Rs. 403.22 million and Rs. 390.71 million in FY 2026 and FY 2024 respectively in the books of Svatantra Micro Housing Finance Corporation Limited.

40 Capital management risk

The Group's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Group ensures to maintain a healthy CRAR at all the times.

The Group has a board approved policy on resource planning which states that the resource planning of the Group shall be based on its Asset Liability Management (ALM) requirement. The policy of the Group on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Regulatory capital**Svatantra Microfin Limited**

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Tier I Capital	39,121.20	31,112.58	18,735.64
Tier II Capital	507.78	4,224.70	5,457.32
Tier I + Tier II Capital	39,628.98	35,337.28	24,192.96
Risk weighted assets	1,71,373.75	1,34,214.07	1,25,685.11
Tier I CRAR	22.83%	23.18%	14.91%
Tier II CRAR	0.29%	3.15%	4.34%
Total CRAR	23.12%	26.33%	19.25%

Svatantra Micro Housing Finance Corporation Limited

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Tier I Capital	4,237.93	3,657.99	3,473.50
Tier II Capital	137.24	179.81	234.47
Tier I + Tier II Capital	4,375.17	3,837.80	3,707.97
Risk weighted assets	15,027.20	12,020.33	10,668.72
Tier I CRAR	28.20%	30.43%	32.56%
Tier II CRAR	0.91%	1.50%	2.20%
Total CRAR	29.11%	31.93%	34.76%

The Group has complied in full with all its externally imposed capital requirements over the reported period.

Loan covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. The Group has complied with the covenants under the term of the borrowing facilities throughout the reporting period.

41 Fair value measurement**41.1 Financial instruments by category**

Particulars	Category	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Financial assets:				
Cash and cash equivalents				
- Cash and bank balances	Amortized cost	15,557.95	5,838.80	13,919.58
- Investment in reverse repo	Amortized cost	5,893.51	1,450.80	499.94
Bank balances other than cash and cash equivalents	Amortized cost	3,026.92	1,512.34	1,146.46
Derivative financial instruments	FVTPL	(41.36)	-	-
Derivative financial instruments	FVOCI	298.27	54.01	-
Trade receivables	Amortized cost	117.18	46.70	42.83
Other receivables	Amortized cost	8.88	11.06	44.22
Loans	Amortized cost	2,04,767.62	1,43,342.48	1,29,904.67
Loans	FVOCI	-	-	5,509.66
Investments	FVTPL	1,799.97	947.39	669.98
Other financial assets	Amortized cost	3,071.38	2,580.27	2,420.11
Total financial assets		2,34,500.32	1,55,783.85	1,54,157.45
Financial liabilities:				
Trade and other payables	Amortized cost	801.40	383.05	279.12
Debt securities	Amortized cost	23,189.12	3,902.40	4,305.24
Borrowings (other than debt securities)	Amortized cost	1,56,751.90	1,09,658.79	1,18,436.50
Subordinated liabilities	Amortized cost	6,191.61	6,322.52	6,431.08
Lease liabilities	Amortized cost	240.74	211.05	246.95
Other financial liabilities	Amortized cost	3,034.82	2,433.67	2,916.88
Total financial liabilities		1,90,209.59	1,22,911.48	1,32,615.77

41.2 Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value - recurring fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 March 2026	Level-1	Level-2	Level-3	Total
Financial assets measured at fair value				
Investments in T-Bills	1,750.52	-	-	1,750.52
Investments in Mutual Fund	49.45	-	-	49.45
Derivative financial instruments	-	256.91	-	256.91
As at 31 March 2025				
Financial assets measured at fair value				
Investment in Treasury Bill	49.97	-	-	49.97
Investment in certificate of deposit	499.75	-	-	499.75
Investments in Mutual Fund	397.67	-	-	397.67
Derivative financial instruments	-	54.01	-	54.01

As at 31 March 2024	Level-1	Level-2	Level-3	Total
Financial assets measured at fair value				
Investment in treasury bill	94.21	-	-	94.21
Investments in G Sec	561.84	-	-	561.84
Investments in Mutual Fund	13.93	-	-	13.93
Financial assets measured at fair value through OCI				
Loans	-	-	5,509.66	5,509.66

41.3 Financial assets and liabilities measured at amortized cost at each reporting date

The carrying value of cash and cash equivalents, other bank balances, trade receivable and other receivable, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

Particulars	Level	As at		As at		As at	
		31 March 2026		31 March 2025		31 March 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at amortized cost							
Cash and cash equivalents	1	15,557.95	15,557.95	5,838.80	5,838.80	13,919.59	13,919.59
Investment in reverse repo	1	5,893.51	5,893.51	1,450.80	1,450.80	499.94	499.94
Bank balances other than cash and cash equivalents	1	3,026.92	3,026.92	1,512.34	1,512.34	1,146.46	1,146.46
Trade receivables	3	117.18	117.18	46.70	46.70	42.83	42.83
Other receivables	3	8.88	8.88	11.06	11.06	44.22	44.22
Loans	3	2,04,767.62	2,04,767.62	1,43,342.48	1,43,342.48	1,29,904.67	1,29,904.67
Other financial assets	3	3,071.38	3,071.38	2,580.27	2,580.27	2,420.11	2,420.11
Total financial assets		2,32,443.44	2,32,443.44	1,54,782.45	1,54,782.45	1,47,977.82	1,47,977.82
Financial liabilities measured at amortized cost							
Trade payables and other payable	3	801.40	801.40	383.05	383.05	279.12	279.12
Debt securities	3	23,189.12	23,506.24	3,902.40	3,958.18	4,305.24	4,407.37
Borrowings (other than debt securities)	3	1,56,751.90	1,56,518.86	1,09,658.79	1,11,486.48	1,18,436.50	1,18,500.25
Subordinated liabilities	3	6,191.61	6,211.02	6,322.52	6,334.91	6,431.08	6,451.27
Lease liabilities	3	240.74	240.74	211.05	211.05	246.95	246.95
Other financial liabilities	3	3,034.82	3,034.82	2,433.67	2,433.67	2,916.88	2,916.88
Total financial liabilities		1,90,209.59	1,90,313.08	1,22,911.48	1,24,807.34	1,32,615.77	1,32,801.84

i) Loans - The Group considers that the fair value of loans approximate their carrying amount.

ii) Borrowings - All the borrowing taken are at floating rate except few which are on fixed rate of interest and hence, its fair value are deemed to be equivalent to the carrying value adjusted with un-amortize transaction cost. Fair value of fixed loans are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

iii) Debt securities and Subordinated liabilities - The fair value of debt securities are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

41.4 Transfer of financial assets**(i) Securitisation Transaction:**

During the year ended 31 March 2026, the Group had entered into securitisation arrangement. Under such arrangement, the Group has transferred a pool of loans, which did not fulfil the derecognition criteria specified under Ind AS 109 as the Group had concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Group's involvement in these assets is as follows:

- As a servicer of the transferred assets

- To the extent of credit enhancements provided to such parties

The value of Financial assets and liabilities as on :-

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Carrying amount of transferred assets measured at amortised cost	23,994.98	1,415.71	-
Carrying amount of associated liabilities (debt securities - measured at amortised cost) (Refer Note 20)	(21,592.39)	(1,300.91)	-
Fair value of transferred assets	23,994.98	1,415.71	-
Fair value of associated liabilities	(21,592.39)	(1,300.91)	-
Net position at amortised cost	2,402.59	114.80	-

(ii) Assignment Transaction:

The Group has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal and since the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the Group's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognised assets :-

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Carrying amount of transferred assets measured at amortised cost	28,723.23	23,350.32	28,667.60
Carrying amount of exposures retained by the Company at amortised cost	3,191.47	2,594.48	3,185.30
Carrying amount of derecognised financial assets (at the time of deal)	31,914.70	25,944.80	31,852.90
Gain from derecognition for the financial year	3,288.45	2,366.49	1,860.90

Since the Group transferred the above financial asset in a way that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

42 Financial Risk Management

The Group is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest rate risk, foreign currency risk and price risk. The Group's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Risk Management Committee is responsible for developing and monitoring the Group's risk management policies. The Committee holds regular meetings and report to board on its activities. The Group's risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Group has a Board approved Risk Management framework and has also performed internal capital adequacy assessment process (ICAAP). Robust Risk Management strategy is in place to manage Key risks such as Strategic, Compliance, Credit, Liquidity, Operational Risks and reporting risks.

The Group's risk management framework is driven by its Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence and major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Audit committee oversees how management monitors compliances with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee

A Liquidity risk

The liquidity risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Group, liquidity risk arises from obligations on account of financial liabilities – debt securities, borrowing, trade payables and other financial liabilities. The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarize the maturity profile of the cash flows of the Group's financial liabilities:

As at 31 March 2026

Particulars	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade and other payables	801.40	-	-	-	801.40
Debt securities *	23,742.10	2,286.42	-	-	26,028.51
Borrowings *	99,601.92	69,906.88	1,395.96	-	1,70,904.76
Subordinated liabilities *	1,313.58	6,183.13	-	-	7,496.71
Other financial liabilities	3,034.82	-	-	-	3,034.82
Lease liabilities	79.34	161.40	-	-	240.74
Total	1,28,573.16	78,537.83	1,395.96	-	2,08,506.94

As at 31 March 2025

Particulars	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade and other payables	383.05	-	-	-	383.05
Debt securities *	1,265.05	3,010.80	-	-	4,275.85
Borrowings (other than debt securities) *	71,875.63	47,936.43	1,188.72	-	1,21,000.79
Subordinated liabilities *	924.40	7,481.48	-	-	8,405.88
Other financial liabilities	2,433.67	-	-	-	2,433.67
Lease liabilities	60.11	150.94	-	-	211.05
Total	76,941.91	58,579.65	1,188.72	-	1,36,710.28

As at 31 March 2024

Particulars	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade and other payables	279.12	-	-	-	279.12
Debt securities *	2,095.50	2,917.62	-	-	5,013.13
Borrowings (other than debt securities) *	72,742.31	57,548.62	1,106.89	-	1,31,397.83
Subordinated liabilities *	935.30	8,364.17	-	-	9,299.47
Other financial liabilities	2,916.88	-	-	-	2,916.88
Lease liabilities	194.74	52.27	-	-	247.01
Total	79,163.85	68,882.68	1,106.90	-	1,49,153.43

* Includes interest payment for future period

B Market risk

(i) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract.

Particulars	As at 31 March 2026 USD (Notional Value)	As at 31 March 2025 USD (Notional Value)	As at 31 March 2024 USD (Notional Value)
Liability – External Commercial Borrowings	85,71,429	1,88,57,142	-
Liability – Foreign Currency Term Loan	3,28,76,100	-	-
Assets – Cross Currency Swap	4,14,47,529	1,88,57,142	-

Hedging policy

The Group's Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

In respect of Interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Impact of hedge on the balance sheet

Particulars	Year	Notional amount	Carrying amount of hedging instrument assets	Carrying amount of hedging instrument Liability
USD (cross currency swap)	March 31, 2026	812.87	115.12	-
Foreign Currency Denominated Floating Rate Borrowings	March 31, 2026	3,117.80	183.15	-
USD (cross currency swap)	March 31, 2025	1,611.81	54.01	-

(ii) Interest rate risk

The Group is subject to interest rate risk, since the rates of borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Group's exposure to changes in interest rates relates to the Group's outstanding floating rate liabilities.

Details of loans and borrowing

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Loans			
Variable rate	26,929.31	22,428.24	20,123.91
Fixed rate	1,77,838.31	1,20,914.24	1,15,290.41
Total loans	2,04,767.62	1,43,342.48	1,35,414.32
Borrowings, debt securities and subordinated liabilities			
Variable rate	1,52,138.41	98,532.32	88,867.66
Fixed rate	33,994.22	21,351.39	40,305.16
Total borrowings	1,86,132.63	1,19,883.71	1,29,172.82

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in variable interest rates (all other variables being constant) of the Group's Statement of profit and loss and equity:

Interest rate sensitivity*	Impact on profit before tax and equity		
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Borrowings net off loans			
Increase by 50 basis points	(626.05)	(380.52)	(343.72)
Decrease by 50 basis points	626.05	380.52	343.72

* Holding all other variables as constant

(iii) Price risk**Exposure**

The Group's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period :

Particulars	Effect on Statement of Profit and Loss for year ended 31 March 2026	Effect on Statement of Profit and Loss for year ended 31 March 2025	Effect on Statement of Profit and Loss for year ended 31 March 2024
Net asset value - 1% increase	58.94	19.51	6.70
Net asset value - 1% decrease	(58.94)	(19.51)	(6.70)

C Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management**Credit quality of assets**

Credit risk is the single largest risk for the Group's business. Management therefore carefully manages its exposure to credit risk. A centralized risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Group is exposed to from time to time.

Expected Credit loss (ECL):**Credit Quality of Loans assets:**

The following table sets out information about credit quality of loans measured at amortized cost based on days past due information. The amount represents gross carrying amount.

Particulars	31 March 2026	31 March 2025	31 March 2024
Gross carrying value			
Stage 1	2,07,056.20	1,44,118.99	1,37,927.77
Stage 2	1,461.18	2,577.90	1,102.93
Stage 3	2,895.35	3,513.59	2,839.48
Total Gross carrying value as at reporting date	2,11,412.73	1,50,210.48	1,41,870.18

Management of credit risk for financial assetsCash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Group is a rural-focused financial services group with a geographically diversified presence across India, comprising an NBFC-MFI and a micro housing finance subsidiary catering primarily to low-income customers in rural and semi-urban areas. The Group's microfinance business primarily provides income generation loans under the Joint Liability Group (JLG) model and is largely unsecured and supported by non-traditional guarantee mechanisms, while the micro housing finance portfolio is secured against residential properties. Given the nature of the customer segment, borrowers generally have limited income sources, savings, credit history and financial resilience, making the Group's operations and asset quality susceptible to adverse economic conditions and natural calamities affecting rural India. However, considering the granular nature of the lending portfolio with a large number of low-ticket retail borrowers, there is no significant concentration of credit risk from any individual customer. Accordingly, ECL allowances have been assessed predominantly on a collective basis the segmentation discussed as below, except for certain insignificant corporate and builder loan exposures which have been assessed individually.

In order to mitigate the impact of credit risk in the future profitability, the Group creates impairment loss allowance basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date

Inputs considered in the ECL model**Segmentation**

The Holding Company's loan portfolios segmented basis distinct credit risk characteristics, primarily driven by their repayment tenure and geography wise customer behaviour. Further, basis the following delinquency buckets and staging classification:

Description	Stage Classification
Current (0 DPD)	Stage I
1 to 30 DPD	Stage I
31 to 60 DPD	Stage II
61 to 89 DPD	Stage II
90 and above DPD	Stage III

In case of Subsidiary Company, since Company is into retail lending business to rural and semi-urban areas which are greater in number but lesser in value, there is no significant credit risk of any individual customer that may impact Subsidiary Company adversely, and hence the Subsidiary Company has calculated its ECL allowances on a collective basis. ECL assessment has been done on an individual basis on the Subsidiary Company's insignificant exposure on corporate and builder loans.

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Non-payment on another obligation of the same customer is also considered as a stage III.

Exposure at default (EAD)

The EAD represents expected outstanding exposure subject to credit risk at the period/date, when default is considered. The Group does cash flow mapping based on contractual maturity for loans in Stage II, using the exposure at default in future years and the probability of default estimation based on macro variables. For stage I and stage III, as an approximation balance sheet outstanding is used.

Loss given default (LGD)

It is defined as the percentage risk of exposure that is not expected to be recovered in the event of default. Based on an analysis of historical data, the Group has estimated the loss given default, using historical recovery experience and recovery cost. This is referred to as the workout method. Such recoveries are discounted using interest rate of the loans. While calculating LGD percentage, 100% recoveries are estimated for the cases where the recoveries are absolutely certain to happen within a short period of time.

Probability of Default (PD)

"Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 asset's a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. Historical DPD data is utilized to calculate through the cycle PD. PD analysis tracks the migration behaviour of a static pool of loans active at the end of each year across different buckets- Current-30 DPD, 31-89 DPD and 90 or 90+ DPD for the 12 month and lifetime period.

Discounting

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate

Forward looking information

Forward looking information is incorporated in the measurement of probability of default and consequently in measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Group forms a 'base case' view of the future direction of GDP growth and employment growth rate as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. Further, management overlays are applied in determining forward looking scenarios. It is considered by evaluating all relevant internal and reasonably available external data.

Significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Group have determined all assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the trade receivable does not have sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Any recoveries made are recognized in Statement of Profit or Loss.

Credit Risk exposure

i) Expected credit losses for financial assets other than loans

As at 31 March 2026	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	15,557.95	-	15,557.95
Investment in reverse repo	5,893.51	-	5,893.51
Bank balances other than cash and cash equivalents	3,026.92	-	3,026.92
Trade receivables	117.18	-	117.18
Other receivables	8.88	-	8.88
Other financial assets	3,145.16	73.78	3,071.38

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(All amounts in Rs. Million unless otherwise stated)

ii) Expected credit losses for financial assets other than loans

As at 31 March 2025	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	5,838.80	-	5,838.80
Investment in reverse repo	1,450.80	-	1,450.80
Bank balances other than cash and cash equivalents	1,512.34	-	1,512.34
Trade receivables	46.70	-	46.70
Other receivables	11.06	-	11.06
Other financial assets	2,687.99	107.72	2,580.27

ii) Expected credit losses for financial assets other than loans

As at 31 March 2024	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	13,919.58	-	13,919.58
Investment in reverse repo	499.94	-	499.94
Bank balances other than cash and cash equivalents	1,146.46	-	1,146.46
Trade receivables	42.83	-	42.83
Other receivables	44.22	-	44.22
Other financial assets	2,445.07	24.96	2,420.11

iii) Expected credit loss for loans

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 1 April 2023	77,744.02	992.74	3,673.75
Acquired pursuant to business combination	43,925.87	72.66	121.67
Assets originated (net of repayments and collections)	72,346.29	28.09	51.45
Net transfer between stages			
Transfer from stage 1	(3,094.10)	1,408.56	1,685.53
Transfer from stage 2	111.19	(1,110.72)	999.53
Transfer from stage 3	27.02	3.52	(30.54)
Assets derecognized or collected (excluding write offs)	(53,132.52)	(291.92)	(455.80)
Write-Off	-	-	(3,206.11)
Gross carrying amount as at 31 March 2024	1,37,927.77	1,102.93	2,839.48
Assets originated (net of repayments and collections)	1,01,695.72	22.33	3.76
Net transfer between stages			
Transfer from stage 1	(7,732.89)	4,573.82	3,159.07
Transfer from stage 2	99.91	(2,854.55)	2,754.64
Transfer from stage 3	17.80	3.71	(21.52)
Assets derecognized or collected (excluding write offs)	(87,889.32)	(270.34)	(467.04)
Write-Off	-	-	(4,754.80)
Gross carrying amount as at 31 March 2025	1,44,118.99	2,577.90	3,513.59
Assets originated (net of repayments and collections)	1,59,986.70	14.12	3.62
Net transfer between stages			
Transfer from stage 1	(5,572.81)	4,007.84	1,564.97
Transfer from stage 2	231.62	(4,798.03)	4,566.41
Transfer from stage 3	38.91	8.49	(47.40)
Assets derecognized or collected (excluding write offs)	(91,747.21)	(349.14)	(275.41)
Write-Off	-	-	(6,430.43)
Gross carrying amount as at 31 March 2026	2,07,056.20	1,461.18	2,895.35

Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as on 1 April 2023	1,947.99	428.65	2,213.83
Acquired pursuant to business combination	802.63	32.82	107.83
Assets originated	-	-	-
Net transfer between stages			
Transfer from stage 1	(75.00)	22.86	52.14
Transfer from stage 2	10.58	(680.73)	670.15
Transfer from stage 3	8.19	0.90	(9.09)
Provision created or derecognized (excluding write offs)	1,046.94	659.43	2,421.85
Write-Off	-	-	(3,206.11)
Loss allowance as on 31 March 2024	3,741.33	463.93	2,250.60
Net transfer between stages			
Transfer from stage 1	(155.10)	99.38	55.72
Transfer from stage 2	6.15	(1,671.33)	1,665.18
Transfer from stage 3	5.90	1.17	(7.07)
Provision created or derecognized (excluding write offs)	(304.43)	2,159.90	3,311.47
Write-Off	-	-	(4,754.80)
Loss allowance as on 31 March 2025	3,293.85	1,053.05	2,521.10
Net transfer between stages			
Transfer from stage 1	(138.28)	102.94	35.34
Transfer from stage 2	23.98	(2,510.85)	2,486.87
Transfer from stage 3	16.41	2.46	(18.87)
Assets derecognized or collected (excluding write offs)	1,258.75	1,657.87	2,026.79
Write-Off	-	-	(5,166.30)
Loss allowance as on 31 March 2026	4,454.71	305.47	1,884.93

For the financial year ended 31 March 2026

'The fiscal 2026-27 is likely to present uncertainty in terms of unfavourable climatic since a strong El Niño is expected to develop between May and July 2026, likely persisting through the year and potentially making 2026 a record-hot year. This "super El Niño" will probably cause below-normal monsoon rainfall in India, threatening agriculture, and could lead to extreme heatwaves globally in form of Heat wave. This may adversely impact the income of rural India largely dependent on Agri and Allied activities. Further, potential Middle East conflicts may drive inflation via higher commodity prices, disrupt exports, and impact grassroots entrepreneurs, while reduced remittances from the region could adversely affect rural household incomes.

Moreover, the aftereffects of state-level elections, including measures such as loan waiver announcements (karza mukti) and related policy actions, may adversely impact borrowers' repayment behaviour and income stability, potentially leading to an increase in default rates. In light of the above, the management carries an overlay of Rs.1,100 million (considered in stage I).

For the financial year ended 31 March 2025

The Group has observed a higher-than-usual level of observed default rates (ODRs) across certain geographies of our portfolio. These elevated ODRs were largely driven by external macroeconomic factors and transient sectoral stresses that affected borrower performance during the reporting period.

While the Group has noted early signs of stabilization in the most recent quarters, and forward-looking indicators suggest a gradual normalization, the Group believes it remains prudent from a risk management and provisioning standpoint to continue maintaining a management overlay of Rs. 856.1 million.

For the financial year ended 31 March 2024

Group holds a Management Overlay provision of Rs.11,96.6 million as on 31 March 2024. The overlay taken is in lieu of likely scenario and its impact on the portfolio quality in the states of Punjab and Haryana and additional write off due to change in the 'write-off policy' from current ODs (overdue) 365 days to 180 days, to be proposed and adopted in FY 2024-25.

Concentration of loans

Concentration by type of loan	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Loans to body corporate - loans repayable on demand	-	-	-
Mortgage housing loans	20,143.48	18,725.06	17,181.88
Small Business Loans	-	-	0.50
Livestock Loan	-	-	2.35
Non housing loans	7,082.84	3,956.54	3,108.58
Term loans (JLG and Individual loans)	1,84,165.12	1,27,504.53	1,21,552.09
Employee loans	21.29	24.35	24.79
Gross carrying Amount	2,11,412.73	1,50,210.48	1,41,870.19

43 Retirement benefit plans

The Group has the following defined benefits plans:

Gratuity (funded)

As per Ind AS-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

43.1 Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Actuarial assumptions			
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Discount rate (per annum)	7.03% - 7.82%	6.5% - 6.93%	7.15% - 7.21%
Rate of salary increase	7.5% - 10%	7% - 7.5%	7% - 7.50%
In case of holding company			
Attrition/Withdrawal rate per annum	Field - 65% & For HO/Corporate 20%	23% - 27%	1% - 27%
In case of subsidiary company			
Withdrawal (rate of company turnover) for below age group			
25 & Below	50.00%	1.00%	1.00%
26 to 35	35.00%	1.00%	1.00%
36 to 45	25.00%	1.00%	1.00%
46 to 55	15.00%	1.00%	1.00%
56 & above	5.00%	1.00%	1.00%

43.2 Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Changes in the present value of defined benefit obligation			
Present value of obligation at the beginning of the year	318.55	233.30	100.65
Present value of obligation addition pertaining to business combination	-	-	78.16
Interest expense	19.89	16.42	8.37
Current service cost	101.20	86.25	48.97
Past service cost	60.55	-	-
Benefit paid	(34.53)	(31.35)	(10.65)
Actuarial (gains) / losses on obligations - due to change in demographic assumptions	(20.47)	-	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	12.20	10.43	3.79
Actuarial (gains) / losses on obligations - due to experience	(102.17)	3.50	4.01
Present value of obligation at the end of the year	355.22	318.55	233.30

43.3 Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Assets and liabilities recognized in the balance sheet			
Present value of the defined benefit obligation at the end of the year	355.22	318.55	233.30
Fair value of plan assets at the end of the year	172.88	94.58	97.94
Net liability / (asset) recognized in the balance sheet	182.34	223.97	135.36
Presented as Gratuity in provisions (Note no 24)	186.90	223.97	135.36
Presented as Contribution to Gratuity in other non financial assets (Note no 18)	4.56	-	-
	182.34	223.97	135.36

43.4 Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Changes in the fair value of plan assets			
Fair value of plan assets as at the beginning	94.57	97.94	63.45
Investment income	7.96	7.01	4.61
Benefit paid	(30.82)	(30.15)	(8.01)
Return on plan assets , excluding amount recognised in net interest expense	(0.95)	0.29	0.39
Employer's Contribution	102.12	19.48	37.50
Fair value of plan assets as at the year end	172.88	94.57	97.94

43.5 Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Expenses recognized in the statement of profit and loss			
Current service cost	101.20	86.25	48.97
Net interest cost	11.93	9.37	3.84
Past Service Cost	60.55	-	-
Net gratuity cost recognized in the current year	173.68	95.62	52.81

43.6 Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Expenses recognized in the statement of other comprehensive income (OCI)			
Actuarial (gains) / losses :			
Change in demographic assumptions	(20.47)	-	-
Change in financial assumptions	12.20	10.59	3.84
Experience variance	(102.14)	3.53	4.01
Return on plan assets, excluding amount recognised in net interest expense	0.95	(0.29)	(0.44)
Total remeasurement cost for the year recognized in OCI	(109.46)	13.83	7.41

43.7 Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Maturity analysis of projected benefit obligation			
1 year	130.14	45.29	36.98
Sum of years 2 to 5	151.76	124.02	96.86
Sum of years 6 to 10	46.79	70.00	52.97
Sum of years 11 and above	107.67	99.05	198.66

43.8 Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Category of plan assets			
Funds managed by Trust/ investment with insurer	100%	100%	100%
* For FY 2025 and FY 2024, the Company's liability was funded. However, the liability pertaining to Chaitanya India Fin Credit Pvt Ltd, which was merged with the Holding Company, remained unfunded.			

43.9 Defined contribution plan

The Group contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Group is required to contribute specified percentage of the payroll cost to fund the benefits. The Group has recognized Rs. 528.41 million, Rs. 441.63 million and 435.29 million towards provident fund contributions in the Restated Consolidated Summary Statement of Profit and Loss for the year ended 31 March 2026, 31 March 2025 and 31 March 2024, respectively.

44 Leases**Group as lessee**

The Group's leased assets primarily consist of leases for head office & branch premises. The term of property leases ranges from 1-10 years.

- (i) Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

Particulars	Total
As at 1 April 2023	110.15
Additions pursuant to business combination	69.27
Additions	103.51
Deletions	1.91
Depreciation expenses for the year	40.87
As at 31 March 2024	240.15
Additions	25.89
Deletions	-
Depreciation expenses for the year	69.52
As at 31 March 2025	196.52
Additions	130.82
Deletions	17.96
Depreciation expenses for the year	88.72
As at 31 March 2026	220.66

- (ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Total
As at 1 April 2023	119.70
Additions pursuant to business combination	70.31
Additions	101.55
Accretion of interest	16.13
Payment	60.74
As at 31 March 2024	246.95
Additions	25.89
Accretion of interest	24.37
Payment	86.16
As at 31 March 2025	211.05
Additions	130.82
Accretion of interest	26.58
Deduction	17.96
Payment	109.76
As at 31 March 2026	240.74

The maturity analysis of lease liabilities are disclosed in Note 49.

- (iii) The following are the amounts recognized in profit or loss:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Depreciation expense of right-of-use assets	88.72	69.52	40.87
Interest expense on lease liabilities	26.58	24.37	16.13
Expense relating to short-term leases (included in other expenses)	439.52	370.54	194.36
Expense relating to leases of low-value assets (included in other expenses)	-	-	-
Variable lease payments (if any, included in other expenses)	-	-	-

The Group had total cash outflows for leases of Rs 549.28 million in FY 2025-26, 456.69 million in FY 2024-25 and 245.68 million in FY 2023-24.

45 Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Group :

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	63.27	33.34	0.38
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-	-

46 Share based payments**A Employee stock option plan (ESOP)**

The company has provided various equity settled share based payment schemes to its employees. On 10 October 2017, 20 June 2022 and 4 February 2026, the members of the company vide special resolution approved the Employee Stock Option Plan ("ESOP") scheme namely ESOP 2017, ESOP Scheme 2022 and ESOP Scheme 2025 respectively. The details are ESOP scheme as at 31 March 2026 are as follows. :-

Particulars	Grant	Phase	Number of Options granted	Vesting Period (In years)	Vesting Conditions
ESOP Scheme 2017*	Grant-I	Phase-I	1,44,625	1 year from grant date	Continuous service
	Grant-I	Phase-II		2 year from grant date	Continuous service
	Grant-I	Phase-III		3 year from grant date	Continuous service
	Grant-II	Phase-I	3,24,481	1 year from grant date	Continuous service
	Grant-II	Phase-II		2 year from grant date	Continuous service
	Grant-II	Phase-III		3 year from grant date	Continuous service
	Grant-III	Phase-I	4,64,382	1 year from grant date	Continuous service
	Grant-III	Phase-II		2 year from grant date	Continuous service
	Grant-III	Phase-III		3 year from grant date	Continuous service
	Grant-IV	Phase-I	7,07,938	1 year from grant date	Continuous service
	Grant-IV	Phase-II		2 year from grant date	Continuous service
	Grant-IV	Phase-III		3 year from grant date	Continuous service
ESOP Scheme 2022*	Grant-V	Phase-I	7,07,088	1 year from grant date	Continuous service
	Grant-V	Phase-II		2 year from grant date	Continuous service
	Grant-V	Phase-III		3 year from grant date	Continuous service
	Grant-VI	Phase-I	1,27,183	1 year from grant date	Continuous service
	Grant-VI	Phase-II		2 year from grant date	Continuous service
ESOP Scheme 2025**	Grant- VII	Phase-I	68,69,622	1 year from grant date	Continuous service
	Grant- VII	Phase-II		2 year from grant date	Continuous service
	Grant- VII	Phase-III		3 year from grant date	Continuous service
	Grant- VII	Phase-IV		4 year from grant date	Continuous service
	Grant- VIII	Phase-I	80,92,785	1 year from grant date	Continuous service
	Grant- VIII	Phase-II		2 year from grant date	Continuous service

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(All amounts in Rs. Million unless otherwise stated)

*Exercise period for all the above schemes is occurrence of liquidity event which is as follows :-

- Listing of equity shares on the recognized stock exchange.
- Strategic Sale event conferring a right of drag along to the Current Shareholders.
- Offer of purchase of shares from Option Grantees having Vested Options made by an investor.
- Cash Settlement or Buy-back event whereby the Company makes an offer for settlement of the Vested Options with the Option Guaranty or purchase Shares underlying Vested Options.
- Any other event, which Board may designate as a liquidity event

**The Exercise Period for Vested Option shall be a maximum of 2 (Two) years commencing from the relevant date of Vesting of Options, or such other shorter period may be prescribed by the Committee at time of Grant. All the Vested Options can be exercised by the Option Grantee at one time or at various points of time within the Exercise Period.

The expense recognised for employee services received during the FY2025-26 is Rs 76.46 million, FY 2024-25 is Rs. 9.88 million and for FY 2023-24 is Rs. 5.33 million.

(i) The following table lists the input to the Black Scholes models used for the options granted for the year ended 31 March 2026

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI	Grant-VII	Grant-VIII
Date of Grant	20-11-2017	01-06-2018	15-07-2019	15-07-2020	01-10-2022	20-02-2024	04-02-2026	04-02-2026
Date of Board Meeting, where ESOP/ESOS were approved	08-09-2017	08-09-2017	08-09-2017	08-09-2017	26-05-2022	20-02-2024	12-08-2025	12-08-2025
Date of shareholders' approval	10-10-2017	10-10-2017	10-10-2017	10-10-2017	20-06-2022	20-06-2022	30-09-2025	30-09-2025
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period								
Exercise period					Occurrence of Liquidity event			
Vesting conditions					Continuous service			
Weighted average of remaining contractual Life in Years					Dependent upon happening of liquidity event* (assumed to be 5 years for calculation purpose)			

The following table lists the input to the Black Scholes models used for the options granted as on 31 March 2025

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Date of Grant	20-11-2017	01-06-2018	15-07-2019	15-07-2020	01-10-2022	20-02-2024
Date of Board Meeting, where ESOP/ESOS were approved	08-09-2017	08-09-2017	08-09-2017	08-09-2017	26-05-2022	20-02-2024
Date of shareholders' approval	10-10-2017	10-10-2017	10-10-2017	10-10-2017	20-06-2022	20-06-2022
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period						
Exercise period					Occurrence of Liquidity event	
Vesting conditions					Continuous service	
Weighted average of remaining contractual Life in Years					Dependent upon happening of liquidity event* (assumed to be 5 years for calculation purpose)	

The following table lists the input to the Black Scholes models used for the options granted as on 31 March 2024

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Date of Grant	20-11-2017	01-06-2018	15-07-2019	15-07-2020	01-10-2022	20-02-2024
Date of Board Meeting, where ESOP/ESOS were approved	08-09-2017	08-09-2017	08-09-2017	08-09-2017	26-05-2022	20-02-2024
Date of shareholders' approval	10-10-2017	10-10-2017	10-10-2017	10-10-2017	20-06-2022	20-06-2022
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period						
Exercise period					Occurrence of Liquidity event	
Vesting conditions					Continuous service	
Weighted average of remaining contractual Life in Years					Dependent upon happening of liquidity event* (assumed to be 5 years for calculation purpose)	

- (ii) The details of activity under ESOP Scheme 2017 Plan, ESOP Scheme 2022 and ESOP Scheme 2025 Plan with an exercise price for the year ended 31 March 2026 have been summarised as below:

Particulars	ESOP Scheme 2017 Plan			ESOP Scheme 2022 Plan			ESOP Scheme 2025 Plan	
	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI	Grant-VII	Grant-VIII
Exercise Price per Share (Rs)	15.91	15.72	20.00	20.00	23.00	20.00	69.00	51.75
Number of options Outstanding at the beginning of the year	1,44,625	3,24,481	4,64,382	7,07,938	7,07,088	1,27,183	-	-
Number of options Granted during the year	-	-	-	-	-	-	68,69,622	80,92,785
Number of Options Exercised during the year	-	-	-	-	-	-	-	-
Number of Options Lapsed during the year	-	-	-	-	12,754	-	-	-
Number of Options outstanding at the end of the year	1,44,625	3,24,481	4,64,382	7,07,938	6,94,334	1,27,183	68,69,622	80,92,785
Number of options exercisable at the end of the year				24,62,943				

The details of activity under ESOP Scheme 2017 Plan and ESOP Scheme 2022 Plan with an exercise price for the year ended 31 March 2025 have been summarised as below:

Particulars	ESOP Scheme 2017 Plan			ESOP Scheme 2022 Plan		
	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Exercise Price per Share (Rs)	16	16	20	20	23	20
Number of options Outstanding at the beginning of the year	1,44,625	3,24,481	4,64,382	7,07,938	8,03,381	1,27,183
Number of options Granted during the year	-	-	-	-	-	-
Number of Options Exercised during the year	-	-	-	-	-	-
Number of Options Lapsed during the year	-	-	-	-	96,293	-
Number of Options outstanding at the end of the year	1,44,625	3,24,481	4,64,382	7,07,938	7,07,088	1,27,183
Number of options exercisable at the end of the year				22,59,942		

The details of activity under ESOP Scheme 2017 Plan and ESOP Scheme 2022 Plan with an exercise price for the year ended 31 March 2024 have been summarised as below:

Particulars	ESOP Scheme 2017 Plan			ESOP Scheme 2022 Plan		
	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Exercise Price per Share (Rs)	16	16	20	20	23	20
Number of options Outstanding at the beginning of the year	1,44,625	3,24,481	4,64,382	7,30,393	9,06,009	-
Number of options Granted during the year	-	-	-	-	-	1,27,183
Number of Options Exercised during the year	-	-	-	-	-	-
Number of Options Lapsed during the year	-	-	-	22,455	1,02,628	-
Number of Options outstanding at the end of the year	1,44,625	3,24,481	4,64,382	7,07,938	8,03,381	1,27,183
Number of options exercisable at the end of the year				19,07,668		

(iii) Details of Stock Options granted

The Weighted average exercise price of options granted on 20 November 2017, 1 June 2018, 15 July 2019, 15 July 2020, 01 October 2022, 20 February 2024, 04 February 2026 (Grant -VII) and 04 February 2026 (Grant- VIII) is INR 15.91, INR 15.72, INR 20, INR 20, INR 23, INR 20, INR 69 and INR 51.75 respectively. The Black -Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI	Grant-VII	Grant-VIII
Share price on the date of Grant (Rs.)	15.91	15.72	19.70	19.80	22.77	93.83	101.98	101.98
Exercise Price (Rs.)	15.91	15.72	20.00	20.00	23.00	20.00	69.00	51.75
Expected Volatility(%)	0.01%	50%	50%	50%	60%	50%	For grants vesting in year 1: 41.03% For grants vesting in year 2: 40.13% For grants vesting in year 3: 42.30% For grants vesting in year 4: 43.23%	For grants vesting in year 1: 40.86% For grants vesting in year 2: 40.23%
Life of the options granted in year	For grants vesting in year 1: 3.5 years For grants vesting in year 2: 4.51 years For grants vesting in year 3: 5.51 years	5 year	5 year	5 year	5 year	5 year	For grants vesting in year 1: 2 years For grants vesting in year 2: 3 years For grants vesting in year 3: 4 years For grants vesting in year 4: 5 years	For grants vesting in year 1: 2.25 years For grants vesting in year 2: 3.25 years
Risk Free Interest Rate(%)	For grants vesting in year 1: 6.62% For grants vesting in year 2: 6.77% For grants vesting in year 3: 6.90%	7.99%p.a.	6.51% p.a	4.94% p.a	7.45% p.a	7.18% p.a	For grants vesting in year 1: 5.88% For grants vesting in year 2: 6.16% For grants vesting in year 3: 6.40 % For grants vesting in year 4: 6.56 %	For grants vesting in year 1: 5.95 % For grants vesting in year 2: 6.22 %
Expected dividend rate(%)	0%	0%	0%	0%	0%	0%	0%	0%
Fair Value of the option (Rs.)	4.06	8.47	10.11	9.75	13.37	80.52	52.70	60.32

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(All amounts in Rs. Million unless otherwise stated)

47 Accounting of amalgamation as per Pooling of interest Method

The Board of Directors of the Company at their meeting held on 6 November 2024 had inter-alia, considered and approved the draft Scheme of Amalgamation ('the Scheme') between Svatantra Holdings Private Limited ('First Transferor Company' or 'SHPL'), Chaitanya India Fin Credit Private Limited ('Second Transferor Company' or 'CIFCPL') and Svatantra Microfin Limited (formerly Svatantra Microfin Private Limited) ('Transferee Company' or 'the Company' or 'SML') and their respective shareholders under sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 for;

- Merger of SHPL, an entity having significant influence on SML, with SML and consequent consideration payout to the shareholders of SHPL through issuance of equity shares of SML.
- Merger of CIFCPL, a wholly owned subsidiary of SML, with SML. Since CIFCPL is a wholly owned subsidiary of SML, no separate consideration is to be discharged.
- As a result of merger of SHPL with SML, Svatantra Micro Housing Finance Corporation Limited ('SMHFC'), a wholly owned subsidiary of SHPL, will become a wholly owned subsidiary of SML.

The Company had filed a petition before the Hon'ble National Company Law Tribunal, Mumbai Bench, on 23 September 2025. The Hon'ble NCLT pronounced its final order on 12 March 2026. The certified copy of the order has been filed with the Registrar of Companies on 21 March 2026 and the Appointed Date under the said Scheme was 1 April 2025.

With the Scheme becoming effective, and since combining entities are ultimately controlled by the same parties both before and after the business combination, the merger has been accounted in accordance with "pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 read with the Expert Advisory Committee opinion issued by the Institute of Chartered Accountants of India on 'Accounting treatment and disclosure of Debit Balance of Capital Reserve arising on merger' dated 11 July 2023. It is imperative to note that the Company acquired a 100% stake in CIFCPL effective 23 November 2023. For the purpose of accounting for this transaction as a business combination under common control, the Company used 30 November 2023 as the cut-off date, as there were no material or exceptional transactions during this period that could have materially impacted the restated financial results. Accordingly, the Company has retrospectively accounted for the merger of SHPL from 1 April 2023 and has included the balances of CIFCPL from the cut-off date of 30 November 2023. The balances of SHPL and CIFCPL have been included at their respective carrying values, and no fair value adjustments have been made.

A Common control business combination of First Transferor company and Second transferor company into transferee company

- Assets, liabilities and reserves has taken over at book value and cancellation of inter company holdings and consequential adjustment to Capital Reserve / (Amalgamation Adjustment Deficit Account) as follows

Particulars	As at 31 March 2025		As at 31 March 2024		As at 1 April 2023	
	First transferor Company	Second transferor Company	First transferor Company	Second transferor Company	First transferor Company	Second transferor Company
Assets at book value	12,763.96	69,580.11	14,008.93	58,029.67	17,177.96	-
Liabilities at book value	(255.97)	(54,303.92)	(240.64)	(47,067.23)	(134.89)	-
Reserves at book value	(53.12)	(13,479.05)	(1,627.23)	(9,385.79)	(5,401.74)	-
Adjustment on accounting pooling of interest method	(5,603.89)	(17,328.95)	(0.00)	(15,559.77)	0.00	-
Face Value of shares cancelled	1,346.11	-	6,950.00	-	6,950.00	-
Cancellation of Investment	(9,178.12)	(17,328.95)	(9,178.12)	(15,559.77)	(14,251.81)	-
OCI Reserves - Unrealised gain	1,314.10	-	1,314.10	-	5,110.84	-
Deferred tax liabilities	560.93	-	560.93	-	1,838.20	-
Retained earning	353.09	-	353.09	-	352.77	-
Consideration transferred -Equity shares issued at face value*	(2,155.60)	-	(2,101.33)	-	(2,014.79)	-
Capital Reserve / (Amalgamation Adjustment Deficit Account)**	4,695.38	(15,531.81)	10,039.73	(13,983.12)	9,626.54	-

*Consideration transferred : 21,55,59,681 Equity shares issued at face value during the year ended 31 March 2026 amounting to Rs.2,155.60 Million

**The difference between nominal value of equity shares issued and the net assets taken over has been presented as Capital Reserve / (Amalgamation Adjustment Deficit Account) within other equity. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

ii. **Balance Capital Reserve / (Amalgamation Adjustment Deficit Account)**

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Capital reserve on account of first transferor company	4,695.38	10,039.73	9,626.54
Amalgamation deficit reserve on account of second transferor company	(15,531.81)	(13,983.12)	-
Total	(10,836.43)	(3,943.39)	9,626.54
Utilisation of available retained earnings and capital reserve			
Capital reserve	44.22	44.22	-
Retained earnings	3,899.17	3,899.17	-
Total Utilisation	3,943.39	3,943.39	-
Capital Reserve / (Amalgamation Adjustment Deficit Account) after reserve utilisation	(6,893.04)	-	9,626.54

B Common control business combination of a subsidiary company

Pursuant to aforesaid merger, the Group has accounted this transaction as common control transaction as per Appendix C of IND AS 103 "Business Combination".

As per the requirements of Appendix C to Ind AS 103 "Business Combination", the comparatives for the previous period had been restated as if the common control business combination had occurred from the beginning of the earliest period presented. The difference had been adjusted with Capital Reserve / (Amalgamation Adjustment Deficit Account)

The net impact of transfer on assets, liabilities and reserves for the restated period is given below:-

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Assets taken over	23,556.74	21,274.54	17,544.17
Liabilities taken over	(19,696.20)	(17,647.12)	(14,642.36)
Reserves	(2,263.92)	(2,263.92)	(2,263.92)
Less: Elimination of investments and other balances	3,988.75	3,988.75	3,988.75
Capital Reserve / (Amalgamation Adjustment Deficit Account)	(1,724.83)	(1,724.83)	(1,724.83)

C Balance Capital Reserve / (Amalgamation Adjustment Deficit Account)

Below is summary of Capital Reserve / (Amalgamation Adjustment Deficit Account) arises due to common control business transactions disclosed in Note 47(A) and 47(B) above

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Capital Reserve / (Amalgamation Adjustment Deficit Account)	(1,724.83)	7,901.71	9,626.54
Amalgamation deficit reserve on account of subsidiary company	-	-	(1,724.83)
Adjustment on account of change in capital of first transferor company	(5,344.35)	413.19	-
Adjustment on account of second transferor company	(1,548.69)	(13,983.12)	-
Utilisation of reserves	-	3,943.39	-
Balance Capital Reserve / (Amalgamation Adjustment Deficit Account)	(8,617.87)	(1,724.83)	7,901.71

Segment information

48 Business segment

Operating segments are defined as components of an enterprise for which discrete financial information so available that is evaluated regularly by Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance. The Group has considered business segment as reportable segment for disclosure. The products and services included in each of the reported business segments are as follows:

Segment	Activities
Micro finance	Micro Finance Lending
Housing finance (mortgages)	Housing Finance Lending

Information about Business Segments

Segment Revenue	For the year ended 31 March 2026			For the year ended 31 March 2025			For the year ended 31 March 2024		
	External	Inter-segment	Total	External	Inter-segment	Total	External	Inter-segment	Total
Micro finance	37,872.17	-	37,872.17	31,578.65	-	31,578.65	21,883.94	-	21,883.94
Housing finance (mortgages)	3,336.94	-	3,336.94	2,831.58	-	2,831.58	2,408.32	-	2,408.32
Segment revenue	41,209.11	-	41,209.11	34,410.23	-	34,410.23	24,292.26	-	24,292.26
Less: Inter-Segment Revenue	-	-	-	-	-	-	-	-	-
Total Segment Revenue from Operations	41,209.11	-	41,209.11	34,410.23	-	34,410.23	24,292.26	-	24,292.26
Total Revenue from Operation	41,209.11	-	41,209.11	34,410.23	-	34,410.23	24,292.26	-	24,292.26

Segment Result (PBT)	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Micro finance	8,420.84	5,560.86	4,249.77
Housing finance (mortgages)	122.42	290.70	280.63
Total Segmental Results	8,543.26	5,851.56	4,530.40
Unallocated	-	-	-
Profit Before Tax	8,543.26	5,851.56	4,530.40

Information about Business Segments

Segments Assets / Liabilities	Carrying Amount of Segment Liabilities			Carrying Amount of Segment Assets		
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Segments						
Micro finance	1,66,312.52	1,03,944.91	1,15,471.60	2,09,219.54	1,35,781.56	1,35,542.24
Housing finance (mortgages)	24,681.24	19,696.20	17,647.12	29,154.29	23,556.74	21,274.54
Total Segment	1,90,993.76	1,23,641.11	1,33,118.72	2,38,373.83	1,59,338.30	1,56,816.78
Inter-Segment Elimination	-	-	-	-	-	-
Add/Less: Unallocated Corporate Assets / Liabilities	-	-	-	-	-	-
Total Segment Assets/Liabilities	1,90,993.76	1,23,641.11	1,33,118.72	2,38,373.83	1,59,338.30	1,56,816.78
Total Assets/Liabilities	1,90,993.76	1,23,641.11	1,33,118.72	2,38,373.83	1,59,338.30	1,56,816.78

Other information

Depreciation and Amortisation	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Segments			
Micro finance	246.00	229.50	131.71
Housing finance (mortgages)	76.63	39.16	30.21
Total Segment	322.63	268.66	161.92
Total Depreciation and Amortisation	322.63	268.66	161.92

Interest Income/Expenses	Interest Income			Interest expenses		
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
Segments						
Micro finance	34,182.24	28,813.35	19,716.04	10,682.46	10,774.15	8,231.72
Housing finance (mortgages)	3,242.93	2,796.16	2,381.98	1,777.90	1,632.12	1,439.01
Total Segment	37,425.17	31,609.51	22,098.02	12,460.36	12,406.27	9,670.73
Inter-Segment Elimination	-	-	-	-	-	-
Total Interest Income/Expenses	37,425.17	31,609.51	22,098.02	12,460.36	12,406.27	9,670.73
Impairment on financial instruments including loss on derecognition of financial assets at amortised cost (Expected Credit Loss)			For the year ended 31 March 2026	For the year ended 31 March 2025		For the year ended 31 March 2024
Micro finance			6,104.25	5,143.64		4,080.09
Housing finance (mortgages)			123.29	135.49		79.56
Total			6,227.54	5,279.13		4,159.65
Total Impairment on financial instruments as per statement of profit and loss			6,227.54	5,279.13		4,159.65
Income tax expense or income			For the year ended 31 March 2026	For the year ended 31 March 2025		For the year ended 31 March 2024
Micro finance			2,026.81	1,339.70		1,024.63
Housing finance (mortgages)			22.47	58.04		54.39
Total			2,049.28	1,397.74		1,079.02
Total tax expense as per statement of profit and loss			2,049.28	1,397.74		1,079.02
Material non-cash items other than depreciation and amortisation			For the year ended 31 March 2026	For the year ended 31 March 2025		For the year ended 31 March 2024
	Micro finance	Housing finance (mortgages)	Micro finance	Housing finance (mortgages)	Micro finance	Housing finance (mortgages)
Impairment of financial assets	6,104.25	123.29	5,143.64	135.49	4,080.09	79.56
Unrealised net loss /(gain) on fair valuation of financial instruments	(9.76)	-	0.35	-	(0.10)	-
Total	6,094.49	123.29	5,143.99	135.49	4,079.99	79.56

Entity wise disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in year ended 31 March 2026, 31 March 2025 and 31 March 2024

The Group operates in single geography i.e. India and therefore, geographical information is not required to be disclosed separately.

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Statements

(All amounts in Rs. Million unless otherwise stated)

49 Maturity analysis of assets and liabilities

Assets	As at 31 March 2026			As at 31 March 2025			As at 31 March 2024		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets									
Cash and cash equivalents	21,451.46	-	21,451.46	7,289.60	-	7,289.60	14,419.53	-	14,419.53
Bank balances other than cash and cash equivalents	1,962.07	1,064.85	3,026.92	771.45	740.89	1,512.34	324.75	821.71	1,146.46
Derivative financial instruments	-	256.91	256.91	18.62	35.39	54.01	-	-	-
Trade receivables	117.18	-	117.18	46.70	-	46.70	42.83	-	42.83
Other receivables	8.88	-	8.88	11.06	-	11.06	44.22	-	44.22
Loans	1,09,914.41	94,853.21	2,04,767.62	81,383.34	61,959.14	1,43,342.48	74,163.95	61,250.37	1,35,414.32
Investment	1,799.97	-	1,799.97	947.39	-	947.39	669.98	-	669.98
Other financial assets	2,318.76	752.62	3,071.38	1,961.84	618.43	2,580.27	1,523.86	896.25	2,420.11
Non financial assets									
Current tax assets (net)	255.94	-	255.94	368.58	-	368.58	82.94	-	82.94
Deferred tax assets (net)	-	1,639.59	1,639.59	-	1,718.81	1,718.81	-	1,422.32	1,422.32
Investment property	-	0.25	0.25	-	0.25	0.25	-	0.25	0.25
Property, plant and equipment	-	458.77	458.77	-	443.48	443.48	-	381.51	381.51
Right of Use assets	42.40	178.26	220.66	53.39	143.13	196.52	51.80	188.35	240.15
Other intangible assets	-	79.23	79.23	-	75.95	75.95	-	59.92	59.92
Intangible assets under development	-	265.04	265.04	-	157.49	157.49	-	-	-
Other non-financial assets	336.80	617.23	954.03	198.09	395.28	593.37	128.51	343.73	472.24
Total assets	1,38,207.87	1,00,165.96	2,38,373.83	93,050.06	66,288.24	1,59,338.30	91,452.37	65,364.41	1,56,816.78
Liabilities									
Financial liabilities									
Trade payables									
- Total outstanding dues of micro enterprises and small enterprises	63.27	-	63.27	33.34	-	33.34	0.38	-	0.38
- Total outstanding dues of creditors other than micro enterprises and small enterprises	726.71	-	726.71	247.97	-	247.97	199.28	-	199.28
Other payables									
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11.42	-	11.42	101.74	-	101.74	79.46	-	79.46
Debt securities	21,167.74	2,021.38	23,189.12	1,033.61	2,868.79	3,902.40	1,743.55	2,561.69	4,305.24
Borrowings (other than debt securities)	90,300.03	66,451.87	1,56,751.90	64,665.78	44,993.01	1,09,658.79	64,621.18	53,815.32	1,18,436.50
Subordinated liabilities	625.65	5,565.96	6,191.61	176.24	6,146.28	6,322.52	179.05	6,252.03	6,431.08
Lease liabilities	79.34	161.40	240.74	60.11	150.94	211.05	54.98	191.97	246.95
Other financial liabilities	3,034.82	-	3,034.82	2,433.67	-	2,433.67	2,916.88	0.00	2,916.88
Non financial liabilities									
Provisions	285.53	282.47	568.00	83.55	401.97	485.52	74.98	281.17	356.15
Other non financial liabilities	175.59	-	175.59	203.41	-	203.41	127.19	-	127.19
Current tax liabilities (net)	40.58	-	40.58	40.70	-	40.70	19.61	-	19.61
Total liabilities	1,16,510.68	74,483.08	1,90,993.76	69,080.12	54,560.99	1,23,641.11	70,016.54	63,102.18	1,33,118.72

50 Corporate social responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group. The areas for CSR activities are promoting education, including special education and employment enhancing vocation skills, eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil air and water. The unspent CSR amount to be utilised in next three financial years for the ongoing projects have been identified during the financial year 2024-25.

Amount required to be spent by the Group during the year and approved by the board

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
a) Gross Amount Required to be spent by the group during the year	113.08	83.18	40.73
b) Amount approved by the board to be spent during the year	114.06	83.18	40.73
c) Amount spent / unspent during the year ending on 31 March 2026			
Particulars	In cash	Yet to be paid	Total
i. Creation or acquisition of a capital asset	-	-	-
ii. On purposes other than (i) above	88.28	25.78	114.06
d) Amount spent / unspent during the year ending on 31 March 2025			
Particulars	In cash	Yet to be paid	Total
i. Creation or acquisition of a capital asset	-	-	-
ii. On purposes other than (i) above	51.61	31.57	83.18
e) Amount spent / unspent during the year ending on 31 March 2024			
Particulars	In cash	Yet to be paid	Total
i. Creation or acquisition of a capital asset	-	-	-
ii. On purposes other than (i) above	29.05	14.25	43.30
f) Details of Related Party Transactions			
Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
i. Ananya Birla Foundation	62.44	28.54	4.00
g) Details related to spent & Unspent obligations:			
Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
i. Contribution to Public Trust	-	-	-
ii. Contribution to Charitable Trust	-	-	-
iii. Unspent Amount in relation to:			
- Ongoing Project	25.78	31.57	14.25
- Other than Ongoing Project	-	-	-

Note : Amount spent towards creation / acquisition of a capital asset will be declared relating to the assets which will be held by other parties as specified in Rule 7(4) of companies (Corporate Social Responsibility policy) Amendment Rules, 2021 for it to be part of CSR expenses. CSR Expenditure has been incurred for promoting education, including special education and employment enhancing vocation skills.

h) Details of Ongoing Project and other than ongoing project 31 March 2026

In case of S.135(6) Ongoing Project						
Opening Balance as at 1 April 2025		Amount Required to be spent during the year	Amount Spent During The Year		Closing Balance as at 31st March 2026	
With Group	In separte CSR Unspent A/c		From Bank A/c	From Seperate CSR Unspent A/c	With Group	In separte CSR Unspent A/c
1.51	30.57	114.06	88.28	31.27	4.49	22.10
In case of S.135(5) Other than ongoing Project						
Opening Balance	Amount Deposited in specified fund of Sch VII withing 6 months		Amount Required to be spent during the year		Amount Spent During the year	Closing Balance
-	-		-		-	-

i) Details of Ongoing Project and other than ongoing project 31 March 2025

In case of S.135(6) Ongoing Project						
Opening Balance as at 1 April 2024		Amount Required to be spent during the year	Amount Spent During The Year		Closing Balance as at 31st March 2025	
With Group	In separte CSR Unspent A/c		From Bank A/c	From Seperate CSR Unspent A/c	With Group	In separte CSR Unspent A/c
1.04	14.16	83.18	51.61	14.71	1.51	30.57
In case of S.135(5) Other than ongoing Project						
Opening Balance	Amount Deposited in specified fund of Sch VII withing 6 months		Amount Required to be spent during the year		Amount Spent During the year	Closing Balance
-	-		-		-	-

j) Details of Ongoing Project and other than ongoing project 31 March 2024

In case of S.135(6) Ongoing Project						
Opening Balance as at 1 April 2023		Amount Required to be spent during the year	Amount Spent During The Year		Closing Balance as at 31st March 2024	
With Group	In separte CSR Unspent A/c		From Bank A/c	From Seperate CSR Unspent A/c	With Group	In separte CSR Unspent A/c
1.00	8.08	40.73	29.05	8.13	1.04	14.16
In case of S.135(5) Other than ongoing Project						
Opening Balance	Amount Deposited in specified fund of Sch VII withing 6 months		Amount Required to be spent during the year		Amount Spent During the year	Closing Balance
-	-		-		-	-

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)

Annexure VI - Notes to the Restated Consolidated Summary Statements

(All amounts in Rs. Million unless otherwise stated)

51 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

For the year ended 31 March 2026								
Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated total assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Svatantra Microfin Limited	102.63%	48,625.01	98.92%	6,423.62	89.55%	102.69	98.75%	6,526.31
Svatantra Micro Housing Private Limited	9.44%	4,473.05	1.54%	99.95	10.45%	11.98	1.69%	111.93
Total elimination	-12.07%	(5,717.99)	-0.46%	(29.58)	0.00%	-	-0.45%	(29.58)
Total	100.00%	47,380.07	100.00%	6,493.99	100.00%	114.67	100.00%	6,608.66

For the year ended 31 March 2025								
Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated total assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Svatantra Microfin Limited	103.72%	37,024.57	95.47%	4,252.02	101.85%	(26.05)	95.44%	4,225.98
Svatantra Micro Housing Private Limited	10.81%	3,860.53	5.22%	232.67	-1.85%	0.47	5.26%	233.14
Total elimination	-14.53%	(5,187.91)	-0.69%	(30.87)	0.00%	-	-0.70%	(30.86)
Total	100.00%	35,697.19	100.00%	4,453.82	100.00%	(25.57)	100.00%	4,428.26

For the year ended 31 March 2024								
Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated total assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Svatantra Microfin Limited	106.45%	25,227.71	94.32%	3,255.33	97.01%	(24.40)	94.30%	3,230.93
Svatantra Micro Housing Private Limited	15.31%	3,627.40	6.61%	228.01	2.99%	(0.75)	6.63%	227.26
Total elimination	-21.76%	(5,157.05)	-0.93%	(31.96)	0.00%	-	-0.93%	(31.96)
Total	100.00%	23,698.06	100.00%	3,451.38	100.00%	(25.15)	100.00%	3,426.23

52 Dividend on Compulsorily Convertible Non-Cumulative Preference Shares

i. Dividend for FY 2023-24

The Board of Directors had declared an interim dividend of 5% on Compulsorily Convertible Non-Cumulative Preference Shares (CCPS), which are classified as equity in accordance with Ind AS 32 – Financial Instruments: Presentation, for the financial year ended 31 March 2024. the total dividend payout amounted to Rs.5,229 lakhs. The payment was made during the financial year 2024-25.

ii. Dividend for FY 2024-25

i) In the meeting held on 27 March 2025, the Board of SHPL declared an interim dividend of 6% on CCPS for the period 1 April 2024 to 16 December 2024, the total payout amounted to Rs. 5,188.60 million.

ii) The Board of Directors of the Holding Company, in their meeting held on 9 January 2025, declared a second interim dividend of 5% on CCPS for the period 1 November 2024 to 8 January 2025. the total payout amounted to Rs. 738.00 millions

53 Details of Benami Property held

There are NIL proceedings have initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

54 Wilful Defaulter:

The Group is not declared as wilful defaulter by any bank or financial institution or other lender during the financial year 2025-26, 2024-25 and 2023-24.

55 Relationship with struck off companies

The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

56 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within statutory period by the Group

57 Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

58 Compliance with approved Scheme(s) of Arrangements

The Group has complied with Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013. Refer note 47

59 Utilisation of Borrowed funds and share premium:

During the Financial year 2025-2026 , 2024-2025 and 2023-2024

Other than the transactions that are carried out as part of Group's normal lending business:

A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall-

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

60 Undisclosed income

The Group did not have any undisclosed income during in tax assessments during the financial year 2025-2026, 2024-2025 and 2023-2024 under the Income Tax Act, 1961

61 Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year 2025-2026, 2024-2025 and 2023-2024.

62 Proper books of account as required by law have been kept by the Group. Back-up of the books of account and papers maintained in electronic mode is maintained on servers physically located in India on a daily basis except in case of an accounting software the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on daily basis.

- 63 The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, i) in respect of software used for general ledger and loan management, the audit trail feature is not enabled at application level to the extent of edits to the master tables throughout the year and for direct changes to data when using certain access rights till June-24 post which it has been recorded through PAM system (Privilege Access Management) in the form of video logs ii) in respect of certain software for loan origination and loan management, the audit trail feature is not enabled for direct changes to data when using certain access rights till July-25 and post which it has been enabled and iii) in respect of certain software used for general ledger, the audit trail feature is partially enabled throughout the year.
- Further, there has been no instance of audit trail feature being tampered with wherever it has been enabled. Additionally, the Group has preserved audit trail in respect of the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026 to the extent it was enabled and recorded in respect of those years.
- 64 The Group has reclassified / regrouped the following previous year i.e. March 2025 figures to conform to the current year classification:
- Balance pertaining to SIDBI deposit amounting to Rs. 440.99 million, which was previously presented under "Bank Balances other than Cash and Cash Equivalents", has now been presented under "Other Financial Assets".
- Securitisation liabilities amounting to Rs. 1,300.92 million, which were previously presented under "Borrowings (other than Debt Securities)", have now been presented under "Debt Securities".
- 65 The Government of India has announced the implementation of four new Labour Codes, namely, the Code on Wages-2019, the Code on Social Security-2020, the Industrial Relations Code-2020, and the Occupational Safety, Health and Working Conditions Code-2020 (collectively referred to as the "New Labour Codes") with effect from November 21, 2025. While the codes are effective from specified date, the detailed rules are pending for issuance. To comply with the above, the Company has assessed its employee benefit obligations based on the revised definition of wages in line with the New Labour Codes. The Group has already estimated and accounted for its increased obligations in accordance with Ind AS 19 - 'Employee Benefits' and FAQs on key accounting implications arising from the New Labour Codes issued by the Institute of Chartered Accountants of India ('ICAI') in its consolidated financial results during the year ended March 31, 2026. The Company continues to monitor developments and will re-assess impact, if any, based on the final rules.
- 66 Events after the reporting date
- There have been no other events after the reporting date that require disclosure in these Restated Consolidated Summary Statements.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration. No.: 301003E/E300005

per Rutushtra Patell

Partner

Membership No. 123596

Place : Mumbai

Date : 07 August 2026

For and on behalf of the Board of Directors of

Svatantra Microfin Limited

Ananyashree Birla

Director

DIN No. 06625036

Vineet Bijendra Chatterjee

Director

DIN No. 07962531

Vrushali Mahajan

Chief Financial Officer

Surinder Kumar Bhatia

Company Secretary

Membership No. 17227

Place : Mumbai

Date : 07 August 2026

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)
Annexure VII - Notes to the Restated Consolidated Summary Statements
(All amounts in Rs. Million unless otherwise stated)

Part A: Statement of Restatement Adjustments to Audited Financial Statements

Reconciliation of total equity as per the audited consolidated financial statements for the year ended 31 March 2026, 31 March 2025 and 31 March 2024 with the total equity as per the Restated Consolidated Summary Statements.

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
A) Equity as per audit financial statements			
Total equity as per the Audited Consolidated Financial Statements for the year ended 31 March 2026, year ended 31 March 2025 and year ended 31 March 2024	47,380.07	37,212.06	25,848.67
B) Restatement adjustments pursuant to common control business combination			
Amalgamation adjustment deficit account for the year (Refer note 47)	-	(6,893.04)	(1,724.83)
Amalgamation adjustment deficit account carried forward from previous period (Refer note 47)	-	(1,724.83)	-
Shares pending issuance for the year (Refer note 47)	-	54.27	2,101.33
Shares pending issuance carried forward from previous period (Refer note no 47 A)	-	2,101.33	-
Cancellation of shares for the year (Refer note 47)	-	5,603.89	(6,950.00)
Cancellation of shares carried forward from previous period (Refer note no 47 A)	-	(6,950.00)	-
Adjustment of share issue expenses	-	-	(1.84)
Impact on total comprehensive income for the year	-	265.95	227.26
Impact on total comprehensive income carried forward from previous period	-	225.42	-
Acquisition of reserves during the year	-	1,604.67	-
Common control adjustments other than balances in deficit account as disclosed above	-	4,197.47	4,197.47
C) Material restatement adjustments			
a) Audit qualifications	-	-	-
b) Adjustments due to prior period items	-	-	-
c) Deferred tax impact impact on adjustments in (a) and (b), as applicable	-	-	-
d) Changes in accounting policy	-	-	-
Total equity as per the restated consolidated statement of assets and liabilities (A + B +C)	47,380.07	35,697.19	23,698.06

Reconciliation of total comprehensive income / (loss) for the year / period as per the audited consolidated financial statements for the year ended 31 March 2026, 31 March 2025 and 31 March 2024 with the restated total comprehensive income / (loss) as per the Restated Consolidated Summary Statements.

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2024
A) Total comprehensive income for the year as per the Audited Consolidated Financial Statements			
Total comprehensive income as per the Audited Consolidated Financial Statements for the year ended 31 March 2026, year ended 31 March 2025 and year ended 31 March 2024	6,608.66	4,162.30	3,200.81
B) Restatement adjustments pursuant to business combination			
Impact on total comprehensive income for the year on account of common control business combination	-	265.95	227.26
Adjustment of share issue expenses	-	-	(1.84)
C) Material restatement adjustments			
a) Audit qualifications	-	-	-
b) Adjustments due to prior period items	-	-	-
c) Deferred tax impact impact on adjustments in (a) and (b), as applicable	-	-	-
d) Changes in accounting policy	-	-	-
Restated total comprehensive income for the year as per the restated consolidated statement of profit and loss (A + B + C)	6,608.66	4,428.25	3,426.23

Svatantra Microfin Limited (erstwhile Svatantra Microfin Private Limited)

Annexure VII - Notes to the Restated Consolidated Summary Statements

(All amounts in Rs. Million unless otherwise stated)

Part B: Material regrouping

Appropriate regroupings have been made in the these Restated Consolidated Summary Statements, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, for the year ended 31 March 2024 in order to bring them in line with the accounting policies and classification as per the consolidated financial statements of the Group as at and for the year ended 31 March 2026, prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Particulars	As per earlier reported	Revised Classification	Restatement Adjustments	Remark
Assets				
Financial assets				
Cash and cash equivalents	668.86	-	-668.86	Deposit with SIDBI Rs. 668.86 reclassified from Cash and cash equivalents to Other Financial Assets
Cash and cash equivalents	-	499.94	499.94	Investment in reverse repo of Rs. 499.94 reclassified from Investments to Cash and cash equivalents
Investments	499.94	-	-499.94	Investment in reverse repo of Rs. 499.94 reclassified from Investments to Cash and cash equivalents
Other Financial Assets	-	668.86	668.86	Deposit with SIDBI Rs. 668.86 reclassified from Cash and cash equivalents to Other Financial Assets
LIABILITIES				
Financial liabilities				
Debt securities	-	23.90	23.90	Interest accrued but not due of Rs. 23.90 reclassified from Other financial liabilities to Debt securities
Borrowings (other than debt securities)	-	305.60	305.60	Interest accrued but not due of Rs. 305.6 reclassified from Other financial liabilities to Borrowings (other than debt securities)
Subordinated liabilities	-	25.88	25.88	Interest accrued but not due of Rs. 25.88 reclassified from Other financial liabilities to Subordinated liabilities
Other financial liabilities	355.38	-	-355.38	i. Interest accrued but not due of Rs. 23.90 reclassified from Other financial liabilities to Debt securities ii. Interest accrued but not due of Rs. 305.6 reclassified from Other financial liabilities to Borrowings (other than debt securities) iii. Interest accrued but not due of Rs. 25.88 reclassified from Other financial liabilities to Subordinated liabilities

Part C: Non adjusting items

a) Audit qualifications for the respective years, which do not require any adjustments in the Restated Consolidated Financial Information:

i) There are no audit qualifications in the auditor's report on the consolidated financial statements for the year ended 31 March 2026 except below

The auditor's report on the consolidated financial statements of the Group as at and for the year ended 31 March 2026 included the following paragraphs in relation to reporting on other legal and regulatory requirements:

i. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books except in case of an accounting software the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on daily basis as stated in Note 62 to the Consolidated financial statements

ii. Based on our examination which included test checks, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that i) in respect of software used for general ledger and loan management, the audit trail feature is not enabled at application level to the extent of edits to the master tables throughout the year and for direct changes to data when using certain access rights till June-24 ii) in respect of certain software for loan origination and loan management, the audit trail feature is not enabled for direct changes to data when using certain access rights till July-25 and iii) in respect to certain software used for general ledger, the audit trail feature is not enable for certain fields and tables at application level, as described in note 63 to the Consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of relevant prior years has been preserved by the company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in note 63 to the Consolidated financial statements.

ii) There are no audit qualifications in the auditor's report on the consolidated financial statements for the year ended 31 March 2025 except below

i. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and the subsidiary have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, i) in case of the Holding Company, with respect to the software used for general ledger and loan management, the audit trail feature is not enabled for direct changes to data when using certain access rights till June-24 and in respect of certain software for loan origination, the audit trail feature is not enabled for direct changes to data when using certain access rights, and ii) in case of the subsidiary, with respect to the software used for general ledger, the audit trail feature is not enable for certain fields and tables at application level, as described in note 65 to the consolidated financial statements. Further, during the course of our audit we and the auditors of the subsidiary company did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of relevant prior years has been preserved by the Holding Company and the subsidiary as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in note 65 to the consolidated financial statements.

iii) There are no audit qualifications in the auditor's report on the consolidated financial statements for the year ended 31 March 2024**b) Emphasis of matter paragraph and auditor's comments on annexure to Auditor's Report not requiring adjustment to restated financial information**

i. Emphasis of Matter Paragraph in the Consolidated financial statements for the year ended 31 March 2026

We draw attention to Note 47 to the consolidated financial statements regarding the Scheme of Amalgamation (the 'Merger Scheme') of Chaitanya India Fin Credit Private Limited and Svatantra Holding Private Limited with the Company. Pursuant to Merger Scheme, the comparative financial information as at March 31, 2025, has been restated to give effect of the adjustments owing to the said Amalgamation.

Our conclusion is not modified in respect of this matter

ii. There are no emphasis of matter paragraphs in the auditor's report on the consolidated financial statements for the year ended 31 March 2025 and 31 March 2024.

c) (i) Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Consolidated Financial Statements of Svatantra Microfin Limited (formerly, Svatantra Microfin Private Limited) ("the Company")**(i) For the year ended 31 March 2026**

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, as noted in the 'Other Matter' paragraph we state that:

3(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements except for following where the respective auditors have reported qualifications or adverse remarks in their audit report to the principal auditor.

S.No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Svatantra Micro Housing Finance Corporation Limited	U67190MH2008PLC182274	Subsidiary	iii (c) and iii (d)
2	Svatantra Microfin Limited (formerly, Svatantra Microfin Private Limited)	U74120MH2012PLC227069	Holding Company	iii (c) and iii (d)

(ii) For the year ended 31 March 2025

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, as noted in the 'Other Matter' paragraph we state that:

3(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements except for following where the respective auditors have reported qualifications or adverse remarks in their audit report to the principal auditor.

S.No	Name	CIN	Holding company/ Subsidiary	Clause number of the CARO report which is qualified or adverse
1	Chaitanya India Fin Credit Private Limited	U67190MH2009PTC427833	Subsidiary	iii (c) and iii (d)
2	Svatantra Microfin Private Limited	U74120MH2012PTC227069	Holding Company	iii (c) and iii (d)

(iii) For the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of audit report on the financial statement of a subsidiary company incorporated in India, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Svatantra Microfin Limited (erstwhile Svatantra Mircofin Private Limited)
Annexure VII - Notes to the Restated Consolidated Summary Statements
(All amounts in Rs. Million unless otherwise stated)

S. No.	Name	CIN	Relation	Clause number of the CARO report which is qualified or is adverse
1	Svatantra Microfin Private Limited	U74120MH2012PTC227069	Holding Company	iii (c) & (d)
2				xi (a)
3	Chaitanya India Fin Credit Private Limited	U67190KA2009PTC049494	Wholly Owned Subsidiary	iii (d)
4				vii (a) & (b)
5				xi (a)

c) (ii) Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Svatantra Micro Housing Finance Corporation Limited

For the year ended 31 March 2025:

There are no qualifications or adverse remarks by the auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the audited financial except below:

Clause iii (c)- In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The Company, being a Non-Banking Housing Finance Company, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In case where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer Note No.38(C) to the financial statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations made available to us, reasonable steps are/being taken by the Company for recovery thereof.

Clause iii (d)- In respect of loans and advances in nature of loans granted by the Company, the total amount overdue for more than ninety days as at March 31, 2025 and the details of the number of such ases, are disclosed in Note No. 38(C) to the financial statements. The total exposure in stage III loans amounts to Rs. 6,556.83 Lakhs with respect to 1,234 loan accounts. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

For the year ended 31 March 2024:

There are no qualifications or adverse remarks by the auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the audited financial except below:

Clause iii (c)- In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The Company, being a Non-Banking Housing Finance Company, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In case where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer Note No.38(C) to the financial statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations made available to us, reasonable steps are/being taken by the Company for recovery thereof.

Clause iii (d)- In respect of loans and advances in nature of loans granted by the Company, the total amount overdue for more than ninety days as at March 31, 2024 and the details of the number of such ases, are disclosed in Note No. 38(C) to the financial statements. The total exposure in stage III loans amounts to Rs. 4,257.46 Lakhs with respect to 887 loan accounts. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest. The above Statement should be read with Annexure V - Material Accounting Policies to Restated Consolidated Summary Statements and Annexure VI - Notes to the Restated Consolidated Summary statements.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm's Registration. No.: 301003E/E300005

per Rutushtra Patell
Partner
Membership No. 123596
Place : Mumbai
Date : 07 August 2026

For and on behalf of the Board of Directors of

Svatantra Microfin Limited

Ananyashree Birla
Director
DIN No. 06625036

Vineet Bijendra Chattree
Director
DIN No. 07962531

Vrushali Mahajan
Chief Financial Officer

Surinder Kumar Bhatia
Company Secretary
Membership No. 17227

Place : Mumbai
Date : 07 August 2026

OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Consolidated Summary Statements as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, unless otherwise stated)

Particulars	As of/ For the Financial Years ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Basic Earnings per equity share (in ₹) ⁽¹⁾	9.17	8.18	7.21
Diluted Earnings per equity share (in ₹) ⁽²⁾	9.13	8.15	7.17
Profit for the year after tax ⁽³⁾	6,493.99	4,453.82	3,451.38
Return on Net Worth (RoNW)(%) ⁽⁴⁾	15.63	15.00	18.12
Net Asset Value per Equity Share (in ₹) ⁽⁵⁾	58.82	50.27	40.65
EBITDA ⁽⁶⁾	21,326.25	18,526.49	14,363.05

Notes:

- (1) Basic earnings per equity share is calculated as Profit for the year after tax divided by the weighted average number of equity shares outstanding as per Ind AS 33 Earnings per share.
- (2) Diluted earnings per equity share is calculated as Profit for the year after tax divided by the Weighted average number of equity shares outstanding, which includes the effects of potential equity shares on Employee Stock Options outstanding as per Ind AS 33 Earnings per share.
- (3) Profit for the year after tax represents Profit for the year after tax for the relevant year.
- (4) Return on Net Worth (RoNW)% is calculated as Profit for the year after tax divided by Average Net Worth. Average Net Worth is calculated as the average of the Net Worth at the end of relevant year and beginning of the relevant year.
- (5) Net Asset Value per Equity Share represents Net Worth at the end of the year divided by the number of shares outstanding at the end of the relevant year. Number of shares outstanding represents the aggregate of number of equity shares outstanding, equity shares pending for issuance, equity shares to be allotted upon conversion of CCPs, and employee stock options vested as at the end of the relevant year. As per Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Accordingly, we have calculated Net Worth as aggregate of the equity share capital, equity share pending for issuance, instruments entirely equity in nature and other equity.
- (6) EBITDA is calculated as Profit for the year after tax for the year adjusted for Total Tax expenses, Finance Costs and Depreciation and amortisation for the year.

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company and SMHFCL (which is our material subsidiary in terms of Paragraph 11(I)(A)(ii) of Part A of Schedule VI of the SEBI ICDR Regulations) for the applicable financial periods (collectively, the “**Audited Financial Statements**”) are available on our website at <https://svatantramicrofin.com/investor-relations/initial-public-offerings>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a red herring prospectus, or (iii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Reconciliation of Non-GAAP measures

For details regarding reconciliation of the Non-GAAP measures included in this Draft Red Herring Prospectus, see “*Selected Statistical Information – Reconciliation of Non-GAAP measures*” on page 335.

Related party transactions

For details of the related party transactions, as per the requirements under applicable accounting standards i.e. Indian Accounting Standards 24 – ‘Related Party Disclosures’ read with SEBI ICDR Regulations, as at and for Fiscals 2026, 2025 and 2024, and as reported in the Restated Consolidated Summary Statements, see “*Restated Consolidated Summary Statements – Note 39 – Related party disclosures*” on page 396.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2026, derived from our Restated Consolidated Summary Statements, and as adjusted for the Offer. This table should be read in conjunction with "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Consolidated Summary Statements" on pages 28, 434, and 339, respectively.

(₹ in million, unless otherwise stated)

Particulars	Pre-Offer as at March 31, 2026	As adjusted for the Offer ⁽¹⁾
Borrowings		
Debt securities (A)	23,189.12	[●]
Borrowings (Other than debt securities) (B)	156,751.90	[●]
Subordinated liabilities (C)	6,191.61	[●]
Total Borrowings (D) = (A) + (B) + (C)	186,132.63	[●]
Equity		
Equity share capital (E)	8,030.77	[●]
Other equity (F)	39,349.30	[●]
Total Equity (G) = (E)+(F)	47,380.07	[●]
Total Borrowings/ Total Equity (D/G) (in times)	3.93	[●]

The aforementioned terms shall carry the meaning as per Schedule III of the Companies Act, 2013, as amended.

Notes:

⁽¹⁾ The corresponding post-Offer capitalisation data for each of the amounts mentioned in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the table. To be updated upon finalisation of the Offer Price.

FINANCIAL INDEBTEDNESS

Our Company and its Subsidiary avail credit facilities in the ordinary course of their respective businesses for purposes such as onward lending to their respective borrowers.

Our Board is empowered to borrow monies, in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association. For further details regarding the borrowing powers of our Company, see “*Our Management – Borrowing Powers*” on page 304.

As on March 31, 2026, the total indebtedness of our Company and our Subsidiary amounted to ₹ 186,004.85 million, and a brief summary of such indebtedness is set forth below:

(₹ in million)		
Category of borrowing	Sanctioned amount as of March 31, 2026 ⁽¹⁾	Outstanding amount as of March 31, 2026 ⁽¹⁾
Fund based		
Debt securities		
- Unsecured non-convertible debentures	7,800.00	7,800.00
- Secured non-convertible debentures	250.00	83.33
Borrowings (other than debt securities)		
- Term loans from scheduled banks and other financial institutions	306,680.00	150,473.45
- Loans repayable on demand - cash credit / overdraft/ working capital demand loan facilities	1,800.00	-
- Term loans from NHB	5,850.00	2,286.19
- External commercial borrowings ⁽²⁾	1,232.25	704.14
- Foreign currency loans ⁽³⁾	3,250.00	2,924.35
- Pass-through certificates	28,687.41	21,515.89
Non-fund based		
- Bank guarantees ⁽⁴⁾	217.50	217.50
Total	355,767.16	186,004.85

Note: As certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated August 13, 2026.

⁽¹⁾ Sanctioned and outstanding amounts represents only principal amounts of all facilities.

⁽²⁾ External commercial borrowings denominated in foreign currencies are converted into INR at exchange rate of ₹ 82.15/USD (Source = Federal Bank – Hedge Rate / CCIRS Term Sheet).

⁽³⁾ Foreign currency loans include two tranches of USD-denominated borrowings from SIDBI, converted into INR at exchange rates of ₹88.35/USD and ₹89.925/USD (Source: SBM Bank – Hedge Rate/CCIRS Term Sheet and Citibank – Hedge Rate/CCIRS Deal Confirmation, respectively).

⁽⁴⁾ The non-fund-based facilities are fixed deposit-backed bank guarantees.

Key terms of borrowings of our Company and our Subsidiary are disclosed below:

- Tenor:** The tenor of the term loans availed by our Company and our Subsidiary typically ranges from approximately two to fifteen years. The maturity period of the NCDs issued by our Company and our Subsidiary is ranges from three to six years.
- Interest rate:** The interest rates for the term loans availed by our Company and our Subsidiary typically ranges from 6.65% to 11.75% per annum. For NHB refinance loans availed by our Subsidiary typically ranges from 2.80% per annum to 8.60% per annum. Further, in terms of the refinance assistance availed from NHB, the refinance assistance is provided either on a fixed or floating interest rate depending upon NHB’s lending rate prevailing for the respective refinance schemes on the date of each disbursement. The interest rate for the NCDs issued by our Company and our Subsidiary as at March 31, 2026, range from 9.50% per annum to 12.90% per annum.
- Security:** In terms of the borrowings where security needs to be created, the company is typically required to create security by way of hypothecation on our Company’s and our Subsidiary’s book-debts and receivables. There may be additional requirements for creation of security under the various borrowing arrangements entered into by the company. For NCD borrowings, the company enters into debenture trust deeds (“**DTDs**”) with debenture trustee and for bank loans company enters into bilateral deeds of hypothecation with the respective lenders.
- Pre-payment:** Our Company and our Subsidiary, have the option to prepay their lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which typically ranges from nil to 3.00%, or as mutually agreed. Further, some loans may be prepaid without any prepayment charges subject to fulfilment of conditions, including by providing prior notice to the lender.

5. **Repayment:** The repayment period for the term loan facilities and the NHB term loans range from two to twelve years and seven to fifteen years, respectively. The company is required to repay the amounts in such instalments as per the repayment schedule stipulated in the relevant loan documentation. Further, the redemption period for the NCDs issued by our Company and our Subsidiary ranges from three to six years.
6. **Penalty:** The facilities availed by our Company and our Subsidiary contain provisions prescribing penalties, over and above the prescribed interest rate, for delayed payment or default in the repayment obligations of our Company and our Subsidiary, which typically range up to 8.00 % of the amount involved with respect to the term loans and NCDs.
7. **Restrictive Covenants:** The loans availed by our Company and our Subsidiary 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*:
 - Effecting any material change in the control, management or ownership of our Company or our Subsidiary;
 - Effecting any changes in our Company or our Subsidiary's capital structure including but not limited to merger, amalgamation, reconstruction or consolidation;
 - Amendment to our Company or our Subsidiary's constitutional documents, including but not limited to its memorandum of association and articles of association;
 - Entering into any contractual obligations of a long term nature which adversely affect our Company or our Subsidiary's financial position to a significant extent; and
 - Approaching the capital market for mobilizing resources either in form of debt or equity.
8. **Events of Default:** Borrowing arrangements contain standard events of default, including, among others:
 - Default in payment of any amount to any person when due or when any person demands repayment of the loan or dues of our Company or our Subsidiary ahead of their repayment terms or a moratorium is declared in respect of any indebtedness of our Company or our Subsidiary;
 - Change in control of our Company or our Subsidiary, directly or indirectly, or any substantial change in the constitution or management of our Company or our Subsidiary, without the prior consent of the lender;
 - Undertake any amalgamation, demerger, merger, reconstruction;
 - Cross default with any other lender;
 - Failure of our Company or our Subsidiary to maintain the stipulated asset security; and
 - Diversion of funds for purpose other than for which the loan has been sanctioned.
9. **Consequences of occurrence of events of default:** In terms of the borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may, *inter alia*:
 - Declare that all or part of the loan obligations be immediately due and payable and to recover such loan obligations;
 - Cancel the undrawn commitment and suspend withdrawals under the loan facility;
 - Enforce security interest without any further notice; and
 - Appoint a nominee director and/or observer on the Board of our Company or our Subsidiary, as may be required.

The details of the key terms of the borrowings provided above are indicative in nature and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company or our Subsidiary other than those stated above.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company listed on the debt segment of the BSE as at March 31, 2026:

ISIN	Scrip Code	Status	Outstanding principal amount as of March 31, 2026 (₹ in million)	Maturity
INE140R08056	974079	Listed	500.00	September 28, 2026
INE140R08072	974613	Listed	1,250.00	May 21, 2028
INE140R08080	975118	Listed	1,000.00	September 30, 2026
INE140R07181	975150	Listed	83.33	October 10, 2026

ISIN	Scrip Code	Status	Outstanding principal amount as of March 31, 2026 (₹ in million)	Maturity
INE00MX08045	973125	Listed	600.00	September 30, 2026

Note: As certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated August 13, 2026.

For further details on risk factors related to our NCDs, see “*Risk Factors – We have listed non-convertible debentures and are subject to rules and regulations with respect to such listed NCDs. Any non-compliances with such rules and regulations could subject us to penal actions, which may have an adverse effect on our business, financial condition, results of operations and cash flows*” on page 48.

For the purpose of the Offer, our Company and our Subsidiary has obtained necessary consents and waiver, as applicable, from their respective lenders under the relevant loan documents for undertaking activities relating to the Offer and consequent actions, *inter alia* including, change in name, change in the capital structure, changes in composition of the Board and amendments to the Articles of Association and Memorandum of Association, of our Company and issue equity capital. For further details of financial and other covenants required to be complied with in relation to our borrowings, see “*Risk Factors – We are subject to certain covenants and conditions under our financing arrangements. Inability to meet our obligations could adversely affect our business, liquidity, financial condition, results of operations and cash flows.*” on page 34.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations as at and for Fiscals 2026, 2025 and 2024. This section should be read together with "Risk Factors", "Industry Overview", "Our Business", "Selected Statistical Information" and "Restated Consolidated Summary Statements" on pages 28, 147, 235, 321 and 339, respectively. Our financial year ends on March 31 of each year. Accordingly, references to a Fiscal are to the 12-month period ended March 31 of the relevant year.

Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition." on page 64. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" on pages 28 and 23, respectively.

Unless otherwise indicated or unless context requires otherwise, the financial information included herein is based on our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 339. Our Company acquired 100.00% stake in Chaitanya India Fin Credit Private Limited, an NBFC-MFI, which became our wholly owned subsidiary with effect from November 23, 2023. Subsequently, Svatantra Holdings Private Limited and Chaitanya India Fin Credit Private Limited were amalgamated into our Company under applicable provisions of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026. For further information, see "History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively" on page 290 of this Draft Red Herring Prospectus.

As of the date of this Draft Red Herring Prospectus, Svatantra Micro Housing Finance Corporation Limited, which offers housing finance loans, is our wholly owned Subsidiary. Unless the context otherwise requires, in this section, references to "we", "us", "our", are to Svatantra Microfin Limited on a consolidated basis while references to "the Company" or "our Company" are to Svatantra Microfin Limited on a standalone basis. Further, in this section, unless context requires otherwise, references to "MFI entity" or "MFI" pertain to our Company, Svatantra Microfin Limited, while references to "Housing Finance entity" or "Housing Finance" pertain to our Subsidiary, Svatantra Micro Housing Finance Corporation Limited.

Unless otherwise indicated or the context otherwise requires, industry and market data used in this section have been extracted from the industry report titled "The microfinance industry in India" dated August 2026 prepared and issued by CRISIL MI&A (the "CRISIL Report"), which has been commissioned by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate. For further details and risks in relation to the CRISIL Report, see "Risk Factors — Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL MI&A, exclusively commissioned and paid for by us for such purpose and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 59 and "Industry Overview" on page 147.

OVERVIEW

About us

We are an inclusion-focused non-banking financial company, enabling financial independence for households and empowering grassroots entrepreneurs within the Indian economy. We enable financial inclusion by providing access to credit for individuals and small entrepreneurs, helping strengthen livelihoods and support economic participation across communities. Our portfolio primarily comprises microfinance loans, complemented by secured lending products viz. affordable housing finance, including loans against property, offered through our Subsidiary, Svatantra Micro Housing Finance Corporation Limited. We are promoted by Ananya Birla, our Chairperson and Non-Executive Director, who represents the next generation of the Aditya Birla Group's legacy. Our Company was the first institution to receive the NBFC-MFI license, which was introduced by the Reserve Bank of India in 2011. (Source: CRISIL Report)

As of March 31, 2026, our consolidated assets under management (“AUM”) stood at ₹ 238,177.77 million, having grown at a three-year CAGR of 38.18%, supported by a pan-India footprint spanning 2,253 branches across 23 states and union territories and 446 districts, with a borrower base of approximately 4.31 million. Microfinance, which continues to be the cornerstone of our operations, contributed 88.56% (₹ 210,932.22 million) of our AUM as of March 31, 2026, while secured lending products, which support portfolio diversification, contributed 11.44% (₹ 27,245.55 million).

Microfinance Operations

Our Company is the second largest non-banking financial company – microfinance institution (“NBFC-MFI”) in India as of March 31, 2026, 2025 and 2024 in terms of microfinance assets under management (“AUM - MFI”). (Source: CRISIL Report) Our Company was the fastest growing NBFC-MFI in India over the last three Fiscals, with AUM - MFI growing at a CAGR of 20.87% from ₹ 144,378.72 million as of March 31, 2024 to ₹ 210,932.22 million as of March 31, 2026, among the peers considered (“MFI Peers”, defined as the top six NBFC-MFIs in terms of AUM as of March 31, 2026). (Source: CRISIL Report) Our Company’s share of the total AUM - MFI in India increased from 3.26% as of March 31, 2024 to 6.37% as of March 31, 2026, reflecting our Company’s resilient growth through economic cycles. (Source: CRISIL Report) As of March 31, 2026, our Company is also the largest NBFC-MFI in Bihar and Uttar Pradesh, based on AUM - MFI. (Source: CRISIL Report)

Our Company’s microfinance operations are supported by a diversified geographic footprint and deep district-level penetration, with a network of 2,123 branches across 20 states and 394 districts across India as of March 31, 2026. This network is complemented by an on-ground presence comprising 24,594 employees, including 15,575 field officers, which has enabled our Company to serve 4,266,316 active borrowers as of March 31, 2026 in our microfinance business.

Over the last three Fiscals, our Company has demonstrated the ability to grow while maintaining asset quality through industry headwinds and external disruptions on account of a combination of macroeconomic conditions and increased borrower leverage, including the Karnataka crisis. (Source: CRISIL Report) Our Company reported the lowest Gross Stage 3 Ratio among the MFI Peers in Fiscals 2025 and 2026, at 2.24% and 1.19%, respectively. (Source: CRISIL Report) Our Company’s performance has been supported by geographic diversification, disciplined underwriting, borrower-centric product offerings and collection mechanisms. For instance, no single district contributed more than 2.74%, 2.60% and 2.35% of our Company’s AUM – MFI as of March 31, 2026, 2025 and 2024, respectively, while no single state contributed more than 23.02%, 21.66% and 20.72% of our Company’s AUM – MFI as of the same dates. Further, the amalgamation of Chaitanya India Fin Credit Private Limited into our Company, with effect from March 21, 2026, complemented our existing geographic presence, particularly given its higher presence in southern India, and further strengthened our pan-India presence while maintaining a diversified geographic portfolio. Fiscals 2025 and 2026 were marked by industry wide concerns and rising credit quality issues. (Source: CRISIL Report) Our Company has remained resilient through the period of sectoral stress compared to MFI Peers, with our Company’s return on average AUM (“RoAAUM”) being the highest among the MFI Peers in Fiscals 2025 and 2026, at 2.90% and 3.57%, respectively. (Source: CRISIL Report) Through Fiscals 2025 and 2026, years of elevated credit costs and asset quality stress across microfinance sector, our Company delivered the highest return on equity (“ROE”) at 13.66% and 15.00%, respectively. (Source: CRISIL Report) Further, across Fiscals 2024 to 2026, our Company delivered most stable and steady ROE, with decline of only 2.08% in Fiscal 2025 versus Fiscal 2024, which was the smallest drop among the MFI Peers, on account of minimal volatility through the credit cycle downturn with consistent ROE throughout Fiscals 2026, 2025 and 2024. (Source: CRISIL Report)

The following sets forth an overview of our Company’s microfinance operations:

Svatantra Microfin: MFI Business Overview

Scale #2 Largest NBFC-MFI in India ⁽¹⁾ By MFI AUM ^{(1),(3)}	Growth Fastest Growing NBFC-MFI ^{(1),(3)} Backed by productivity	Network 2,123 Branches across India (FY26) Pan-India district-level reach	Asset Quality Stable With lowest Gross Stage 3 ^{(1),(2)} and Net Stage 3 ^{(1),(3)} Effective Risk Management	Return Profile Highest RoAAUM ⁽²⁾ and RoE ⁽³⁾ among peers ⁽¹⁾ With Lowest RoE Volatility ⁽¹⁾
₹2,10,932.22 mn AUM FY26	3.26% 6.37% Industry AUM share ⁽¹⁾ FY24 FY26	24,594 Employees FY26	1.19% Gross Stage 3 Ratio FY26	3.57% 15.00% RoAAUM RoE FY26
₹1,93,876.54 mn Disbursement FY26	41.16% 20.87% AUM CAGR FY23-FY26 FY24-FY26	15,575 2,256 Field officers Collections team FY26	0.28% Net Stage 3 Ratio FY26	14.80% 2.08% 3Y Average RoE RoE Volatility ⁽⁴⁾ FY24-FY26
4.27 mn Active Borrowers FY26	₹99.36 mn 11.76% AUM per branch FY26 CAGR FY24-FY26	20 394 States Districts FY26	3.39% Impairment on financial instruments as a % of Average AUM FY26	23.12% Total CRAR FY26

(1) Source: CRISIL Report, (2) Over the last 2 fiscals (FY25 & FY26), (3) Over the last 3 fiscals (FY24, FY25 & FY26); (4) Volatility is defined as the difference between the maximum and minimum values as of the end of the last three fiscal years (FY24, FY25, and FY26)

Acquisition of CIFCPL

In November 2023, we acquired Chaitanya India Fin Credit Private Limited (“CIFCPL”), which has been amalgamated with our Company with effect from March 21, 2026. We have undertaken operational integration with CIFCPL across key functions, while maintaining growth, asset quality and profitability of our Company and CIFCPL during the integration period. We have also strengthened our organisational capabilities through the addition of CIFCPL’s management team and field force. For further information, see “History and Certain Corporate Matters - Share Purchase Agreement dated August 8, 2023, entered into by and between Navi Finserv Limited, Navi Technologies, our Company and Chaitanya India Fin Credit Private Limited” and “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively” on pages 289 and 290, respectively, of this Draft Red Herring Prospectus.

The acquisition of CIFCPL enabled our Company to create a combined microfinance footprint of 2,123 branches across 394 districts, as of March 31, 2026, compared to 966 branches across 335 districts prior to the effective date of the acquisition, being November 23, 2023. The acquisition also enhanced our geographic diversification through a complementary branch network and borrower franchise, with CIFCPL historically having a higher presence in southern India and our Company having a presence across northern and western India. We believe this complementary geographic presence has strengthened our pan-India distribution capabilities and enhanced portfolio resilience through a more diversified operating footprint. We were also able to leverage the talent pool at CIFCPL to grow our microfinance operations.

Housing Finance Operations

In addition to our core microfinance business, we operate a secured lending business through our Subsidiary, Svatantra Micro Housing Finance Corporation Limited (“SMHFCL”). We entered the secured lending business through the acquisition of Micro Housing Finance Corporation Limited in September 2018, with the objective of diversifying our retail lending franchise. SMHFCL primarily focuses on offering housing loans and non-housing loans (including loans against property) to borrowers from low- and middle-income groups. These products are designed to address the financing requirements of self-employed and salaried individuals, micro-entrepreneurs, first-time home buyers and borrowers with formal, informal or semi-formal income profiles.

Over the last two Fiscals, we have focused on strengthening and scaling our housing finance platform through investments in branch expansion, specialised human capital, technology and governance. Our secured AUM has increased from ₹

20,337.40 million as of March 31, 2024 to ₹ 27,245.55 million as of March 31, 2026, while our branch network has expanded from 25 to 130, our employee base has grown from 1,017 to 2,241, and our presence has increased from 10 states and union territories to 14, as of March 31, 2026. These investments have also strengthened our capabilities across sales, credit, technical, legal, collections, risk management and business support functions. We have also strengthened our product capabilities through a mix of housing loans and non-housing loans (including loans against property). In last three Fiscals, the share of non-housing loans has increased from 14.79% of AUM – Housing Finance as of March 31, 2024 to 26.40%, as of March 31, 2026. Non-housing loans enable us to address a broader range of customer financing requirements and diversify the composition of our secured lending portfolio, with better yield profiles.

Liability Franchise

Our Company had the lowest cost of fund ratio at 5.94% in Fiscal 2026 and the lowest cost of borrowings, at 8.15%. (Source: CRISIL Report) This could be attributed to strong group support and a higher concentration of low-interest term loans (73.15%). (Source: CRISIL Report) Our Company's credit profile is supported by AA / Stable ratings obtained from CRISIL and CareEdge Ratings on July 3, 2026 and April 23, 2026, respectively. These position our Company as one of the highest-rated NBFC-MFIs among the industry in India as of March 31, 2026. (Source: CRISIL Report)

For further information in relation to our business, see "Our Business" on page 235.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following is a discussion of certain factors that have had, and will continue to have, a significant effect on our financial results:

Growth in our borrower base and branch network

Our ability to expand our borrower base, retain existing borrowers, and widen our branch network has been an important driver of our business, results of operations and financial condition. The continued growth of our borrower base is contingent on our ability to innovate and adapt to meet the evolving financial needs of our borrowers. Growth in our borrower base typically drives corresponding growth in our interest income. Similarly, a decrease in our borrower base would drive a corresponding decrease in our interest income and fees received. Particularly in our microfinance operations, our business model is dependent on our ability to expand our borrower franchise in existing and new geographies through disciplined branch expansion, deeper penetration in under-served markets and continued sourcing of quality borrowers, while maintaining portfolio quality and operating efficiency.

Our branch network serves as the primary distribution channel for our microfinance operations and supports customer sourcing, credit assessment, loan disbursement, collections and ongoing customer engagement. Accordingly, the size, geographic reach and productivity of our branch network have a direct impact on our ability to originate loans, increase assets under management and improve operating leverage over time.

As of March 31, 2026, our Company operated through 2,123 MFI branches across 20 states and 394 districts, compared to 2,020 branches across 20 states and 391 districts as of March 31, 2025 and 1,815 branches across 19 states and 376 districts as of March 31, 2024. Our branch expansion has supported the growth of our borrower franchise while strengthening our presence across our operating geographies. As of March 31, 2026, our Company had approximately 4.27 million active microfinance borrowers, compared to approximately 4.03 million as of March 31, 2025 and approximately 4.10 million as of March 31, 2024. Following our acquisition of CIFICPL, we have also enhanced our geographic diversification through a complementary branch network and borrower franchise, with CIFICPL historically having a stronger presence in southern India and our Company having an established presence across northern and western India.

Our borrower franchise and branch expansion strategy is influenced by prevailing industry conditions, regulatory developments and our portfolio quality objectives. Following the industry-wide stress experienced during Fiscal 2025, our focus remained on calibrated growth, strengthening borrower quality and improving portfolio resilience while continuing to selectively expand our branch network. We expect future growth in our borrower base to be supported by further penetration across existing geographies, selective expansion into new markets, growth in our individual lending business, continued investment in our field force and technology-enabled customer acquisition processes, while maintaining our underwriting and risk management standards.

Ability to manage finance costs, avail cost-effective sources of funding, and navigate fluctuations in interest rates

Our results of operations depend substantially on our net interest income and our ability to maintain and improve our net interest margin. The differential between the interest rates that we charge on interest-earning assets and the interest rates that we pay on interest bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities and also affect the value of our investments. Any increase in the rate of interest at which we borrow from our lenders, without a corresponding increase in the interest rates we are able to charge our borrowers, could expose us to interest rate risk. In a declining interest rate environment, if our cost of funds do not decline simultaneously or to the same extent as the yield on our loans, it could lead to a reduction in our net interest income and net interest margin, affecting our results of operations, financial condition and cash flows. Changes in interest rates could also affect our fixed income portfolio and treasury income. In addition, changes in interest rates also affect the interest rates we pay on our interest-bearing liabilities. Varying maturity periods applicable to our interest bearing assets and interest-bearing liabilities and a consequent change in interest rates may result in an increase in interest expense relative to interest income leading to a reduction in our interest income from financing activities. For further information, see “Risk Factors - Our business is vulnerable to interest rate risk. In Fiscals 2026, 2025 and 2024, our interest income accounted for 90.82%, 91.86% and 90.97% of our Total Revenue from operations, respectively. Volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our financial condition, results of operations and cash flows.” on page 31.

Further, the availability of cost-effective funding sources impacts our financial condition and profitability. We have borrowings at fixed and floating rates across instruments, including short and long-term loans from banks, non-convertible debentures, pass-through certificates, direct assignment, and subordinated debt. Further, we also assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. With the objective to leverage our distribution network and widen our sources of funds in our housing finance business, we enter into co-lending agreements with other banks, whereby we source and disburse loans in our usual course of business in accordance with our existing policies and may request these banks to participate in the specific home loans or loans against property with pre-agreed parameters. Our finance costs are dependent on various external factors, including Indian and global credit markets and, in particular, interest rate movements and adequate liquidity in the debt markets.

Set forth below are details of our average AUM, interest income, Total Revenue from operations, net interest income, net interest margin and finance costs as of and for the corresponding years:

Particulars	As of/ For the year ended March 31,		
	2026	2025	2024
Average AUM ⁽¹⁾ (₹ million) (I)	204,961.17	168,230.34	127,499.07
Interest income (₹ million) (II)	37,425.17	31,609.51	22,098.02
Total Revenue from operations (₹ million) (III)	41,209.11	34,410.23	24,292.26
Interest income, as a percentage of Total Revenue from operations (%) (II/III*100)	90.82%	91.86%	90.97%
Finance costs (₹ million) (IV)	12,460.36	12,406.27	9,670.73
Net Interest Income ⁽²⁾ (₹ million) (V = II - IV)	24,964.81	19,203.24	12,427.29
Net Interest Margin (%) ⁽³⁾ (V/ I*100)	12.18%	11.41%	9.75%

Note:

- (1) Average AUM is calculated as the simple average of AUM as of the last day of the relevant year and AUM as at the last day of the immediately preceding year.
- (2) Net Interest Income represents Interest Income for the relevant year reduced by Finance Costs for the relevant year.
- (3) Net Interest Margin is the ratio of our Net Interest Income for the relevant year to our Average AUM for the relevant year.

Set forth below are the details of our fixed rate borrowings and variable rate borrowings, as of the dates indicated.

Particulars	As of March 31,		
	2026	2025	2024
Fixed rate borrowings ⁽¹⁾ (I) (₹ million)	33,994.22	21,351.39	40,305.16
Fixed rate borrowings as percentage of total borrowings (II = I/ V) (%)	18.26%	17.81%	31.20%
Variable rate borrowings ⁽²⁾ (III) (₹ million)	152,138.41	98,532.32	88,867.66
Variable rate borrowings as percentage of total borrowings (IV = III/ V) (%)	81.74%	82.19%	68.80%
Total borrowings⁽³⁾ (V = I + III) (₹ million)	186,132.63	119,883.71	129,172.82

Note:

- (1) Fixed rate borrowings are aggregate of amount of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant year which are at the fixed rate of interest over the tenure.

- (2) Variable rate borrowings are aggregate of amount of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant year whose rate of interest varies over the tenure.
- (3) Total borrowing represents the aggregate of amount of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant year.

Our ability to continue to meet borrower demand for new loans will depend primarily on our ability to borrow from various external sources on suitable terms and in a timely manner. Our funding sources are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for funding. We believe we have the ability to access borrowings at a competitive cost due to our high credit ratings, conservative risk management policies and brand equity. For further information in relation to our borrowings, see “Financial Indebtedness” on page 431. Our results of operations will be determined by the rates at which we are able to access funds, the interest rates we are able to charge our borrowers, and the extent to which we are able to offset the former through the latter.

Asset quality, NPAs and provisioning requirements

Our ability to manage the credit quality of our loans, which we measure in part through non-performing assets (“NPAs”), is a key driver of our results of operations. Credit quality is the outcome of our customer-centric lending model, comprising a disciplined origination process and our joint liability group guarantee model, technology-enabled multi-layered risk controls, prudent underwriting and robust collections and recovery mechanisms. Due to the nature of our borrowers, we may experience increased levels of NPAs and related provisions and write-offs as our borrowers can be disproportionately affected by declining economic conditions, natural calamities and macroeconomic downturns. With the growth of our business, our ability to manage the quality of our loans through risk management measures will be a key driver to our results of operations, as quality loans help reduce the risk of losses from loan impairment and write-off. Our credit quality is also susceptible to external events that impact the industry as a whole, such as the COVID-19 pandemic. The table below sets forth details of our stage-wise loan assets and loss allowance as of the dates indicated.

Asset Classification	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Gross Loans			
Stage 1 ⁽¹⁾ (A)	207,056.20	144,118.99	137,927.77
Stage 2 ⁽²⁾ (B)	1,461.18	2,577.90	1,102.93
Stage 3 ⁽³⁾ (C)	2,895.35	3,513.59	2,839.48
Total Gross Loans⁽⁴⁾ (D = A+B+C)	211,412.73	150,210.48	141,870.18
Gross Stage 3 Ratio (%)⁽⁵⁾ (C/D)	1.37%	2.34%	2.00%
Loss Allowance			
Loss allowance – Gross Stage 1 ⁽⁶⁾ (E)	4,454.71	3,293.85	3,741.33
Loss allowance – Gross Stage 2 ⁽⁷⁾ (F)	305.47	1,053.05	463.93
Loss allowance – Gross Stage 3 ⁽⁸⁾ (G)	1,884.93	2,521.10	2,250.60
Total Loss Allowance⁽⁹⁾ (H = E+F+G)	6,645.11	6,868.00	6,455.86
Net Stage 3 Loans⁽¹⁰⁾ (I = C – G)	1,010.42	992.49	588.88
Net Stage 3 Ratio (%)⁽¹¹⁾ (J = I/ (D – G))	0.48%	0.67%	0.42%
Gross Stage 3 Loans Loss Allowance Coverage Ratio (%)⁽¹²⁾ (K = G/C)	65.10%	71.75%	79.26%

Notes:

- (1) Stage 1 (0-30 days) includes gross loans that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- (2) Stage 2 (31-89 days) includes gross loans that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date.
- (3) Stage 3 (90 days and above) includes gross loans that have objective evidence of impairment at the reporting date.
- (4) Gross Loans represents Gross Amount of loans as of the last day of the relevant year under IND AS.
- (5) Gross Stage 3 Ratio represents the Gross Stage 3 Loans outstanding as a percentage of Gross Loans as of the last day of the relevant year.
- (6) Loss allowance – Gross Stage 1 represents the allowance made in the financial statements on account of impairment of loans shown under Stage 1 of gross loans.
- (7) Loss allowance – Gross Stage 2 represents the allowance made in the financial statements on account of impairment of loans shown under Stage 2 of gross loans.
- (8) Loss allowance – Gross Stage 3 represents the allowance made in the financial statements on account of impairment of loans shown under Stage 3 of gross loans.
- (9) Total Loss Allowance represents the total of impairment allowance as at the end of the relevant year.
- (10) Net Stage 3 Loans represents the Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance.
- (11) Net Stage 3 Ratio is calculated as Gross Stage 3 Loans outstanding reduced by Gross Stage 3 Loans loss allowance as a percentage of Gross Loans reduced by Gross Stage 3 Loans loss allowance as of the last day of the relevant year.
- (12) Gross Stage 3 Loans Loss Allowance Coverage Ratio (%) represents Total Loss Allowances (Provisions) as required under Ind AS 109 held on Gross Stage 3 Loans as of the last day of the relevant year, as a percentage of Gross Stage 3 Loans as of the last day of the relevant year.

We address risk at both macro and micro levels. Our macro-level risk mitigation measures include detailed geographical exposure limits to avoid regional adversities. At an operational level, our borrower due diligence procedures encompass multiple levels of checks and controls designed to assess the quality of borrowers and to confirm that they meet our stringent selection criteria, and include comprehensive evaluation of repayment capacity and detailed household income assessment supplemented through in-house statistical surveys, as well as thorough group training sessions and knowledge testing. We utilize credit bureau data to verify borrower details and obtain information on past credit behavior.

Further, we assess and monitor credit risk across the borrower lifecycle, from sourcing to collections, using proprietary customer acquisition models, robust early warning system architectures, portfolio monitoring (including borrower behaviour with other lenders), borrower profiling, industry benchmarking and continuous monitoring of onboarding, disbursement, collections and delinquency trends. These measures enable us to identify emerging risks at an early stage, calibrate our lending strategy and collections interventions, and maintain portfolio quality. These measures have contributed to the maintenance of our asset quality and prudent NPA levels.

Our ability to reduce or contain the level of our NPAs is also dependent on a number of factors beyond our control, such as increased competition, adverse effect on the business and results of operations of our borrowers, a rise in unemployment, a sharp and sustained rise in interest rate, slow industrial and business growth, changes in borrower behavior and demographic patterns, central and state government decisions and changes in regulations. Additionally, certain provisioning norms are applicable to NBFCs, under applicable accounting standards and directions issued by the RBI. Any increase in the level of final credit losses or an inability to maintain our asset quality may adversely affect our NPA levels and require us to increase our provisions and write-offs.

Ability to manage operating expenses

Our results of operations are influenced by our ability to manage operating expenses while continuing to grow our business. Our operating expenses primarily comprise Employee benefit expenses, depreciation and amortisation expenses and other expenses. In Fiscals 2026, 2025 and 2024, our operating expenses were ₹ 14,611.71 million, ₹ 11,403.12 million and ₹ 6,291.22 million, respectively, while our operating expenses (representing Employee benefit expenses, depreciation and amortization expenses and other expenses for the relevant year) as a percentage of Average AUM were 7.13%, 6.78% and 4.93%, respectively. Our operating expenses as a percentage of Average AUM is influenced by investments in our branch network, technology infrastructure, collections capabilities and support functions relative to the growth of our AUM. Our Company has proactively reduced the number of microfinance borrowers managed per field officer from approximately 356 as of March 31, 2024 to 274 as of March 31, 2026, improving borrower oversight and enabling more effective management of collections during periods of sectoral stress. We aim to optimise the number of borrowers handled per field officer to enable differentiated borrower service and collection follow-ups for soft bucket collections (<60 DPD).

During Fiscal 2026, we continued to invest in expanding our distribution network, strengthening our field force, scaling our housing finance business and enhancing our technology and risk management capabilities. Employee benefit expenses constitute the largest component of our operating expenses, reflecting the field-intensive nature of our microfinance business in particular. In Fiscals 2026, 2025 and 2024, our employee benefit expenses were ₹ 9,421.83 million, ₹ 7,419.79 million and ₹ 4,093.93 million, respectively, representing 64.48%, 65.07% and 65.07% of our operating expenses in the corresponding years. In addition, our loan officers incur traveling and conveyance as well as lodging and boarding expenses visiting villages, many of which are remote, to market and sell our products and services, maintain borrower relationships, conduct meetings, disburse loans, and collect repayments. Such expenses would also increase in line with the growth of our business. In Fiscals 2026, 2025 and 2024, our Other expenses amounted to ₹ 4,867.25 million, ₹ 3,714.67 million, and ₹ 2,035.37 million, representing 33.31%, 32.58%, and 32.35% of our operating expenses, respectively. Our Other expenses comprised primarily of travelling and conveyance, legal and professional fees, rent, software service and maintenance, and cash management charges.

As of March 31, 2026, our Company operated our microfinance business through 2,123 branches and employed 24,594 personnel, including 15,575 field officers. Our future profitability will depend on our ability to improve operating efficiency and realise operating leverage as our business scales. Between March 31, 2024 and March 31, 2026, our AUM - MFI per branch increased from ₹ 79.55 million to ₹ 99.36 million and AUM - MFI per field officer increased from ₹ 12.52 million to ₹ 13.54 million, reflecting improved utilisation of our branches and field force. Our ability to continue improving productivity, optimise our operating expenses as a percentage of Average AUM and absorb fixed costs over a larger asset base will help sustain profitability. We intend to focus on the retention of existing borrowers through timely disbursement of repeat loans and the acquisition of new borrowers by leveraging our existing and new branch infrastructure. We also continue to identify and implement initiatives to improve operational efficiency, including streamlining and standardising business processes, optimising our organisational structure, strengthening procurement and vendor management practices, and investing in technology-enabled operating procedures across the lending value chain.

In addition, we expect to realise greater operating leverage from our investments in the housing finance business as the platform scales, branch productivity improves and fixed costs are absorbed over a larger AUM base, which we believe will contribute to improved operating efficiency over time.

Performance of the Indian microfinance industry

The overall MFI industry AUM in India has increased from ₹ 117 billion in Fiscal 2009 to ₹ 3,310 billion in Fiscal 2026, recording a compounded growth rate of 21.73%. (Source: CRISIL Report) Between this period, the industry has navigated several high-impact events, including the Andhra Pradesh microfinance crisis (2010), demonetisation (2016), farm loan waivers across multiple states (2016-2017), the non-banking financial company (NBFC) liquidity crisis (2018), the Covid-19 pandemic (2020-2021), the Assam Microfinance Incentive and Relief Scheme (AMFIRS), the Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Ordinance, 2025 and Tamil Nadu Money Lending Entities (Prevention of Coercive Actions) Act, 2025. (Source: CRISIL Report) Each of these events had a temporary adverse impact on disbursements, collections, and asset quality; however, the sector has consistently demonstrated its ability to stabilise operations, restore portfolio quality and resume growth trajectories within a relatively short period. (Source: CRISIL Report)

As an NBFC-MFI, our Company's performance is affected by the overall performance of the microfinance industry. While our Company had the lowest Gross Stage 3 Ratio in Fiscals 2025 and 2026 among the MFI Peers, (Source: CRISIL Report) portions of the industry experienced elevated asset quality pressures, particularly in geographies witnessing rapid portfolio expansion and higher borrower leverage. (Source: CRISIL Report) We proactively calibrated our disbursements, focused on strong process led execution while emphasizing collections and increasing borrower engagement to mitigate credit risk and maintain portfolio stability. Such disruptions, large-scale or pan-India events of this nature may have ramifications on the microfinance industry as well as on our results of operations.

Following the implementation of Guardrails 2.0, the microfinance sector has focused on portfolio consolidation, balance-sheet recalibration, deleveraging at the borrower level and tightening credit filters and underwriting standards. These measures have led to early signs of stabilisation, such as normalised collection efficiencies, reduced delinquencies and improved borrower credit behaviour. (Source: CRISIL Report) As per the CRISIL Report, the sector is now better positioned to deliver sustainable growth with improved risk-adjusted returns, reinforcing its resilience and long-term structural strength. The CRISIL Report expects NBFC-MFIs to grow at a faster pace, clocking a 20% - 22% CAGR in three years, compared with the overall industry. (Source: CRISIL Report)

Key macroeconomic factors that may affect the Indian economy and, in turn, demand for our microfinance products and the quality of our loan portfolio include, among others, (i) demographic conditions and population dynamics, (ii) economic development, shifting of wealth and employment rates, (iii) political measures and regulatory developments, such as tax incentives and general political stability, (iv) fiscal and monetary dynamics, such as volatility in interest rates, foreign exchange rates and inflation rates, and (v) political and regulatory developments on the Indian economy. More particularly, our Company's microfinance borrowers comprise women from economically weaker and low-income households with limited sources of income and credit histories. Our Company's microfinance loans are also not backed by collateral. Such borrowers generally do not have a high level of financial resilience, and, as a result, they can be disproportionately affected by declining economic conditions, natural calamities and macroeconomic downturns. In addition, we rely on primarily on joint liability group guarantee mechanisms rather than tangible assets as collateral for our microfinance operations, which may not be effective in recovering the value of our loans. As a result, our financial condition and results of operations are also influenced by the general economic conditions and particularly macroeconomic conditions in India and liquidity in the microfinance industry.

Government policy and regulation

As an NBFC-MFI, our Company will continue to be affected by a number of regulations promulgated by the RBI that regulate, among other things, NPA and provisioning norms, capital adequacy norms and other lending stipulations and other operational restrictions. For information on the changing laws and regulations governing the financial services industry in India and laws and regulations in applicable to us generally, for further information, see "Key Regulations and Policies in India" on page 267.

For instance, in its master directions on microfinance loans released in March 2022, the RBI did away with the interest rate cap on loans provided by NBFC-MFIs. (Source: CRISIL Report) Entities providing microfinance loans will have to put in place a Board-approved policy for the pricing of loans; the policy should include the interest rate model, the range of spread of each component for various categories of borrowers and the interest rate ceiling, along with all the other charges on MFI

loans. (Source: CRISIL Report) The increase in the annual household income cap for microfinance borrowers to ₹ 300,000 in both urban and rural areas, the removal of the two-lender norm for lending by NBFC-MFIs, and the greater flexibility to offer non-MFI loans (MFI loans should account for 60% of total assets for NBFC-MFIs as per a notification dated June 6, 2025) will enable NBFC-MFIs to achieve a more balanced portfolio. (Source: CRISIL Report)

Further, in March 2026, the Government of India introduced the Credit Guarantee Scheme for Microfinance Institutions-2.0. (Source: CRISIL Report) Under this scheme, the National Credit Guarantee Trustee Company Limited (NCGTC) provides guarantee cover to banks and financial institutions against expected losses on financial assistance extended to NBFC-MFIs and other MFIs for lending to small borrowers. (Source: CRISIL Report) By reducing the credit risk for lenders, the scheme is expected to improve credit flow to the microfinance sector. It is expected to support lending by NBFC-MFIs and MFIs to nearly 3.6 million small borrowers. (Source: CRISIL Report) This will benefit NBFC-MFIs by improving their access to bank funding, reducing lenders' risk perception, and potentially lowering their borrowing costs, thereby enabling them to expand credit outreach more effectively. (Source: CRISIL Report) These regulatory measures have had an impact on our operations and strategy. The removal of pricing caps and introduction of risk-based pricing have enabled us to align loan pricing more closely with borrower risk profiles, supporting portfolio-specific risk management and yield optimisation while maintaining underwriting discipline. The revision of household income thresholds has expanded the addressable borrower base, allowing us to serve a broader segment of customers without diluting credit standards. Further, the rationalisation of qualifying asset requirements has provided flexibility in portfolio composition, supporting balance-sheet optimisation and liquidity management. In addition, the introduction of CGSMFI 2.0 has enhanced access to bank and institutional funding by mitigating lender risk, contributing to funding diversification and supporting sustained credit flow to underserved segments.

Under the applicable RBI Master Directions and prudential norms, our Company is required to maintain a minimum capital to risk-weighted assets ratio ("CRAR"), comprising Tier I and Tier II capital of not less than 15.0% of its aggregate risk-weighted assets on-balance sheet and the risk-adjusted value of its off-balance sheet items. In addition, the total amount of Tier II capital cannot exceed 100% of Tier I capital at any point in time. We compute our CRAR in accordance with the extant RBI Master Directions and prudential norms applicable to NBFC-MFIs. As a housing finance company, our Subsidiary, Svatantra Micro Housing Finance Corporation Limited, is required to maintain CRAR, consisting of Tier I and Tier II Capital of not less than 15.00% of the aggregate of the housing finance company's risk-weighted assets and risk adjusted value of off-balance sheet items, pursuant to the Reserve Bank of India (Housing Finance Companies) Directions, 2025. Tier I Capital must be at least 10.0%, at any point of time, of the total risk weighted assets and Tier II Capital must not exceed 100.0% of the Tier I Capital.

Any change in the regulatory framework affecting NBFC-MFIs, and in particular those requiring us to maintain certain financial ratios, accessing funds or lending to NBFC-MFIs by banks among others including priority-sector lending norms, would affect our results of operations and growth. Our ability to function in this environment will depend on our ability to constantly monitor and promptly react to legislative and regulatory changes.

Growth of our housing finance business

In addition to our core microfinance business, we operate a secured lending business through our Subsidiary, Svatantra Micro Housing Finance Corporation Limited, which primarily focuses on offering housing finance to economically weaker sections and middle-income groups, including self-employed borrowers, micro-entrepreneurs, first time home buyers and those with informal sources of income.

As of March 31, 2026, our housing finance business had an AUM of ₹ 27,245.55 million and operated through 130 branches across 14 states and union territories. In connection with the expansion of this business, we have incurred, and expect to continue incurring, operating expenses relating to branch expansion, employee additions, investments in sourcing, underwriting and collections capabilities, technology infrastructure and strengthening of control functions. Our employee base in the housing finance business were 2,241 as of March 31, 2026 and we had 130 branches while our operating expenses associated with the housing finance business were ₹ 1,363.17 million in Fiscal 2026.

Further, following the amalgamation of CIFICPL and Svatantra Holding Private Limited with our Company, Svatantra Micro Housing Finance Corporation Limited became a wholly owned subsidiary of Svatantra Microfin Limited. We expect to continue investing in our housing finance business to support scale, geographic diversification and operating capabilities. Such investments in infrastructure, technology and personnel may continue to impact our cost-to-income ratio, operating expense to Average AUM ratio and profitability in the near term. However, as the housing finance business scales and assets mature, we expect to benefit from operating leverage, productivity improvements and greater absorption of fixed costs across a larger AUM base. We believe that, over time, this business will contribute to portfolio diversification through secured lending exposures, improve resilience across credit cycles and support more stable earnings.

NON-GAAP MEASURES

Certain non-GAAP financial measures relating to our operations and financial performance like Total Borrowings, Net Interest Income, Debt to Equity Ratio, Net Total Income, Cost to Income Ratio, Gross Stage 3 Loans Loss Allowance Coverage Ratio (%), Total Assets to Total Equity Ratio, Net Stage 3 Loans, Gross Stage 3 Ratio (%), Net Stage 3 Ratio (%), Total Income excluding Interest Income, Total Income adjusted for Net Loss on fair value changes, Net Worth, EBITDA, NAV per Equity Share, and Return on Average Equity have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. Further, these non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

For further information, see *“Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.”* and *“Selected Statistical Information – Reconciliation of non-GAAP measures”* on pages 63 and 335, respectively.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus comprise the restated consolidated summary statements of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the restated consolidated summary statement of profits and losses (including other comprehensive income), the restated consolidated summary statement of cash flows and the restated consolidated summary statement of changes in equity for each of the years ended March 31, 2026, March 31, 2025 and March 31, 2024, and the summary statement of significant material accounting policies and other explanatory information derived from the audited financial statements as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 of Svatanttra Microfin Limited (formerly, Svatanttra Microfin Private Limited), prepared in accordance with Indian Accounting Standards and restated in accordance with the requirements of:

- (i). Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended;
- (ii). The SEBI ICDR Regulations; and
- (iii). The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended time to time.

Basis of Preparation

The Restated Consolidated Summary Statements incorporate the financial statements of our Company and its subsidiary, being the entity that it controls (collectively, the **“Group”**). Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power

over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statement of subsidiaries are prepared for the same reporting year as the parent company.

The Restated Consolidated Summary Statements include results of the subsidiary of our Company, consolidated in accordance with Ind AS 110 'Consolidated Financial Statement'. Figures for preparation of Restated Consolidated Summary Statements have been derived from the audited financial statements of Svatantra Micro Housing Finance Corporation Limited.

- a. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intragroup balances and intra-group transactions.
- b. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
- c. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
- d. The Restated Consolidated Summary Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- e. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
- f. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Restated Consolidated Summary Statement of Assets and Liabilities.

Common control business combinations

Common control business combination refers to a business combination involving entities in which all the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities. Adjustments are made only to harmonise accounting policies.

The financial information in the Restated Consolidated Summary Statements in respect of prior periods have been restated as if the business combination had occurred from the beginning of the earliest period presented in these Restated Consolidated Summary Statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information would have been restated only from that date.

The difference, if any, between the purchase consideration paid either in the form of share capital or cash or other assets and the amount of net assets of the entities acquired is transferred to capital reserve in case of credit balance and Amalgamation adjustment deficit account in case of debit balance and presented separately from other reserves within equity. The nature and purpose of such reserve is disclosed in the notes.

Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Summary Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Restated Consolidated Summary Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and quoted/unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue recognition

Interest Income

Interest income is recognised by applying the Effective Interest Rate (“**EIR**”) to the gross carrying amount of financial assets measured at amortised cost other than credit-impaired assets and financial assets classified as measured at FVTPL. Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of ECL provision) of the financial asset.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for upfront expenses and incomes attributable to the acquisition of the financial asset.

Interest on financial assets subsequently measured at fair value through profit or loss (“**FVTPL**”) is recognised at the contractual rate of interest. Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the Restated Consolidated Summary Statement of Profit and Loss.

Penal Charges and Penal Interest

Penal Charges and Penal Interest are accrued and due on receipt basis.

Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Net loss on fair value changes" under expenses in the Restated Consolidated Summary Statement of Profit and Loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Restated Consolidated Summary Statement of Profit and Loss.

Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Group recognises commission income on completion of distribution of third-party products

(b) Other operating income

The Group recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

Income from direct assignment and securitization

Interest Income on securitized loans are considered at par with own loans and is also recognised under the EIR method. In case of Direct Assignment, Group recognize the income upfront on the basis of fair value by discounting the entire interest strip (excess interest spread) of assigned portfolio.

Impairment of financial assets

Loan assets

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is calculated to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default ("LGD") and (iii) the exposure at default ("EAD"). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

- (i) Stage 1: 12-months ECL - For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (“DPD”) less than or equal to 30 days are classified as stage 1.
- (ii) Stage 2: Lifetime ECL – not credit impaired - For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD 31 days to 89 days are classified as stage 2. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.
- (iii) Stage 3: Lifetime ECL – credit impaired - Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equals to or more than 90 days are classified as stage 3.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

The Group does not have any purchased or originated credit-impaired (“POCI”) financial assets, i.e., financial assets which are credit impaired on purchase/ origination. It has been the Group’s policy to regularly review its ECL model in the context of actual loss experience and adjust when necessary.

Other receivables

In respect of other receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Write-offs:

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Restated Consolidated Summary Statement of Profit and Loss.

Financial instruments

Derivative financial instruments

The Group enters into a derivative financial instruments to manage its exposure to foreign exchange rate risk arising on account of repayment of external commercial borrowings and debts.

Initial Recognition and Subsequent Measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss on remeasurement of derivative instrument will be recognised in the Restated Consolidated Summary Statement of Profit and Loss unless derivative instrument is designated as hedged instrument, qualifies for cash flow hedge and is effective. A derivative with positive fair value is recognised as financial asset whereas a derivative with a negative fair value is recognised as financial liability.

Hedge Accounting

The Group uses derivative instruments to manage its risk on exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship. The documentation includes the Group’s risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction and the nature of the risk being hedged. Hedge effectiveness is determined at the inception of the hedge

relationship and at the end of each reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two. The critical terms of the foreign currency derivatives entered into exactly match the terms of the hedged item. With respect to interest rate derivative, the change in the fair value of the hedge item to the extent regarded as change in interest rate will be considered as the effective hedge. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on floating interest rate) or a highly probable forecast transaction that can affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI reserve within Other Equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the Restated Consolidated Summary Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time is transferred to the Restated Consolidated Summary Statement of Profit and Loss.

Fair Value Hedge

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset or liability, that is attributable to a particular risk and could affect profit or loss. For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Restated Consolidated Summary Statement of Profit and Loss under Net Gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet, and is also recognised in the Restated Consolidated Summary Statement of Profit and Loss under Net Gain on fair value changes. The Group classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments.

Non derivative financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Non-derivative financial assets

Subsequent measurement

Financial assets carried at amortised cost

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Restated Consolidated Summary Statement of Profit and Loss.

Investments in mutual funds and government securities etc.

Investments in such financial instruments are measured at FVTPL.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;

A transfer only qualifies for derecognition if either:

- a. the Group has transferred substantially all the risks and rewards of the asset, or
- b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. The Group continues to recognise the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Restated Consolidated Summary Statement of Profit and Loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the Restated Consolidated Summary Statement of Profit and Loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Restated Consolidated Summary Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the Group and/or its counterparties

Foreign currency

The Group enters to foreign currency transactions during the course of business predominantly relating to borrowing (availment/repayment of borrowing) and payment of fee/charges towards services/products such as license costs, maintenance charges etc.

- i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.
- ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.
- iii) Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, attributable to the assets.

Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis for the Holding Company and on a written down value basis for the Subsidiary Company, over the estimated useful lives of the respective assets, at the rates and in the manner prescribed under Schedule II of the Companies Act, 2013, or based on the useful lives estimated by the management, whichever results in a higher depreciation charge:

Assets Category	Useful Life (in years)
Computer Equipment	3
Computer Servers	6
Furniture & Fixtures	10
Office Equipment's	5
Vehicle	8
Electrical Equipment	5

Leasehold improvements are depreciated over the lease period.

- (i) When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.
- (ii) Property, plant and equipment costing up to ₹ 5,000 (amount in full) individually are fully depreciated in the year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of assets

An item of property plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Amortisation of Intangible Assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Restated Consolidated Summary Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group's intangible assets mainly comprise computer software and trademark. These assets are considered to have a finite useful life and are amortised over 5 years for computer software and three years for trademark using the straight-line method.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Derecognition of assets

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Consolidated Summary Statement of Profit and Loss when the asset is derecognised.

Capital work-in-progress

Capital work-in-progress are carried at cost less impairment loss, if any, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

Intangible assets under development

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Income taxes

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Restated Consolidated Summary Statement of Profit and Loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to tax payable or receivable in respect of prior years. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Employee Benefits

ESOP

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Such cost is recognised, together with a corresponding increase in Employee stock option plan reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Holding Company best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated Summary Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefit expenses. No expense is recognised for awards that do not ultimately vest because of service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Short-term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution to provident fund and other funds:

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, Employee State Insurance Contribution (ESIC) and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administered by the Government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Restated Consolidated Summary Statement of Profit and Loss when incurred.

Gratuity:

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefits / obligations are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.

Compensated Absences:

The employees of the Group are entitled to leave as per the leave policy of the Group. The liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Restated Consolidated Summary Statement of Profit and Loss.

Borrowing costs:

Borrowing cost of financial liabilities is recognised using the EIR method.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Restated Consolidated Summary Statement of Profit and Loss. If at the reporting date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management.

Provisions, Contingent liabilities and Contingent assets:

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and

adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

Possible obligations which will be confirmed only by future events not wholly within the control of the Group or Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

Earnings per share

The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Leases

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Segment Reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments, which is primarily market based. Unallocated corporate items include general corporate income and expenses, which are not attributable to segments.

Reimbursement of processing fee and other charges

As per the guidelines of new government schemes under Pradhan Mantri Awas Yojana (PMAY), no processing fee is allowed to be charged to the eligible customers. However, the Company is entitled to get a reimbursement from the customers for the expenses incurred in connection with origination of the loans. Such reimbursement receivable forms part of “Non-housing loans”, included under loans and advances in the Balance Sheet.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies in Fiscals 2026, 2025 and 2024.

SEGMENT INFORMATION

Set forth below are our reportable segments:

The Group has considered business segment as reportable segment as per Ind AS – 108 Operating Segments for disclosure. The products and services included in each of the reported business segments are as follows:

Segment	Activities
Micro finance	Micro Finance Lending
Housing finance (mortgages)	Housing Finance Lending

Information about Business Segments:

Segment Revenue	For the year ended March 31, 2026			For the year ended March 31, 2025			For the year ended March 31, 2024		
	External	Inter-segment	Total	External	Inter-segment	Total	External	Inter-segment	Total
	(₹ million)								
Micro finance	37,872.17	-	37,872.17	31,578.65	-	31,578.65	21,883.94	-	21,883.94
Housing finance (mortgages)	3,336.94	-	3,336.94	2,831.58	-	2,831.58	2,408.32	-	2,408.32

Segment Revenue	For the year ended March 31, 2026			For the year ended March 31, 2025			For the year ended March 31, 2024		
	External	Inter-segment	Total	External	Inter-segment	Total	External	Inter-segment	Total
	(₹ million)								
Segment revenue	41,209.11	-	41,209.11	34,410.23	-	34,410.23	24,292.26	-	24,292.26
Less: Inter-Segment Revenue	-	-	-	-	-	-	-	-	-
Total Segment Revenue from Operations	41,209.11	-	41,209.11	34,410.23	-	34,410.23	24,292.26	-	24,292.26
Total Revenue from Operation	41,209.11	-	41,209.11	34,410.23	-	34,410.23	24,292.26	-	24,292.26

PRINCIPAL COMPONENTS OF STATEMENT OF INCOME AND EXPENDITURE

Total Revenue from operations

Our Total Revenue from operations comprises (i) interest income; (ii) fees and commission income; (iii) net gain on fair value changes; and (iv) net gain on derecognition of financial instruments under amortized cost category.

Interest income

Interest income is the largest contributor to our Total Revenue from operations. We derive interest income on loans, investments, deposits with banks, employee loans, reverse repo, corporate deposit and others.

Fees and commission income

Our fees and commission income comprises commission received from insurance companies and is primarily derived from the distribution of credit life insurance products to mitigate borrower mortality risk. Our Company has a corporate agency license and the commission is as per the agreements entered into with our insurance partners.

Net gain on fair value changes

We recognise gains/loss on fair value on financial instruments at fair value through profit or loss (FVTPL) on trading investment portfolio and on derivatives instruments.

Net gain on derecognition of financial instruments under amortized cost category

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread ("EIS"). The future EIS basis of the scheduled cash flows on execution of the transaction, discounted at the applicable rate and entered into with the assignee is recorded upfront in the statement of profit and loss.

Other income

Our other income primarily comprises (i) recovery against loans written off, and (ii) miscellaneous income, such as on account of sale from fixed assets.

Expenses

Our expenses comprise (i) finance costs; (ii) impairment of financial instruments; (iii) Employee benefit expenses; (iv) depreciation and amortization expenses and (v) other expenses.

Finance costs

Our finance costs primarily comprise (i) interest on borrowings (other than debt securities), (ii) interest on debt securities, comprising non-convertible debentures and commercial papers, (iii) interest on subordinated liabilities, comprising non-

convertible subordinated debentures, (iv) interest on lease liabilities, and (v) other borrowing costs, comprising portfolio review charges, certification expenses and commitment charges.

Impairment on financial instruments

Impairment on financial instruments includes (i) Impairment on loan portfolio, (ii) Loan portfolio written-off, (iii) Other balance written-off, and (iv) Impairment on other assets.

Employee benefit expenses

Employee benefit expenses comprise (i) salaries and wages, (ii) contribution to provident and other funds, (iii) gratuity expense, (iv) expenses on employee stock option plan, and (v) staff welfare expenses.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses comprise (i) depreciation of property, plant and equipment, (ii) amortisation of right of use assets, and (iii) amortisation of intangible asset.

Other expenses

Our other expenses primarily comprise: (i) advertisement expenses, (ii) rates and taxes, (iii) rent, (iv) communication expenses, (v) credit guarantee fee, (vi) Director's fees, allowances and expenses, (vii) travelling and conveyance expenses, (viii) training expenses, (ix) recruitment expenses, (x) insurance expenses, (xi) printing and stationery, (xii) legal and professional fees, (xiii) website development expenses, (xiv) electricity and water expenses, (xv) membership and subscription, (xvi) repairs and maintenance, (xvii) software service and maintenance, (xviii) other administrative expenses, (xix) cash management charges, (xx) commission and brokerage, (xxi) expenses on corporate social responsibility, (xxii) bank charges, (xxiii) auditors' remuneration, and (xxiv) other expenditure.

RESULTS OF OPERATIONS

The following table sets forth select financial data for Fiscals 2026, 2025 and 2024, the components of which are also expressed as a percentage of total income for such years:

Particulars	Fiscal					
	2026		2025		2024	
	₹ million	Percentage of total income	₹ million	Percentage of total income	₹ million	Percentage of total income
Revenue from operations						
Interest income	37,425.17	89.35%	31,609.51	90.47%	22,098.02	89.64%
Fees and commission income	495.49	1.18%	108.75	0.31%	135.64	0.55%
Net gain on fair value changes	-	-	325.48	0.93%	197.70	0.80%
Net gain on derecognition of financial instruments under amortized cost category	3,288.45	7.85%	2,366.49	6.77%	1,860.90	7.55%
Total Revenue from operations	41,209.11	98.38%	34,410.23	98.48%	24,292.26	98.54%
Other income	679.30	1.62%	529.85	1.52%	359.74	1.46%
Total income	41,888.41	100.00%	34,940.08	100.00%	24,652.00	100.00%
Expenses						
Finance costs	12,460.36	29.74%	12,406.27	35.50%	9,670.73	39.22%
Net loss on fair value changes	45.54	0.11%	-	-	-	-
Impairment on financial instruments	6,227.54	14.87%	5,279.13	15.11%	4,159.65	16.87%
Employee benefit expenses	9,421.83	22.49%	7,419.79	21.24%	4,093.93	16.61%

Particulars	Fiscal					
	2026		2025		2024	
	₹ million	Percentage of total income	₹ million	Percentage of total income	₹ million	Percentage of total income
Depreciation and amortization expenses	322.63	0.77%	268.66	0.77%	161.92	0.66%
Other expenses	4,867.25	11.62%	3,714.67	10.63%	2,035.37	8.26%
Total expense	33,345.15	79.60%	29,088.52	83.25%	20,121.60	81.62%
Profit before tax	8,543.26	20.40%	5,851.56	16.75%	4,530.40	18.38%
Tax expense						
Current tax	2,042.65	4.88%	1,695.34	4.86%	1,310.34	5.32%
Adjustment of tax relating to earlier periods	(34.33)	(0.08)%	(9.03)	(0.03)%	17.38	0.07%
Deferred tax charge / (credit)	40.95	0.10%	(288.57)	(0.83)%	(248.70)	(1.01)%
Profit for the year after tax	6,493.99	15.50%	4,453.82	12.75%	3,451.38	14.00%

Fiscal 2026 Compared to Fiscal 2025

Total Revenue from operations

Our Total Revenue from operations increased by 19.76% from ₹ 34,410.23 million in Fiscal 2025 to ₹ 41,209.11 million in Fiscal 2026.

Interest income

Our interest income increased by 18.40% from ₹ 31,609.51 million in Fiscal 2025 to ₹ 37,425.17 million in Fiscal 2026. This was primarily due to an increase in interest income on loans which was attributable to an increase in our Total Gross Loans by 40.74%, from ₹ 150,210.48 million as of March 31, 2025 to ₹ 211,412.73 million as of March 31, 2026.

Fees and commission income

Our fees and commission income increased from ₹ 108.75 million in Fiscal 2025 to ₹ 495.49 million in Fiscal 2026. This was primarily due to an increase in disbursements by 53.44%, from ₹ 131,916.90 million in Fiscal 2025 to ₹ 202,419.85 million in Fiscal 2026.

Net gain on fair value changes

Our net gain on fair value changes decreased from ₹ 325.48 million in Fiscal 2025 to nil in Fiscal 2026. This was due to change in mark to market gains or losses on account of movement in the price or value of the underlying securities.

Net gain on derecognition of financial instruments under amortized cost category

Our net gain on derecognition of financial instruments under amortized cost category increased by 38.96% from ₹ 2,366.49 million in Fiscal 2025 to ₹ 3,288.45 million in Fiscal 2026. This was on account of higher direct assignment transactions in Fiscal 2026 compared to Fiscal 2025.

Other income

Our other income increased by 28.21% from ₹ 529.85 million in Fiscal 2025 to ₹ 679.30 million in Fiscal 2026. This was on account of higher recovery against loans written off accounts in Fiscal 2026 compared to Fiscal 2025.

Expenses

Finance costs

Our finance costs increased by 0.44% from ₹ 12,406.27 million in Fiscal 2025 to ₹ 12,460.36 million in Fiscal 2026. This was primarily due to an increase in Total Borrowings to support the increase in our Total Gross Loans by 40.74% from

March 31, 2025 to March 31, 2026. This was partially offset by lower incremental cost of borrowings ratio of 8.27% in Fiscal 2026 compared to 9.25% in Fiscal 2025.

Net loss on fair value changes

Our net loss on fair value changes increased from nil in Fiscal 2025 to ₹ 45.54 million in Fiscal 2026. This was primarily due to change losses on account of movement in the price or value of the underlying securities.

Impairment on financial instruments

Impairment on financial instruments increased by 17.97% from ₹ 5,279.13 million in Fiscal 2025 to ₹ 6,227.54 million in Fiscal 2026. This was primarily due to an increase in our Total Gross Loans by 40.74%, from ₹ 150,210.48 million as of March 31, 2025 to ₹ 211,412.73 million as of March 31, 2026, which was partially offset by improved Gross Stage 3 Ratio of 1.37% in Fiscal 2026 compared to 2.34% in Fiscal 2025.

Employee benefit expenses

Our Employee benefit expenses increased by 26.98% from ₹ 7,419.79 million in Fiscal 2025 to ₹ 9,421.83 million in Fiscal 2026. This was primarily on account of increase in headcount due to expansion of existing businesses, opening of new branches to support business growth, increase in headcount of collections team and annual salary increments. We had 26,835 on-roll employees as at March 31, 2026 as compared to 24,864 on-roll employees as at March 31, 2025, a growth of 7.93%.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 20.09% from ₹ 268.66 million in Fiscal 2025 to ₹ 322.63 million in Fiscal 2026. This was due to an increase in depreciation on property, plant and equipment, right of use assets and intangible assets. In Fiscal 2026, gross additions in property, plant and equipment, right of use assets and other intangible assets amounted to ₹ 387.73 million.

Other expenses

Our other expenses increased by 31.03% from ₹ 3,714.67 million in Fiscal 2025 to ₹ 4,867.25 million in Fiscal 2026. This increase was primarily due to:

- (i) an increase in credit guarantee fee from nil in Fiscal 2025 to ₹ 241.58 million in Fiscal 2026. Our Company has availed of insurance cover under the Credit Guarantee Fund for Micro Units (CGFMU) scheme in Fiscal 2026;
- (ii) an increase in our legal and professional fees from ₹ 455.48 million in Fiscal 2025 to ₹ 692.90 million in Fiscal 2026 is primarily due to consultancy services obtained in connection with initiatives to enhance collection efficiency and cost optimization plans;
- (iii) an increase in travelling and conveyance expenses from ₹ 1,120.22 million in Fiscal 2025 to ₹ 1,340.18 million in Fiscal 2026 due to expansion of existing businesses, which resulted in an increase in headcount and supported our business growth;
- (iv) an increase in our software service and maintenance from ₹ 428.48 million in Fiscal 2025 to ₹ 623.90 million in Fiscal 2026 primarily on account of an increase in IT infrastructure workloads in line with business expansion and volumes, as well as initiatives undertaken in connection with the amalgamation and rationalization of systems; and
- (v) an increase in our rates and taxes expenses from ₹ 18.96 million in Fiscal 2025 to ₹ 129.02 million in Fiscal 2026 due to one-time stamp duty to the government paid on account of merger of Svatantra Holding Private Limited and Chaitanya India Fin Credit Private Limited with our Company.

Profit before tax

As a result of the foregoing, our profit before tax increased by 46.00% from ₹ 5,851.56 million for Fiscal 2025 to ₹ 8,543.26 million for Fiscal 2026.

Tax Expense

Our total income tax expense increased by 46.61% from ₹ 1,397.74 million in Fiscal 2025 to ₹ 2,049.27 million in Fiscal 2026 in line with the increase in our profit before tax. Current tax increased from ₹ 1,695.34 million for Fiscal 2025 to ₹ 2,042.65 million in Fiscal 2026 owing to increase in profit before tax from ₹ 5,851.56 million for Fiscal 2025 to ₹ 8,543.26 million for Fiscal 2026. Deferred tax credit was ₹ 288.57 million in Fiscal 2025, while deferred tax charge was ₹ 40.95 million in Fiscal 2026. Adjustment of tax relating to earlier periods stood at ₹ (9.03) million in Fiscal 2025, compared to ₹ (34.33) million in Fiscal 2026.

Profit for the year after tax

As a result of the foregoing, our profit for the year after tax was ₹ 6,493.99 million in Fiscal 2026 as compared to ₹ 4,453.82 million in Fiscal 2025.

Fiscal 2025 Compared to Fiscal 2024

Our results of operations in Fiscal 2025 are not directly comparable with our results of operations for Fiscal 2024 due to the acquisition of CIFCPL in November 2023. Consequently, our results of operations for Fiscal 2024 include only four months of CIFCPL's income and expenses, whereas Fiscal 2025 reflects CIFCPL's income and expenses for the full fiscal.

Total Revenue from operations

Our Total Revenue from operations increased by 41.65% to ₹ 34,410.23 million in Fiscal 2025 from ₹ 24,292.26 million in Fiscal 2024.

Interest income

Our interest income increased by 43.04% from ₹ 22,098.02 million in Fiscal 2024 to ₹ 31,609.51 million in Fiscal 2025, primarily due to a full year contribution from CIFCPL following its acquisition in November 2023, together with growth in our average loan portfolio and assets under management during Fiscal 2025.

Fees and commission income

Our fees and commission income decreased by 19.82% from ₹ 135.64 million in Fiscal 2024 to ₹ 108.75 million in Fiscal 2025. This was due to discontinuation of Mediclaim, accidental insurance and tele medicine products in Fiscal 2025.

Net gain on fair value changes

Our net gain on fair value changes increased by 64.63% from ₹ 197.70 million in Fiscal 2024 to ₹ 325.48 million in Fiscal 2025.

Net gain on derecognition of financial instruments under amortized cost category

Our net gain on derecognition of financial instruments under amortized cost category increased by 27.17% from ₹ 1,860.90 million in Fiscal 2024 to ₹ 2,366.49 million in Fiscal 2025.

Other income

Our other income increased by 47.29% from ₹ 359.74 million in Fiscal 2024 to ₹ 529.85 million in Fiscal 2025. This was primarily on account of an increase in recovery against loans written off from ₹ 61.21 million in Fiscal 2024 to ₹ 289.12 million in Fiscal 2025.

Expenses

Finance costs

Our finance costs increased by 28.29% from ₹ 9,670.73 million in Fiscal 2024 to ₹ 12,406.27 million in Fiscal 2025 primarily due to higher borrowings required to support the growth of our loan portfolio and the inclusion of a full year of finance costs relating to CIFCPL following its acquisition.

Impairment on financial instruments

Impairment on financial instruments increased by 26.91% from ₹ 4,159.65 million in Fiscal 2024 to ₹ 5,279.13 million in Fiscal 2025.

Employee benefit expenses

Our Employee benefit expenses increased by 81.24% from ₹ 4,093.93 million in Fiscal 2024 to ₹ 7,419.79 million in Fiscal 2025. This was primarily due to the inclusion of a full year of employee costs relating to CIFCPL, expansion of our workforce to support business growth and investments in strengthening our branch network, field force and operational capabilities.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 65.92% from ₹ 161.92 million in Fiscal 2024 to ₹ 268.66 million in Fiscal 2025, primarily due to the inclusion of a full year of depreciation and amortisation relating to CIFCPL, together with additions to our branch infrastructure, leasehold assets and technology assets.

Other expenses

Our other expenses increased by 82.51% from ₹ 2,035.37 million in Fiscal 2024 to ₹ 3,714.67 million in Fiscal 2025, primarily on account of the following:

- (i) an increase in travelling and conveyance expenses from ₹ 551.57 million in Fiscal 2024 to ₹ 1,120.22 million in Fiscal 2025 due to expansion of existing businesses and to support business growth, particularly following the CIFCPL acquisition;
- (ii) an increase in training expenses from ₹ 63.46 million in Fiscal 2024 to ₹ 206.73 million in Fiscal 2025 due to the expansion of our employee base following the acquisition of CIFCPL;
- (iii) an increase in legal and professional fees from ₹ 215.21 million in Fiscal 2024 to ₹ 455.48 million in Fiscal 2025;
- (iv) an increase in our software service and maintenance from ₹ 234.27 million in Fiscal 2024 to ₹ 428.48 million in Fiscal 2025 primarily on account of initiatives undertaken towards enhancing our systems;
- (v) an increase in our rent from ₹ 194.36 million in Fiscal 2024 to ₹ 370.54 million in Fiscal 2025 primarily due to the inclusion of rental expenses relating to a full year of CIFCPL's branch network; and
- (vi) an increase in cash management charges (CMS) from ₹ 273.46 million in Fiscal 2024 to ₹ 336.81 million in Fiscal 2025.

Profit before tax

As a result of the foregoing, our profit before tax increased by 29.16% from ₹ 4,530.40 million for Fiscal 2024 to ₹ 5,851.56 million for Fiscal 2025.

Tax Expense

Our total income tax expense increased by 29.54% from ₹ 1,079.02 million in Fiscal 2024 to ₹ 1,397.74 million in Fiscal 2025 in line with the increase in our profit before tax. Current tax increased from ₹ 1,310.34 million in Fiscal 2024 to ₹ 1,695.34 million in Fiscal 2025. Deferred tax credit was ₹ 248.70 million in Fiscal 2024 compared to ₹ 288.57 million in Fiscal 2025.

Profit for the year after tax

As a result of the foregoing, our profit for the year after tax was ₹ 4,453.82 million in Fiscal 2025 as compared to ₹ 3,451.38 million in Fiscal 2024.

STATEMENT OF ASSETS AND LIABILITIES

Our financial condition as of March 31, 2026 reflects the amalgamation of Svatantra Holdings Private Limited and Chaitanya India Fin Credit Private Limited into our Company under applicable provisions of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026.

Assets

Our total assets increased from ₹ 156,816.78 million as at March 31, 2024 to ₹ 159,338.30 million as at March 31, 2025, and further to ₹ 238,373.83 million as at March 31, 2026. The increase in our total assets during these years was primarily due to an increase in Loans.

The following table gives the various components of our total assets:

Particulars	As at March 31,		
	2026	2025	2024
	(₹ million)		
TOTAL ASSETS	238,373.83	159,338.30	156,816.78
Financial assets			
Cash and cash equivalents	21,451.46	7,289.60	14,419.53
Bank balances other than cash and cash equivalents	3,026.92	1,512.34	1,146.46
Derivative financial instruments	256.91	54.01	-
Receivables			
(i) Trade receivables	117.18	46.70	42.83
(ii) Other receivables	8.88	11.06	44.22
Loans	204,767.62	143,342.48	135,414.32
Investments	1,799.97	947.39	669.98
Other financial assets	3,071.38	2,580.27	2,420.11
Total financial assets	234,500.32	155,783.85	154,157.45
Non-financial assets			
Current tax assets (net)	255.94	368.58	82.94
Deferred tax assets (net)	1,639.59	1,718.81	1,422.32
Investment property	0.25	0.25	0.25
Property, plant and equipment	458.77	443.48	381.51
Right of use asset	220.66	196.52	240.15
Other intangibles assets	79.23	75.95	59.92
Intangible assets under development	265.04	157.49	-
Other non financial assets	954.03	593.37	472.24
Total non-financial assets	3,873.51	3,554.45	2,659.33

Total Financial Assets

Our total financial assets increased from ₹ 154,157.45 million as at March 31, 2024 to ₹ 155,783.85 million as at March 31, 2025 and further to ₹ 234,500.32 million as at March 31, 2026. The increase in our total financial assets was primarily due to an increase in our loans, cash and cash equivalents and bank balances other than cash and cash equivalents.

Our total financial assets comprise of the following components:

Cash and cash equivalents

Our cash and cash equivalents decreased from ₹14,419.53 million as at March 31, 2024 to ₹ 7,289.60 million as at March 31, 2025 primarily on account of (i) a decrease in balances with banks - in current accounts from ₹ 7,256.04 million as at March 31, 2024 to ₹ 5,581.01 million as at March 31, 2025, and (ii) a decrease in balances with banks – deposit with original maturity of less than three months from ₹ 6,661.76 million as at March 31, 2024 to ₹ 250.57 million as at March 31, 2025. Our cash and cash equivalents increased from ₹ 7,289.60 million as at March 31, 2025 to ₹ 21,451.46 million as at March 31, 2026, primarily due to increase in our balances with banks – in current accounts from ₹ 5,581.01 million as at March 31, 2025 to ₹ 13,245.16 million as at March 31, 2026, on account of maintaining LCR. Our investment in reverse repo also increased from ₹ 1,450.80 million as at March 31, 2025 to ₹ 5,893.51 million as at March 31, 2026.

Bank balances other than cash and cash equivalents

Our Bank balances other than cash and cash equivalents increased from ₹ 1,146.46 million as at March 31, 2024 to ₹ 1,512.34 million as at March 31, 2025, and further to ₹ 3,026.92 million as at March 31, 2026. The increase was primarily due to increase in Bank balances other than cash and cash equivalents in fixed deposit accounts with original maturity of more than 12 months.

Derivative financial instruments (Assets)

We enter derivative transactions with various counterparties to hedge foreign exchange and interest rate risks associated with our external commercial borrowings, foreign currency term loans and non-convertible debentures.

Our derivative financials instrument increased from ₹ 54.01 million as at March 31, 2025 to ₹ 256.91 million as at March 31, 2026. This increase was due to fluctuations in the fair value of forward contracts, interest rate swaps and cross-currency swaps associated with our external commercial borrowings, foreign currency term loans and non-convertible debentures.

Our derivative financials instrument increased from nil as at March 31, 2024 to ₹ 54.01 million as at March 31, 2025. This increase was primarily due to fluctuations in the fair value of cross-currency swaps associated with our external commercial borrowings.

Receivables

Particulars	As at March 31,		
	2026	2025	2024
	(₹ million)		
Receivables			
(i) Trade receivables	117.18	46.70	42.83
(ii) Other receivables	8.88	11.06	44.22
Total receivables (i)+(ii)	126.06	57.76	87.05

Our receivables increased from ₹ 57.76 million as at March 31, 2025 to ₹ 126.06 million as at March 31, 2026. The increase was on account of increase in trade receivables from ₹ 46.70 million as of March 31, 2025 to ₹ 117.18 million as of March 31, 2026.

Our receivables decreased from ₹ 87.05 million as at March 31, 2024 to ₹ 57.76 million as at March 31, 2025. The decrease was on account of decrease in other receivables from ₹ 44.22 million as at March 31, 2024 to ₹ 11.06 million as at March 31, 2025.

Loans

Our loans increased from ₹ 143,342.48 million as at March 31, 2025 to ₹ 204,767.62 million as at March 31, 2026. The increase was on account of disbursements of ₹ 202,419.85 million during Fiscal 2026, offset by regular repayments.

Our loans increased from ₹ 135,414.32 million as at March 31, 2024 to ₹ 143,342.48 million as at March 31, 2025. The increase was on account of disbursements of ₹ 131,916.90 million during Fiscal 2025, offset by regular repayments.

Investments

The following table sets forth the components of our investments:

Particulars	As at March 31,		
	2026	2025	2024
	(₹ million)		
Investment carried at fair value through profit and loss			
Investment in treasury bill (A)	1,750.52	49.97	94.21
Investment in certificate of deposit (B)	-	499.75	-
Units of Mutual Fund (C)	49.45	397.67	13.93
Investment in Government Securities (D)	-	-	561.84
Total (A+B+C+D)	1,799.97	947.39	669.98

Our investments increased from ₹ 947.39 million as at March 31, 2025 to ₹ 1,799.97 million as at March 31, 2026. The increase was primarily on account of investment in treasury bill.

Our investments increased from ₹ 669.98 million as at March 31, 2024 to ₹ 947.39 million as at March 31, 2025. The increase was primarily on account of investment in certificate of deposit and units of mutual funds.

Other financial assets

Other financial assets increased from ₹ 2,580.27 million as at March 31, 2025 to ₹ 3,071.38 million as at March 31, 2026.

The increase was primarily on account of excess interest spread receivable on direct assignment.

Other financial assets increased from ₹ 2,420.11 million as at March 31, 2024 to ₹ 2,580.27 million as at March 31, 2025. The increase was primarily on account of security deposits, deposit with SIDBI, and receivables from insurance company, which was offset by excess interest spread receivable on direct assignment.

Total Non-Financial Assets

Our total non-financial assets increased from ₹ 3,554.45 million as at March 31, 2025 to ₹ 3,873.51 million as at March 31, 2026, primarily on account of increase in property, plant and equipment, right of use asset, other intangibles assets, intangible assets under development and other non financial assets, which was offset by current tax assets (net) and deferred tax assets (net).

Our total non-financial assets increased from ₹ 2,659.33 million as at March 31, 2024 to ₹ 3,554.45 million as at March 31, 2025, primarily on account of increase in current tax assets (net), deferred tax assets (net), property, plant and equipment, other intangibles assets, intangible assets under development and other non financial assets, which was offset by right of use asset.

Liabilities and equity

The table below sets forth the principal components of our total liabilities and total equity as on the dates indicated in the table below:

Particulars	As at March 31,		
	2026	2025	2024
	(₹ million)		
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
(a) Payables			
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	63.27	33.34	0.38
(ii) Total outstanding dues of creditors other than micro and small enterprises	726.71	247.97	199.28
(II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro and small	11.42	101.74	79.46
(b) Debt securities	23,189.12	3,902.40	4,305.24
(c) Borrowings (other than debt securities)	156,751.90	109,658.79	118,436.50
(d) Subordinated liabilities	6,191.61	6,322.52	6,431.08
(e) Lease Liabilities	240.74	211.05	246.95
(f) Other financial liabilities	3,034.82	2,433.67	2,916.88
Total financial liabilities	190,209.59	122,911.48	132,615.77
Non-financial liabilities			
(a) Provisions	568.00	485.52	356.15
(b) Other non-financial liabilities	175.59	203.41	127.19
(c) Current tax liabilities (net)	40.58	40.70	19.61
Total non-financial liabilities	784.17	729.63	502.95
Total liabilities	190,993.76	123,641.11	133,118.72
EQUITY			
(a) Equity share capital	8,030.77	4,922.75	2,120.46
(b) Equity share pending for issuance	-	2,155.60	2,101.33
(c) Instruments entirely equity in nature	-	-	11,000.00
(d) Other equity	39,349.30	28,618.84	8,476.27
Equity attributable to Owners of the Holding Company	47,380.07	35,697.19	23,698.06
Non-controlling interest	-	-	-
TOTAL EQUITY	47,380.07	35,697.19	23,698.06
TOTAL LIABILITIES AND EQUITY	238,373.83	159,338.30	156,816.78

Total Financial Liabilities

Our total financial liabilities increased from ₹ 122,911.48 million as at March 31, 2025, to ₹ 190,209.59 million as at March 31, 2026, primarily on account of increase in debt securities and borrowings (other than debt securities).

Our total financial liabilities decreased from ₹ 132,615.77 million as at March 31, 2024 to ₹ 122,911.48 million as at March 31, 2025, primarily on account of decrease in debt securities, subordinated liabilities and borrowings (other than debt securities).

Our total financial liabilities comprises the following components:

Borrowings

Particulars	As at March 31,		
	2026	2025	2024
	(₹ million)		
Debt securities (A)	23,189.12	3,902.40	4,305.24
Borrowings (other than debt securities) (B)	156,751.90	109,658.79	118,436.50
Subordinated liabilities (C)	6,191.61	6,322.52	6,431.08
Total Borrowings (A+B+C)	186,132.63	119,883.71	129,172.82

Our Total Borrowings increased from ₹ 119,883.71 million as at March 31, 2025 to ₹ 186,132.63 million as at March 31, 2026, primarily to support growth of our Total Gross Loans.

Our Total Borrowings decreased from ₹ 129,172.82 million as at March 31, 2024 to ₹ 119,883.71 million as at March 31, 2025, primarily due to equity infusion of ₹ 8,300.00 million in Fiscal 2025.

Other financial liabilities

Our other financial liabilities increased from ₹ 2,433.67 million as at March 31, 2025 to ₹ 3,034.82 million as at March 31, 2026, primarily due to increase in amounts payable towards assigned portfolio, employee benefits payable and bank overdraft.

Our other financial liabilities decreased from ₹ 2,916.88 million as at March 31, 2024 to ₹ 2,433.67 million as at March 31, 2025, primarily due to decrease in amounts payable towards assigned portfolio.

Total non-financial liabilities

Our total non-financial liabilities increased from ₹ 729.63 million as at March 31, 2025 to ₹ 784.17 million as at March 31, 2026, primarily due to an increase in provisions offset by other non-financial liabilities.

Our total non-financial liabilities increased from ₹ 502.95 million as at March 31, 2024 to ₹ 729.63 million as at March 31, 2025, primarily due to an increase in provisions, other non-financial liabilities and current tax liabilities (net).

Total equity

Our total equity increased from ₹ 35,697.19 million as at March 31, 2025 to ₹ 47,380.07 million as at March 31, 2026, primarily due to retained earnings and raising of equity capital through a rights issue.

Our total equity increased from ₹ 23,698.06 million as at March 31, 2024 to ₹ 35,697.19 million as at March 31, 2025, primarily due to retained earnings and raising of equity capital offset by conversion of compulsorily convertible non-cumulative preference shares.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs to support the growth of our Total Gross Loans. We have met these requirements through raising equity capital from shareholders (including our Promoter) and Total Borrowings. As at March 31, 2026, we had cash and cash equivalents of ₹ 21,451.46 million, bank balance other than cash and cash equivalents of ₹ 3,026.92 million, and Total Borrowings of ₹ 186,132.63 million.

We believe that, after taking into account our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for the next 12 months.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our funding levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements and debentures contain a number of covenants including financial covenants. For details, see “*Financial Indebtedness*” on page 431 and “*Risk Factors — We are subject to certain covenants and conditions under our financing arrangements. Inability to meet our obligations could adversely affect our business, liquidity, financial condition, results of operations and cash flows.*” on page 34.

CASH FLOWS

The table below summarises the statement of cash flows for the years indicated:

Particulars	Fiscal		
	2026	2025	2024
	(₹ million)		
Cash generated from/(used in) operations	(53,926.07)	(4,277.97)	(11,492.46)
Cash generated from/(used in) investing activities	(2,578.53)	(516.22)	(10,063.45)
Cash generated from/(used in) financing activities	70,666.46	(2,335.74)	25,666.62
Net increase/(decrease) in cash and cash equivalents	14,161.86	(7,129.93)	4,110.71

Cash generated from/(used in) operations

Fiscal 2026

Cash used in operations for Fiscal 2026 was ₹ 53,926.07 million. Our profit before tax was ₹ 8,543.26 million, which was primarily adjusted for Impairment on financial instruments of ₹ 6,227.54 million, depreciation and amortisation of ₹ 322.63 million and interest accrued on borrowings of ₹ 322.08 million. Movement in working capital was primarily attributable to an increase in loans and advances of ₹ 66,956.99 million and an increase in other non financial assets of ₹ 360.66 million, which was partially offset by a decrease in other financial assets including derivatives of ₹ 2,594.44 million, an increase in other financial liabilities of ₹ 601.16 million, and an increase in trade payables of ₹ 418.35 million.

Fiscal 2025

Cash used in operations for Fiscal 2025 was ₹ 4,277.97 million. Our profit before tax was ₹ 5,851.56 million, which was primarily adjusted for Impairment on financial instruments of ₹ 5,279.13 million, depreciation and amortisation of ₹ 268.66 million, interest accrued on borrowings of ₹ 316.41 million and amortisation of interest expenses (transaction cost) of ₹ 244.48 million. Movement in working capital was primarily attributable to an increase in loans and advances of ₹ 13,091.00 million and a decrease in other financial liabilities of ₹ 522.83 million, which was partially offset by a decrease in other financial assets including derivatives of ₹ 2,120.29 million.

Fiscal 2024

Cash used in operations for Fiscal 2024 was ₹ 11,492.46 million. Our profit before tax was ₹ 4,530.40 million, which was primarily adjusted for net gain on derecognition of financial instruments under amortized cost category of ₹ 1,860.90 million, net loss on fair value changes of ₹ 197.70 million, and interest on fixed deposits of ₹ 291.15 million. Movement in working capital was primarily attributable to an increase in loans of ₹ 15,032.49 million.

Cash generated from/(used in) investing activities

Fiscal 2026

Our cash used in investing activities for Fiscal 2026 was ₹ 2,578.53 million, which primarily consisted of purchase of mutual funds of ₹ 33,679.39 million, Purchase of Government securities and others of ₹ 15,865.00 million and investments in fixed deposits of ₹ 1,531.86 million. This was partially offset primarily by Proceeds from sale of mutual funds of ₹ 34,085.33 million, and Proceeds from sale of Government securities and others of ₹ 14,573.30 million.

Fiscal 2025

Our cash used in investing activities for Fiscal 2025 was ₹ 516.22 million, which primarily consisted of purchase of mutual funds ₹ 93,456.77 million, Purchase of Government securities and others of ₹ 26,235.00 million, Purchase of property, plant and equipment, intangibles including intangibles underdevelopment of ₹ 436.56 million and investments in fixed deposits of ₹ 283.87 million. This was partially offset primarily by Proceeds from sale of mutual funds of ₹ 93,376.80 million, and Proceeds from sale of Government securities and others of ₹ 26,363.28 million.

Fiscal 2024

Our cash used in investing activities for Fiscal 2024 was ₹ 10,063.45 million, which primarily consisted of Acquisition of subsidiary (net of cash and cash equivalents) of ₹ 14,637.84 million, purchase of mutual funds of ₹ 84,073.46 million, Purchase of Government securities and others of ₹ 8,755.44 million, and Purchase of property, plant and equipment, intangibles including intangibles underdevelopment of ₹ 415.78 million. This was partially offset primarily by Proceeds from sale of mutual funds of ₹ 88,221.30 million, Proceeds from sale of Government securities and others of ₹ 8,101.47 million and maturity of fixed deposits of ₹ 1,099.80 million.

Financing Activities

Fiscal 2026

Our cash generated from financing activities for Fiscal 2026 was ₹ 70,666.46 million, and primarily included proceeds from borrowings, debt securities and subordinated liabilities of ₹ 156,253.30 million and proceeds from issue of share capital (including securities premium) of ₹ 5,000.18 million. This was partially offset primarily by repayment of borrowings, debt securities and subordinated liabilities of ₹ 90,477.26 million.

Fiscal 2025

Our cash used in financing activities for Fiscal 2025 was ₹ 2,335.74 million, and primarily included repayment of borrowings, debt securities and subordinated liabilities of ₹ 77,345.68 million and dividend paid of ₹ 1,108.98 million. This was partially offset primarily by proceeds from borrowings, debt securities and subordinated liabilities of ₹ 67,534.96 million and proceeds from issue of share capital (including securities premium) of ₹ 8,670.12 million.

Fiscal 2024

Our cash generated from financing activities for Fiscal 2024 was ₹ 25,666.62 million, which primarily included proceeds from borrowings, debt securities and subordinated liabilities of ₹ 70,262.25 million, proceeds from issuance of compulsorily convertible preference shares of ₹ 11,000.00 million and proceeds from issue of share capital (including securities premium) of ₹ 475.29 million. This was partially offset primarily by repayment of borrowings, debt securities and subordinated liabilities of ₹ 56,035.92 million.

CREDIT RATING

The following table sets forth certain information with respect to our Company's credit ratings as at March 31, 2026.

Instrument	Credit Rating Agency	Rating			
		As of this Draft Red Herring Prospectus	As of March 31,		
			2026	2025	2024
Non-convertible debentures	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Long-term fund based facilities	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Commercial papers	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Subordinate Debt	CRISIL	CRISIL AA/ Stable	CRISIL AA/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Short Term Debt	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Non-convertible debentures	CareEdge	-	Withdrawn ⁽¹⁾	CARE AA-/ Stable	CARE AA-/ Stable
Long-term bank loans	CareEdge	CARE AA/ Stable	CARE AA/ Stable	CARE AA-/ Stable	CARE AA-/ Stable

Instrument	Credit Rating Agency	Rating			
		As of this Draft Red Herring Prospectus	As of March 31,		
			2026	2025	2024
Subordinate Debt	CareEdge	-	-	-	Withdrawn
Non-convertible debentures	India Ratings	IND AA-/Stable ⁽²⁾	-	-	-

Note:

(1) Rating for non-convertible debentures was withdrawn on account of redemption of the tranche.

(2) CIFCPL was assigned ratings from India Ratings for its non-convertible debentures. Following the acquisition of CIFCPL and as of the date of this Draft Red Herring Prospectus, our Company has consequently been assigned this rating by India Ratings.

See “Risk Factors - Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, financial condition, results of operations and cash flows.” on page 35.

AUDITOR’S OBSERVATIONS

Our Statutory Auditors’ report on our consolidated financial statements for Fiscal 2026 includes an emphasis of matter paragraph drawing attention to the Scheme of Amalgamation of Chaitanya India Fin Credit Private Limited and Svatantra Holding Private Limited with our Company, pursuant to which the comparative financial information as at March 31, 2025 has been restated to give effect to the adjustments arising from such amalgamation. The Statutory Auditors have stated that their opinion is not modified in respect of this matter.

Our Statutory Auditors have included certain modifications in the “Report on Other Legal and Regulatory Requirements” section of their auditor’s reports on our consolidated financial statements for Fiscals 2026 and 2025. These matters primarily related to: (i) limitations in compliance with the statutory requirements relating to the maintenance of daily electronic back-ups of books of account for certain accounting software; and (ii) exceptions relating to the enablement and operation of audit trail (edit log) features for certain accounting software, including audit trail functionality for master data, specified fields and tables, and direct changes to data using certain access rights. The annexure to the auditors’ reports issued under the Companies (Auditor’s Report) Order, 2020 also includes certain modifications in respect of a) Repayment of loan receipts are not regular and b) Loans or advances granted which are overdue for more than 90 days. These matters primarily relate to system configurations, electronic record maintenance, audit trail functionality and other operational and compliance processes.

Our Company has implemented and continues to implement measures to strengthen its internal controls and governance framework, including measures relating to the maintenance of electronic records, daily back-up processes, audit trail functionality and management oversight. In addition, the loans referred to above were extended in the ordinary course of business and are repayable on demand in accordance with their terms. However, there can be no assurance that these remediation measures will be fully effective or that similar matters will not arise in the future.

Further, the report of our Previous Statutory Auditors on our consolidated financial statements for Fiscal 2024 also included certain observations under the Companies (Auditor’s Report) Order, 2020 in relation to loans granted by our Company and Chaitanya India Fin Credit Private Limited that were repayable on demand. The auditors of SMHFCL have also included modifications under the Companies (Auditor’s Report) Order, 2020 for Fiscal 2025 and Fiscal 2024 in the standalone financial statements in respect of a) Repayment of loan receipts are not regular and b) Loans or advances granted which are overdue for more than 90 days.

For further information, see “Risk Factors – Our Statutory Auditors’ examination report discloses certain modifications under the “Other Legal and Regulatory Requirements” section, an emphasis of matter paragraph and modifications under the Companies (Auditor’s Report) Order, 2020 for Fiscals 2026 and 2025. Further, our Previous Statutory Auditor’s examination report for Fiscal 2024 includes certain modifications under the Companies (Auditor’s Report) Order, 2020. Any failure to remediate the underlying matters or any future adverse findings may adversely affect our financial condition, results of operations and cash flows.” on page 50.

INDEBTEDNESS

As at March 31, 2026, we had Total Borrowings of ₹ 186,132.63 million, comprising of (i) borrowings (other than debt securities) of ₹ 156,751.90 million, comprising term loans from and from others; (ii) ₹ 23,189.12 million in debt securities, comprising secured, unsecured redeemable non-convertible debentures and Borrowings under securitisation arrangement; and (iii) subordinated liabilities of ₹ 6,191.61 million, comprising unsecured non-convertible subordinated debentures which were primarily used to fund our Total Gross Loans.

Set forth below are the details of our borrowings, as of the dates indicated.

Particulars	As at March 31,		
	2026	2025	2024
	(₹ million)		
Debt securities (A)	23,189.12	3,902.40	4,305.24
Borrowings (other than debt securities) (B)	156,751.90	109,658.79	118,436.50
Subordinated liabilities (C)	6,191.61	6,322.52	6,431.08
Total Borrowings (A+B+C)	186,132.63	119,883.71	129,172.82

Note:

(1) Total Borrowings represent the aggregate of our Debt securities, Borrowings (other than debt securities) and Subordinated liabilities as of the last day of the relevant year.

CONTRACTUAL OBLIGATIONS

The table below sets forth our contractual obligations with definitive payment terms as of March 31, 2026:

Particulars	Within 1 Year	1 – 5 Years	5 – 10 Years	Beyond 10 Years	Total
Trade and other payables	801.40	-	-	-	801.40
Debt securities	23,742.10	2,286.42	-	-	26,028.51
Borrowings	99,601.92	69,906.88	1,395.96	-	170,904.76
Subordinated liabilities	1,313.58	6,183.13	-	-	7,496.71
Other financial liabilities	3,034.82	-	-	-	3,043.82
Lease liabilities	79.34	161.40	-	-	240.74
Total	128,573.16	78,537.83	1,395.96	-	208,506.94

CONTINGENT LIABILITIES AND COMMITMENTS

The following table sets forth the principal components of our contingent liabilities as per IND AS 37 – Provisions, Contingent Liabilities and Contingent Assets as at March 31, 2026:

Particulars	As of March 31, 2026 (₹ million)
i) In respect of Income tax demands where the Group has filed an appeal with relevant authority	44.42
ii) Bank guarantee issued by Banks favoring the NHB for refinance facilities	217.50

Note (i). On account of Income tax demands of certain disallowances made by the Assessing Officer such as share premium, share issue expenses, ESOP expenses, and deduction of TDS at concessional rates. The management believes that there will be no probable economic outflow arising from these cases and, accordingly, no provision has been made in the financial statements in accordance with IND AS 37.

For further information on our contingent liabilities as per IND AS 37 – Provisions, Contingent Liabilities and Contingent Assets as at March 31, 2026, see Note 36 of our Restated Consolidated Summary Statements on page 394.

The following table sets forth our commitments not provided for:

Particulars	As of March 31, 2026 (₹ million)
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	28.91
ii) Undrawn Commitment given to Borrowers	2,105.11
Total	2,134.02

CAPITAL EXPENDITURES

Our historical capital expenditures were primarily to purchase of property, plant and equipment, intangibles including intangibles underdevelopment, which amounted to ₹ 365.07 million, ₹ 436.56 million and ₹ 415.78 million in Fiscals 2026, 2025 and 2024, respectively.

The following table sets forth the gross carrying value of property, plant and equipment, as of the dates indicated below:

(₹ million)

Particulars	As of March 31, 2026	As of March 31, 2025	As of March 31, 2024
	(₹ million)		
Furniture and fixtures (I)	288.00	243.69	205.16
Computers (II)	538.83	496.29	426.61
Office equipment's (III)	281.76	238.68	170.58
Vehicles (IV)	0.09	0.09	0.09
Electrical equipment (V)	41.71	36.48	27.30
Leasehold Improvements (VI)	78.33	53.93	31.72
Total (VII = I + II + III + IV + V + VI)	1,228.72	1,069.16	861.46

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements that would materially affect our financial condition or results of operations.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties. For further information please see “Other Financial Information—Related party transactions” on page 429.

CAPITAL ADEQUACY

We are subject to the CRAR requirements on a standalone basis as prescribed by the RBI. As at March 31, 2025, we were required to maintain a minimum CRAR of 15.0%, including Tier I Capital of 10.0%. Further, under the NBFC Scale Based Regulations, we are required to maintain Common Equity Tier 1 (CET1) capital of at least 9.0% of total risk weighted assets.

The following table sets forth certain information relating to our CRAR as at March 31, 2026, March 31, 2025, and March 31, 2024.

CRAR – our Company

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Tier I Capital	39,121.20	31,112.58	18,735.64
Tier II Capital	507.78	4,224.70	5,457.32
Tier I + Tier II Capital	39,628.98	35,337.28	24,192.96
Risk Weighted Assets	171,373.75	134,214.07	125,685.11
Tier I CRAR (%)	22.83%	23.18%	14.91%
Tier II CRAR (%)	0.29%	3.15%	4.34%
Total CRAR (%)	23.12%	26.33%	19.25%

CRAR – Housing Finance

Particulars	As of		
	March 31, 2026	March 31, 2025	March 31, 2024
	(₹ million, except percentages)		
Tier I Capital	4,237.93	3,657.99	3,473.50
Tier II Capital	137.24	179.81	234.47
Tier I + Tier II Capital	4,375.17	3,837.80	3,707.97
Risk Weighted Assets	15,027.20	12,020.33	10,668.72
Tier I CRAR (%)	28.20%	30.43%	32.56%
Tier II CRAR (%)	0.91%	1.50%	2.20%
Total CRAR (%)	29.11%	31.93%	34.76%

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to certain financial risks, namely credit risk, liquidity risk and market risk i.e. interest rate risk, foreign currency risk and price risk. Our primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities. Our Board of Directors has overall responsibility for the establishment and oversight of our risk management framework. The Risk Management Committee is responsible for developing and monitoring our risk management policies. The Committee holds regular meetings and report to board on its activities. Our risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

We have a Board-approved Risk Management framework and have also performed internal capital adequacy assessment process (“ICAAP”). A robust risk management strategy is in place to manage key risks such as strategic, compliance, credit, liquidity, operational risks and reporting risks. Our risk management framework is driven by our Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. We give due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer’s business and residence and major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Audit committee oversees how management monitors compliances with our risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by us. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For us, liquidity risk arises from obligations on account of financial liabilities – debt securities, borrowing, trade payables and other financial liabilities. We manage liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Market risk

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract.

Hedging Policy

Our Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant IND AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. We enter into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and qualitative assessment of effectiveness is performed.

Interest rate risk

We are subject to interest rate risk, since the rates of borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, we seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and the Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks. Our exposure to changes in interest rates relates to our outstanding floating rate liabilities.

Price risk

Our exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, we diversify our portfolio of assets.

Credit risk

Credit risk is the risk that we will incur a loss because our customers or counterparties fail to discharge their contractual obligations. Our exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. We continuously monitor defaults of customers and other counterparties and incorporate this information into its credit risk controls.

SIGNIFICANT ECONOMIC CHANGES

Other than as described above in “—*Significant Factors Affecting Our Results of Operations and Financial Condition*” and under the heading titled “*Our Business*” on pages 437 and 235, respectively, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled “—*Significant Factors Affecting Our Results of Operations and Financial Condition*” and the uncertainties described in the section titled “*Risk Factors*” beginning on page 437 and 28, respectively. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as described in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections “*Risk Factors*”, “*Our Business*” and “*Managements’ Discussion and Analysis of Financial Condition and Results of Operations*” on pages 28, 235 and 434, respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See sections “*Risk Factors— Our inability to compete effectively in an increasingly competitive industry may adversely affect our market share, business and financial condition*”, “*Industry Overview*” and “*Our Business— Competition*” on pages 40, 147 and 264, respectively.

SEASONALITY / CYCLICALITY OF BUSINESS

Our business is subject to seasonality as we generally see higher borrowings and drawdowns by our borrowers during the third and fourth quarter of each Fiscal due to increased economic activity towards the end of the Fiscal owing to the harvest season in rural areas in India. Further, there is typically an increase in retail economic activity in India during the period from October to March, due to several holiday periods, festivals and improved weather conditions, resulting in higher volumes of business during this period. For further information, see “*Risk Factors - Our business is subject to seasonality, which may contribute to fluctuations in our financial condition, results of operations and cash flows*” on page 51.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2026 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

No circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus which may materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company, Subsidiary, Promoters and Directors are from time to time, involved in various litigation proceedings in the ordinary course of their business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, actions taken by statutory and regulatory authorities and tax proceedings. These legal proceedings may have been initiated by our Company, Subsidiary, Promoters and Directors or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

*Except as disclosed in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings involving our Company, Subsidiary, Promoters and Directors ("**Relevant Parties**"), Key Managerial Personnel and Senior Management Personnel; (ii) actions taken by regulatory and statutory authorities (including all outstanding penalties and show cause notices) involving the Relevant Parties, Key Managerial Personnel and Senior Management Personnel; (iii) disciplinary action including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five Financial Years; (iv) claims related to direct and indirect taxes in a consolidated manner, giving the number of cases and total amount involved in such cases, involving the Relevant Parties; and (v) other pending civil proceedings including arbitration matters as determined to be material as per the Materiality Policy involving the Relevant Parties.*

It is clarified that, for the purposes of (ii) above, notices issued by statutory or regulatory authorities received by the Relevant Parties, Key Managerial Personnel or Senior Management Personnel which are solely in the nature of information requests in the ordinary course of business are not disclosed. Further, depending upon the nature and number of legal proceedings which are in the ordinary course of the business involving our Company, and our Subsidiary, including matters under Section 138 of the NI Act, SARFAESI matters, arbitration proceedings, writ petitions, applications, etc., consolidated disclosures of such similar proceedings, as may be required, have been included in this Draft Red Herring Prospectus.

For the purposes of (iv) above, show cause notices, demand notices and any claims received in writing by the Relevant Parties are considered and requests for information or clarifications, if any, received without any claim amount are not disclosed.

Further, for the purpose of identification of material litigation in (iv) and (v) above, our Board pursuant to its resolution dated August 13, 2026, has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus:

*All outstanding litigation including civil legal proceedings and arbitration matters, other than criminal matters, actions taken by statutory and regulatory authorities and tax matters would be considered 'material' if: (i) the monetary amount of claim/dispute amount/liability involved whether by or against the Company, Subsidiary and Corporate Promoter in any such pending litigation is in excess of ₹239.99 million, ("**Materiality Threshold**"), being the amount equivalent to 5% of the average of absolute value of profit or loss after tax of our Company based on the last three financial years in the Restated Consolidated Summary Statements, i.e. Financial Years 2026, 2025 and 2024; (ii) litigation where the decision in one case is likely to affect the decision in similar litigation, even though the value or expected impact in terms of value in an individual litigation may not exceed the Materiality Threshold but where the cumulative value or expected impact in terms of value of such matters exceeds the Materiality Threshold; or (iii) all outstanding litigation which may not meet the Materiality Threshold or where the value or expected impact in terms of value of such litigation is not determinable or quantifiable but nonetheless, in the opinion of the Board, directly or indirectly, or together with similar other proceedings, have a material adverse effect on the business, operations, performance or financial condition, reputation, results of operations or cash flows of our Company.*

All outstanding litigation (including civil litigation and arbitration proceedings) other than criminal matters, actions taken by statutory and regulatory authorities and tax matters, in which the Directors and the Individual Promoter of the Company are parties, have been considered "material" for the purposes of disclosure in this section, if the outcome of such proceedings could have a material adverse effect on the business, operations, results of operations, prospects, financial position or reputation of the Company, irrespective of the amount involved in such litigation.

Further, we have also disclosed outstanding claims related to direct and indirect tax matters involving the Relevant Parties in a consolidated tabular manner, giving the number of cases and total amount involved in such claims. In the event the value or expected impact in terms of value of any tax matters exceeds the Materiality Threshold shall be considered

material in relation to each of the respective parties, individual disclosures of such tax matters have been included in this section.

It is further clarified that for the above purposes, any pre-litigation notices received by Relevant Parties, Key Managerial Personnel and Senior Management Personnel, from third parties (excluding notices issued by governmental, statutory, regulatory, judiciary, quasi-judicial or taxation authorities or regulatory/ statutory notices threatening any criminal action), have not been considered as litigation, unless otherwise decided by the Board, until such time that the Relevant Parties, Key Managerial Personnel and Senior Management Personnel are impleaded as a party in the litigation proceedings before any judicial/ quasi-judicial or arbitral forum. Further, for the purposes of disclosure of outstanding criminal proceedings involving the Relevant Parties, Key Managerial Personnel and Senior Management Personnel of our Company, criminal complaints have not been considered as outstanding litigation, until such time as a first information report has been registered (even if no/some cognizance has been taken by any court or judicial authority) or cognizance has been taken by the relevant court/magistrate/authority.

Svatantra Holdings Private Limited and Chaitanya India Fin Credit Private Limited were amalgamated into our Company under Sections 230 to 232 of the Companies Act, 2013, on a going concern basis with effect from March 21, 2026. For further information, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years - Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively” on page 290 of this Draft Red Herring Prospectus. All such litigation taken over by our Company from CIFCPL pursuant to the Scheme, have been disclosed in this section specifying that the litigation was against or by CIFCPL.

Except as stated in this section and in terms of the Materiality Policy, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

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 13, 2026. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having a monetary value which is equivalent to or exceeds 5% of the consolidated trade payables of our Company, as on the date of the latest financial period/ year disclosed in this Draft Red Herring Prospectus, shall be considered as ‘material’. Accordingly, as on March 31, 2026, any outstanding dues exceeding ₹39.50 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any micro, small or medium enterprise, the consolidated tabular disclosure will include the details of the number of cases and amounts involved, based on information available with our Company regarding the status of the creditor as defined under Section 2 read with Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

All terms defined in a particular litigation disclosure below correspond to that particular litigation only. Unless stated to the contrary, the information provided below is as at the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

Litigation against our Company

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there is no material civil litigation initiated by our Company.

Criminal litigation

1. Sunita Devi, a borrower of our Company, filed a complaint petition dated July 25, 2020 (“**Complaint**”) before the court of Judicial Magistrate First Class, Chitrakoot, Uttar Pradesh, against Shivkumar Yadav, an ex-employee of our Company (“**Accused**”) alleging cheating and offenses under Sections 420, 421, 422, 423 and 424 of the Indian Penal Code. Pursuant to the Complaint, the Judicial Magistrate First Class, Chitrakoot, passed an order dated March 1, 2021, issuing summons for the Accused to appear for trial for offenses under Sections 420 and 504 of the Indian Penal Code. The matter is currently pending.
2. Pavitra Praveen Naik, a borrower of CIFCPL, filed a first information report dated March 6, 2025 (“**FIR**”), at the Kumta police station, Uttara Kannada, Karnataka, against Nagendra Hulyappa Gouda, Ramesh Somayya Gonda,

employees of CIFCPL and other individuals, under Sections 351(2) and 352 of the BNS. Subsequently, a charge sheet was filed on May 6, 2025, before the court of Judicial Magistrate First Class, Kumta Court. The matter is currently pending.

3. Suman and 17 other borrowers, collectively filed a first information report dated March 6, 2024 ("**FIR**") at the Maharajganj Police Station, Azamgarh, Uttar Pradesh, against CIFCPL and other lenders, under Sections 323, 422, 427, 452 and 504 of the Indian Penal Code, alleging that representatives of the lenders, including CIFCPL, induced them to avail loans on the promise of low interest and subsequently engaged in trespass and forced sale of household property. The police have registered the case for investigation. The matter is currently pending.

Actions taken by regulatory and statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no actions taken by regulatory and statutory authorities initiated against our Company.

Litigation by our Company

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there is no material civil litigation initiated by our Company.

Criminal proceedings

1. Kamal Singh, an ex-employee of our Company, on behalf of our Company, filed a first information report dated May 4, 2019 ("**FIR**"), at the Ichhawar police station, Sehore, Madhya Pradesh against Mamlesh Verma ("**Accused No. 1**") and Manoj Malviya ("**Accused No. 2**"), alleging robbery of documents, cash and a mobile phone aggregating to ₹ 0.13 million, and voluntarily causing hurt under Section 394 of the Indian Penal Code. Pursuant to the FIR, the First Additional Sessions Judge, Sehore, Madhya Pradesh, by way of an order dated March 3, 2020, convicted the Accused No. 1 and Accused No. 2 and sentenced them to imprisonment with fine ("**Order**"). Consequently, the Accused No. 1 filed an application under Section 389(1) of the CrPC before the High Court of Madhya Pradesh ("**Court**") requesting the Court to set aside the Order. The Court by way of its order dated August 26, 2021, allowed the application and set aside the sentence until final hearing. The matter is currently pending.
2. Jitendra Saran, an ex-employee of our Company, on behalf of our Company, filed a first information report dated August 9, 2019 ("**FIR**"), at Ichhawar police station, Sehore, Madhya Pradesh against Armaan Shah ("**Accused No. 1**") and Saeed Shah, alleging robbery of documents and mobile phones amounting to ₹ 0.05 million under Section 394 of the Indian Penal Code. Pursuant to the FIR, the court of Second Additional Sessions Judge, Sehore, Madhya Pradesh, by way of an order dated January 28, 2020 convicted the Accused No. 1 and sentenced the Accused No. 1 to imprisonment with fine ("**Order**"). Consequently, the Accused No. 1 filed an application before the High Court of Madhya Pradesh ("**Court**") requesting the Court to set aside the Order. The Court, by way of its order dated June 16, 2020, allowed the application and set aside the sentence until final hearing. The matter is currently pending.
3. Mahboob Khan, an ex-employee of our Company, on behalf of our Company, filed a first information report dated August 7, 2020 ("**FIR**"), at Lambi police station, Shri Muktsar Sahib, Punjab, against Beant Singh, Komal Singh, Ravi Singh and Gurminder Singh alleging robbery of a mobile phone and cash amounting to ₹ 0.07 million under Section 379B of the Indian Penal Code. The matter is currently pending.
4. Jagveer Singh, an employee of our Company, on behalf of our Company, filed a police complaint dated October 24, 2019, before Kaithal police station ("**Kaithal PS**") alleging misuse of our Company's name and trademark to set up a fake company in order to defraud clients in the pretext of providing group loans. Subsequently, in relation to the same matter, Arjun Verma, an employee of our Company, on behalf of our Company filed a first information report dated November 20, 2019 ("**FIR**"), at Kaithal PS, Haryana, for offenses under Sections 419, 420, 467, 468 and 471 of the Indian Penal Code, against Vikram Singh, Paramjeet Kaur and Sachin alleging fraud and forgery using our Company's name and seal. The matter is currently pending before the Judicial Magistrate First Class, Kaithal, Haryana.
5. Iranna Raghunath Shelewade, an employee of CIFCPL, on behalf of CIFCPL, filed a first information report dated January 24, 2020, at Shahuwadi police station, Kolhapur, Maharashtra, under Sections 34, 406, 409, 468, 471 and 420 of the Indian Penal Code, against Pradip Anantrao Sardesai, Kiran Ashok Wadkar, Yuvraj Patil and Ajit Maruti Chavan for cheating, forgery and misappropriation of funds aggregating to ₹1.77 million. The matter is currently

pending.

6. Our Company and CIFICPL, in the ordinary course of its business, have collectively initiated 31 recovery proceedings against various parties for the dishonour of payment instructions under Section 138 of the Negotiable Instruments Act, 1881. These proceedings are pending at various stages of adjudication before various courts in India. The aggregate amount involved in such proceedings is approximately ₹3.64 million, to the extent ascertainable. These matters are currently pending.
7. Our Company and CIFICPL (including through their respective employees) have, in the ordinary course of their business, collectively filed 316 complaints under inter alia Sections 120A, 378, 379, 390, 391, 409, 415 and 420 of the IPC (now repealed by the BNS) before various authorities alleging offences relating to, among others, theft, robbery, dacoity, criminal breach of trust, criminal conspiracy and cheating, by certain persons, including former employees of our Company or CIFICPL, respectively. The aggregate amount involved in these matters is ₹20.68 million. These proceedings are currently pending at various stages of adjudication.

Other material litigation

As on the date of this Draft Red Herring Prospectus, there are no other material litigation filed by our Company.

II. Litigation involving our Promoters

Litigation against our Promoters

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Promoters.

Criminal proceedings

1. Subhash Chandra Sharma has filed a criminal complaint before the Chief Judicial Magistrate Division, Danapur, Bihar under Sections 316(2) and 318(4) of the BNS against Aditya Birla Fashion and Retail Limited ("ABFRL") and certain other officials and directors of ABFRL. Ananya Birla, who is a non-executive director on the board of directors of ABFRL, has also been named as a party in the complaint. As on the date of this Draft Red Herring Prospectus, Ananya Birla has not received any summons or any other notices in relation to the matter, and the disclosure included herein is based solely on the information available on the e-Courts services website.

Outstanding actions by statutory and regulatory authorities against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and regulatory authorities against our Promoters.

Disciplinary action including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five Financial Years

As on the date of this Draft Red Herring Prospectus, there have been no disciplinary action including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five Financial Years.

Litigation by our Promoters

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigation initiated by our Promoters.

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation initiated by our Promoters.

III. Litigation involving our Directors

Litigation against our Directors

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Directors.

Criminal proceedings

1. Apollo Supply Chain Private Limited has filed a criminal complaint before the Chief Metropolitan Magistrate, South, Saket against Manjushree Technopak Limited, and its directors, including Shweta Jalan, our Non-Executive Director, in her capacity as a director of Manjushree Technopak Limited. As on the date of this Draft Red Herring Prospectus, Shweta Jalan has not received any summons or any other document in relation to the matter, and the disclosure included herein is based solely on the information available on the Ecourts services website.
2. The Union of India, through the Assistant Director, Ministry of Corporate Affairs, Regional Office, Chennai ("**MCA**") filed a complaint dated July 6, 2018 through the Serious Fraud Investigation Office ("**SFIO**") against R. Subramanian & Ors. before the XV Additional Court of City Civil, Singaravelar Maligai, Chennai ("**Trial Court**") in connection with Subhiksha Trading Services Limited ("**Subhiksha**"). The complaint alleged, inter alia, non-filing of annual accounts, failure to hold annual general meetings and non-filing of balance sheets and profit & loss statements from the financial year 2008 onwards, in contravention of the applicable provisions of the Companies Act. Renuka Ramnath, in her capacity as a director of Subhiksha, was arrayed as an accused on the ground that she was responsible for the aforesaid defaults of the Subhiksha.

The High Court of Madras ("**Madras High Court**") subsequently quashed the proceedings as against Renuka Ramnath. The Union of India thereafter challenged the said order of the Madras High Court before the Hon'ble Supreme Court of India ("**Supreme Court**"). By an order dated May 17, 2024, the Supreme Court directed issuance of notice to the respondents. A counter affidavit on behalf of Renuka Ramnath has been filed. By a subsequent order dated July 29, 2025, the Supreme Court has directed the matter to be listed for final hearing. The special leave petition is currently pending before the Supreme Court.

3. The Municipal Corporation of Greater Mumbai ("**MCGM**") filed a complaint dated February 29, 2016 against Sandeep Goyal and others. before the 41st Metropolitan Magistrate Court, Shindewadi ("**Magistrate's Court**") in connection with Mogae Media Private Limited ("**Mogae Media**"). The complaint alleged, inter alia, non-maintenance of the employment and leave register and failure to display the name board of the establishment in Marathi, in contravention of the applicable provisions of the Bombay Shops and Establishments Act, 1948 ("**BSE Act**"). Renuka Ramnath has been arrayed as an accused in the said proceedings.

A discharge application dated August 9, 2024 has been filed on behalf of Renuka Ramnath pursuant to the order dated April 2, 2024 passed in a special leave petition. The complainant has filed its reply thereto. The matter is currently pending hearing of the Discharge Application before Magistrate's Court.

4. For details of criminal proceedings against our Chairperson and Non-Executive Director, see, "*– Litigation involving our Promoters – Litigation against our Promoters – Criminal proceedings*" on page 477.

Outstanding actions by statutory and regulatory authorities against our Directors

1. The Legal Metrology Department, Bengaluru ("**LM Department**") filed a complaint dated July 6, 2018 against PVR Limited & Ors. ("**PVR**") before the Metropolitan Magistrate – Traffic Court – 1, MG Road, Bengaluru ("**Magistrate's Court**") alleging that PVR Vaishnavi, Bengaluru was found using an unverified weighing scale in contravention of the applicable provisions of the Legal Metrology Act, 2009 ("**LM Act**"). Pursuant to the said complaint, summons were issued by the Magistrate's Court to the directors and executives of PVR, including Renuka Ramnath, who was arrayed as Accused No. 3 in the proceedings.

Ramnath thereafter filed a Writ Petition before the Hon'ble High Court of Karnataka ("**Karnataka High Court**") seeking quashing of the summons issued by the Magistrate's Court in relation to the aforesaid complaint filed by the LM Department. The Hon'ble Karnataka High Court has been pleased to grant a stay of the proceedings before the Magistrate's Court by way of their order dated October 7, 2021. The Writ Petition and the underlying complaint are

currently pending.

2. The Ward Inspector, Municipal Corporation of Greater Mumbai ("**MCGM**") issued a notice under Section 53 of the Maharashtra Regional and Town Planning Act, 1966 ("**MRTP Act**") to Renuka Ramnath, Multiples Alternate Asset Management Private Limited and Shrinathji Corporate Management Service LLP (collectively, the "**Parties**") in respect of certain deviations noticed and identified in the renovations or alterations carried out on the 6th and 7th floors of the office premises of the Parties ("**Notice Premises**"). The MCGM directed the Parties to either remove the unauthorised additions or alterations or apply for regularisation thereof. The Parties sought additional time from the MCGM, which was granted; however, the said extended time lapsed on February 7, 2025. Thereafter, the MCGM issued a speaking order dated February 24, 2025 directing demolition and restoration of the Notice Premises to their original position by removing all additions or alterations.

The Parties thereafter filed a Writ Petition before the Hon'ble High Court of Judicature at Bombay ("**Bombay High Court**") challenging the MCGM notices received in relation to the 6th and 7th floors. The Writ Petition in respect of the 6th floor has been disposed of vide order dated April 15, 2025. The Writ Petition in respect of the 7th floor is currently pending before the Bombay High Court.

Litigation by our Directors

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there is no material civil litigation initiated by our Directors.

Criminal proceedings

1. Mamta Suri, an independent director on our Board, has filed an FIR at the Dwarka crime branch regarding the theft of her handbag under Section 379 of the IPC. The matter is still pending.

IV. Litigation involving our Subsidiary

Litigation against our Subsidiary

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigation initiated against SMHFCL.

Criminal litigation

1. Rakesh Kumar Gupta ("**Complainant**") filed a first information report dated May 7, 2024 ("**FIR**"), at the Sadar police station, Alwar, Rajasthan ("**Sadar PS**"), against SMHFCL alleging fraud and cheating under Sections 420, 467, 468, 471 and 120-B of the Indian Penal Code. The matter is currently pending.

Actions taken by regulatory or statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory and regulatory authorities initiated against SMHFCL.

Litigation by our Subsidiary

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigation initiated by SMHFCL.

Criminal litigation

1. SMHFCL initiated recovery proceedings under the SARFAESI Act against Gajanan Devidas Pawar, Janabai Devidas Pawar and Ajay Devidas Pawar (collectively, the “**Respondents**”), in relation to a recovery of a loan amount of ₹ 0.50 million that the Respondents had availed from SMHFCL, on which the Respondents had defaulted in repayment of the principal amount and interest thereon. Subsequently, the mortgaged property was attached in terms of the order dated January 4, 2025, passed by the Chief Judicial Magistrate, Yavatmal, Maharashtra (the “**Order**”). In contravention of the Order, the Respondents allegedly trespassed upon and took illegal possession of the attached property. Sunita Pawar, the daughter in law of Devidas Pawar filed a first information report against Opendranath Yadav, an employee of SMHFCL, following which Shakeel Mustafa Khan, an employee and authorised signatory of SMHFCL, on behalf of SMHFCL, filed a complaint dated November 10, 2025, before the Digras police station, Yavatmal, Maharashtra in relation thereto (“**FIR**”). The Respondents have filed a petition before the High Court of Bombay, Nagpur Bench requesting the court to quash the FIR. The matter is currently pending.
2. Devraj Singh, an erstwhile employee of SMHFCL, filed a police complaint dated January 12, 2023, at the Gandhi Nagar police station, Jaipur, Rajasthan (“**Police Station**”), against Satveer Choudhary (“**Accused**”) alleging cheating and dishonest misappropriation of funds aggregating to ₹ 0.40 million by the Accused owing to a technical issue. Additionally, a complaint dated September 11, 2023 was filed by SMHFCL, through its authorised representative, Virendra Singh, before the court of Additional Chief Metropolitan Magistrate Number 2, Jaipur, Rajasthan (“**Court**”), seeking directions under Section 156(3) of the CrPC for registration of a first information report and investigation. The Court, vide its order dated July 10, 2024 (“**Order**”) issued directions to the Police Station to register a case and initiate investigation. Pursuant to the Order, a first information report dated July 16, 2024, was filed by Virendra Singh, at the Police Station alleging cheating and criminal breach of trust under Sections 420 and 406 of the Indian Penal Code, respectively, and an investigation was initiated in the matter. Upon completion of the investigation, the investigating officer concluded that only an offense under Section 403 of the Indian Penal Code was made out and the final report was submitted before the Court for appropriate orders. The matter is currently pending.
3. SMHFCL, in the ordinary course of its business, has collectively initiated 3,200 recovery proceedings against various parties for the dishonour of payment instructions under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007, in relation to dishonour of cheques and National Automated Clearing House (“**NACH**”) for the recovery of amounts due to SMHFCL. These proceedings are pending at various stages of adjudication before various courts in India. The aggregate amount involved in such proceedings is approximately ₹1,845.57 million, to the extent ascertainable. These matters are currently pending.

Other material litigation

1. SMHFCL, in the ordinary course of its business, has initiated 281 proceedings against various parties for obtaining permission to take physical possession of property under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI Act**”), and one arbitration proceeding, which pertain to enforcement of collateral obtained by SMHFCL while providing loans to its respective borrowers. These proceedings are pending at various stages of adjudication before various fora. The aggregate amount involved in such proceedings is approximately ₹191.30 million, to the extent ascertainable. Further, various petitioners and appellants have filed an aggregate of two miscellaneous appeals, 35 securitization applications, three interim applications and one writ petition against SMHFCL before various fora challenging the proceedings initiated by SMHFCL under Section 14 of the SARFAESI Act. The total amount involved in all these matters is approximately ₹21.73 million, to the extent ascertainable.

V. Litigation involving our Key Managerial Personnel

Litigation against our Key Managerial Personnel

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal litigation initiated against our Key Managerial Personnel.

Outstanding actions by statutory and regulatory authorities against our Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and regulatory authorities initiated against our Key Managerial Personnel.

Litigation by our Key Managerial Personnel

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Key Managerial Personnel.

VI. Litigation involving our Senior Management Personnel

Litigation against our Senior Management Personnel

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal litigation initiated against our Senior Management Personnel.

Outstanding actions by statutory and regulatory authorities against Senior Management Personnel

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and regulatory authorities initiated against our Senior Management Personnel.

Litigation by our Senior Management Personnel

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Senior Management Personnel.

VII. Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation involving our Group Companies which has a material impact on our Company.

VIII. Tax Litigation

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Subsidiary, Promoters and Directors.

Nature of case	Number of cases*	Amount involved (₹ in million)**
<i>Litigation involving our Company</i>		
Direct Tax	13	28.91
Indirect Tax	15	15.73
<i>Litigation involving our Subsidiary</i>		
Direct Tax	2	10.07
Indirect Tax	Nil	Nil
<i>Litigation involving our Promoters</i>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<i>Litigation involving our Directors</i>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

* As certified by Manian & Rao, Chartered Accountants pursuant to their certificate dated August 13, 2026.

**To the extent quantifiable

Outstanding dues to creditors

As per the Materiality Policy, creditors of our Company to whom our Company owes an amount having a monetary value equivalent to or exceeding 5% of the total consolidated trade payables of our Company as at March 31, 2026 have been considered as 'material' creditors.

Details of outstanding dues owed to material creditors, micro, small and medium enterprises, and other creditors as at March 31, 2026, are set out below:

Types of Creditors*	Number of Creditors*	Amount involved (₹ in million)#
Dues to micro, small and medium enterprises*	9	63.27*
Material creditors	Nil	Nil
Dues to other creditors	164	738.13**
Total	173	801.40

#As certified by Manian & Rao, Chartered Accountants pursuant to their certificate dated August 13, 2026.

*Includes provision to the extent of ₹ 57.97 million.

**Includes provision to the extent of ₹ 689.99 million.

Details of outstanding dues towards our material creditors along with names and amounts involved for each such material creditor is available on the website of our Company at <https://svatantramicrofin.com/investor-relations/initial-public-offerings>.

Material developments

Other than as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 434 and as disclosed in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect the operations, trading, or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Our Company has received the material consents, licenses, permissions, registrations, and approvals from various governmental agencies and other statutory and/or regulatory authorities required for carrying out its present business activities ("**Material Approvals**") and the Offer. Unless otherwise stated, these Material Approvals are valid as on the date of this Draft Red Herring Prospectus, and in case of Material Approvals which have expired or lapsed in the ordinary course of business, our Company has either made an application for renewal or is in the process of making an application for renewal of the same. The Material Approvals disclosed in this section may, from time to time, be required to be applied for renewal or amendment to relevant authorities, on account of change in the name of our Company or changes to location of our premises. Pursuant to a change in the name of our Company due to conversion into a public limited company, and the amalgamation of CIFCPL into our Company pursuant to the Scheme, our Company is in the process of changing our name as it appears on various approvals, consents and licenses. For further details, see "History and Certain Corporate Matters – Scheme of amalgamation between Svatanttra Holdings Private Limited ("SHPL"), Chaitanya India Fin Credit Private Limited ("CIFCPL" and together with SHPL, the "Transferor Companies") and our Company ("Transferee Company") and the respective shareholders of the Transferor Companies and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III ("NCLT") by way of its order dated March 12, 2026, respectively ("Scheme")" on page 290. Set out below is an indicative list of all Material Approvals obtained by our Company. We have also disclosed below the Material Approvals in relation to our business (a) applied for but not received; (b) expired and renewal yet to be applied for; and (c) required but not obtained or applied for.

For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" on page 267. For details of risks associated with not obtaining or delay in obtaining the requisite approvals, please see the section titled "Risk Factors – We are required to obtain certain statutory and regulatory licenses and approvals for our operations and any failure or omission to obtain, maintain or renew such licenses and approvals in a timely manner, or at all, could adversely affect our business, financial condition, results of operations and cash flows" on page 59.

I. Incorporation details

- (1) Certificate of incorporation dated February 17, 2012, by the Registrar of Companies, Maharashtra, Mumbai issued to our Company, under the name of 'Svatanttra Microfin Private Limited'.
- (2) Fresh certificate of incorporation dated April 15, 2026, by the Registrar of Companies, Central Processing Centre at Manesar, issued to our Company pursuant to conversion of our Company from 'private limited company' to 'public limited company' and consequential change in our name from 'Svatanttra Microfin Private Limited' to 'Svatanttra Microfin Limited' under the Companies Act, 2013.
- (3) Our Company has been allotted the corporate identity number U74120MH2012PLC227069.

II. Approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "Other Regulatory and Statutory Disclosures – Authority for the Fresh Issue and the Offer for Sale" on page 488.

III. Approvals in relation to the business operations of our Company

- (1) Certificate of registration dated February 5, 2013, granted by the RBI bearing registration number N-13.02038, to our Company to commence/carry on the business of a non-banking financial institution without accepting public deposits (micro finance institution).
- (2) Fresh certificate of registration dated May 18, 2026, granted by the RBI bearing registration number N-13.02038, to our Company to commence/carry on the business of a non-banking financial institution without accepting public deposits (micro finance institution).
- (3) Certificate of registration dated June 4, 2024, granted by the IRDAI bearing registration number CA0945 to our Company to act as a corporate agent (composite) under the IRDAI (Registration of Corporate Agents) Regulations, 2015 and the IRDA Act.

IV. Tax related approvals obtained by our Company

1. Our permanent account number is AARCS0730K.
2. Our tax deduction account number is MUMS73270B.
3. Goods and services tax registration numbers of our Company, as per the state where our business operations are spread, are as follows:

State	Registration Number
Arunachal Pradesh	12AARCS0730K1ZC
Assam	18AARCS0730K1Z0
Bihar	10AARCS0730K1ZG
Chhattisgarh	22AARCS0730K1ZB
Gujarat	24AARCS0730K1Z7
Haryana	06AARCS0730K1Z5
Jharkhand	20AARCS0730K1ZF
Karnataka	29AARCS0730K1ZX
Kerala	32AARCS0730K1ZA
Madhya Pradesh	23AARCS0730K1Z9
Maharashtra	27AARCS0730K1Z1
	27AARCS0730K3ZZ
Odisha	21AARCS0730K1ZD
Punjab	03AARCS0730K1ZB
Rajasthan	08AARCS0730K1Z1
Tamil Nadu	33AARCS0730K1Z8
Telangana	36AARCS0730K1Z2
Tripura	16AARCS0730K1Z4
Uttar Pradesh	09AARCS0730K1ZZ
Uttarakhand	05AARCS0730K1Z7
West Bengal	19AARCS0730K1ZY

V. Labour and commercial approvals

Our Company has obtained registrations under the erstwhile Employees State Insurance Act, 1948, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, both of which have been subsumed under the Code on Social Security, 2020, as may be applicable, as well as registrations from the state labour welfare boards.

VI. Material approvals for branches

Our Company has obtained registrations in the ordinary course of business for our regional offices across various states in India, including shops and establishment registrations, trade licenses, employee state insurance registrations, and registrations issued by the respective state labour welfare boards, under the relevant state legislations, to the extent applicable.

VII. Intellectual property registrations

For details in relation to our intellectual property registrations, see “*Our Business – Intellectual Property*” on page 264, and for risks associated with our intellectual property, see “*Risk Factors – We do not own the trademark registration or other form of intellectual property protection in relation to our name and our corporate logo and any inability to obtain and enforce our intellectual property rights in relation to our name and logo, could adversely affect our business, results of operations and financial condition.*” on page 41.

VIII. Pending Material Approvals in relation to the business of our Company:

A. Material Approvals or renewals in relation to the business which have been applied for but not received:

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material approvals applied for, including renewal applications, that have not been received by our Company:

Sr. No.	Description	Authority	Date of Application
Kandi, Jharkhand			
1.	Shops and Establishment Certificate	Office of Labour Superintendent	April 1, 2026

B. *Material Approvals or renewals in relation to the business which have expired and have not been applied for renewal:*

As on date of this Draft Red Herring Prospectus, there are no Material Approvals in relation to our business which have expired and for which our Company has not applied for renewal.

C. *Material Approvals required for our business but have not been yet applied for:*

As on the date of this Draft Red Herring Prospectus, there are no Material Approvals which our Company was required to apply for, for which applications have not been made.

OUR GROUP COMPANIES

In terms of Regulation 2(1)(t) of the SEBI ICDR Regulations and for the purpose of identification and disclosures in this Draft Red Herring Prospectus, 'group companies' of our Company shall include:

- (a) such companies (other than our Corporate Promoter and Subsidiary) with which there were related party transactions, during the period for which financial information has been disclosed as covered under applicable accounting standards in this Draft Red Herring Prospectus; and
- (b) such other companies as considered material by our Board of Directors.

Accordingly, for the purposes of (a) above, all such companies with which our Company had related party transactions during the period for which financial information is disclosed in the Offer Documents, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

Further, for the purposes of (b) above, pursuant to a resolution dated August 13, 2026 our Board has formulated a policy for identification of Group Companies and has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, Group Companies shall include such companies which are members of the Promoter Group in terms of the SEBI ICDR Regulations and with which there were related party transactions during the last completed fiscal (i.e., Fiscal 2026) for which financial information is proposed to be disclosed in the draft red herring prospectus, which, individually or in aggregate exceed 10% of the total revenue from operations of our Company for the last completed fiscal (i.e., Fiscal 2026), shall be identified as group companies.

Accordingly, based on the parameters set out above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies:

- (a) Ananya Birla Foundation;
- (b) IGH Holdings Private Limited;
- (c) IKAI ASAI Online Services Private Limited (*formerly known as Svatanttra Online Services Private Limited*); and
- (d) Violicina Limited.

Details of our Group Companies

In accordance with the SEBI ICDR Regulations, the details of our Group Companies have been set out below and certain financial information in relation to these entities (as stated hereinafter), to the extent applicable, for Fiscals 2026, 2025 and 2024, extracted from their respective audited financial statements, are available at the website mentioned below:

- (a) reserves (excluding revaluation reserve);
- (b) sales;
- (c) profit after tax;
- (d) earnings per share;
- (e) diluted earnings per share; and
- (f) net asset value.

Such information should not be considered as part of information that any investor should consider before making any investment decision. The summary financial information of the Group Companies are available on the website of our Company at <https://svatantramicrofin.com/investor-relations/initial-public-offerings>. Our Company is providing the link to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information/ details of the Group Companies do not constitute a part of this Draft Red Herring Prospectus. Anyone placing reliance on the any other source of information would be doing so at their own risk.

S. No.	Name of the Group Company	Registered address
1.	Ananya Birla Foundation	C-1, Aditya Birla Centre, S.K. Ahire Marg, Worli, Century Mill, Mumbai – 400 30, Maharashtra, India
2.	IGH Holdings Private Limited	1st Floor, Industry House, 159, Churchgate Reclamation, Mumbai – 400 020, Maharashtra, India
3.	IKAI ASAI Online Services Private Limited (formerly known as Svatanttra Online Services Private Limited)	Level – 17, Birla Aurora, Dr. Annie Besant Road, Worli, Century Mill, Mumbai – 400 030, Maharashtra, India
4.	Violicina Limited	Kennedy 23, Globe House, Ground & 1st Floor, 1075, Nicosia, Cyprus

Nature and extent of interest of our Group Companies:**a. *In the promotion of our Company***

As on the date of this Draft Red Herring Prospectus, our Group Companies have no interest in the promotion of our Company.

b. *In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c. *In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Related business transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section “*Other Financial Information – Related party transactions*” on page 429, there are no other related business transactions with our Group Companies.

Common pursuits between our Group Companies and our Company

As on the date of this Draft Red Herring Prospectus, there are no common pursuits amongst our Group Companies and our Company. However, we do not perceive any conflict of interest with our Group Companies, and our Company ensures and adopts the necessary procedure and practices as permitted by laws and regulatory guidelines to address any instances of conflict of interest as and when they arise.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which may have a material impact on our Company.

Business interest of our Group Companies in our Company

Except for the transactions disclosed in the section “*Other Financial Information – Related party transactions*” on page 429, our Group Companies have no business interest in our Company.

Other confirmations

As on date of this Draft Red Herring Prospectus, none of our Group Companies have their specified securities listed on any stock exchange. Further, none of our Group Companies have made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

There are no conflicts of interest between third-party service providers (which are crucial for operations of our Company) and our Group Companies and its directors.

There are no conflicts of interest between the lessors of immovable properties of our Company (which are crucial for operations of our Company) and our Group Companies and its directors.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Fresh Issue and the Offer for Sale

The Offer has been authorised by our Board pursuant to the resolution passed at its meeting held on July 22, 2026, and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on July 22, 2026, in terms of Section 62(1)(c) of the Companies Act. Our Board has taken on record consents from each of the Selling Shareholders in relation to its respective portion of the Offered Shares pursuant to its resolution dated August 13, 2026, 2026.

This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution dated August 13, 2026. Further, the Board has approved the Draft Abridged Prospectus pursuant to its resolution dated August 13, 2026.

Authorisation by the Selling Shareholders

Each of the Selling Shareholders have, severally and not jointly, specifically authorised their participation in the Offer in relation to their respective portion of Offered Shares as set out below:

Selling Shareholder	Aggregate number of Equity Shares being offered in the Offer for Sale	Aggregate amount of Offer for Sale (₹ million)	Date of board resolution/authorization	Date of consent letter
Violicina Limited	[●]	10,648.00	July 21, 2026	August 13, 2026
Multiples Private Equity Fund III	[●]	2,300.00	August 5, 2026	August 13, 2026
Multiples Private Equity Fund IV	[●]	992.00	August 5, 2026	August 13, 2026
Multiples Private Equity Gift Fund IV	[●]	1,060.00	August 5, 2026	August 13, 2026

Each of the Selling Shareholders, severally and not jointly, specifically confirms that their respective portion of the Offered Shares are eligible for being offered for sale in the Offer in accordance with the provisions of Regulation 8 of the SEBI ICDR Regulations, and that their respective portion of the Offered Shares has been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

In terms of the NBFC Acquisition Directions, our Company as a NBFC, is required to obtain prior written permission of RBI for 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. Accordingly, our Company undertakes to obtain such prior written permission should it be required pursuant to the Offer.

For details, see “*The Offer*” on page 75.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, or any of the Selling Shareholders, or our Directors, our Promoters, members of our Promoter Group and person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any other company which has been debarred from accessing the capital markets under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company, our Promoters and our Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Directors have been declared as a Fugitive Economic Offender.

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.

Directors associated with the Securities Market

Except for Renuka Ramnath, our Non-Executive Director, who is the ultimate beneficial owner of Multiples Alternate Asset Management Private Limited, none of our Directors are associated with securities market related business, in any manner. There have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018.

Our Company confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, and each of the Selling Shareholders, severally and not jointly, confirm that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to it, with respect to its respective shareholding in our Company, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each). As at March 31, 2024 and March 31, 2026, the monetary assets of our Company were in excess of 50% of the net tangible assets of our Company, in each case on a restated and consolidated basis. Our Company has utilised the excess monetary assets towards its business activities in compliance with the first proviso to Regulation 6(1) of the SEBI ICDR Regulations.
- Our Company has an average operating profit of at least ₹150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10.00 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year prior to the date of this Draft Red Herring Prospectus.

Our Company's restated net tangible assets, restated monetary assets, restated monetary assets as a percentage of the net tangible assets, operating profits and net worth, on a restated and consolidated basis, derived from the Restated Consolidated Summary Statements, as at and for the Financial Years ended March 31, 2026, March 31, 2025, and March 31, 2024, is set forth below:

Particulars	(₹ in million, except as otherwise specified) As at and for the Financial Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Net tangible assets, as restated ⁽¹⁾	45,396.21	33,744.94	22,215.82
Monetary assets, as restated ⁽²⁾	23,333.27	8,257.08	15,175.88
Monetary assets as a percentage of Net tangible assets, as restated*	51.40%	24.47%	68.31%
Operating profit, as restated ⁽³⁾	7,863.96	5,321.71	4,170.66
Average operating profit	5,785.44		
Net Worth, as restated ⁽⁴⁾	47,380.07	35,697.19	23,698.06

Notes:

⁽¹⁾ "Net tangible assets" is calculated as Total assets of the Company net of other intangible assets, intangible assets under development and deferred tax assets (net) as reduced by financial and non-financial liabilities.

⁽²⁾ "Monetary assets" has been computed as the sum of cash and cash equivalents, bank balances other than cash and cash equivalents and deposits with banks (excluding encumbered fixed deposits) and investments in Treasury bills, Mutual Fund, Certificate of Deposits and Government securities.

⁽³⁾ "Operating Profit" has been calculated as Profit before tax as adjusted with other income.

⁽⁴⁾ As per Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Accordingly, we have calculated Net Worth as aggregate of the equity share capital, equity share pending for issuance, instruments entirely equity in nature and other equity.

- * *As at March 31, 2024 and March 31, 2026, the monetary assets of our Company were in excess of 50% of the net tangible assets of our Company. our Company has utilised the excess monetary assets towards its business activities in compliance with the first proviso to Regulation 6(1) of the SEBI ICDR Regulations.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- (a) Our Company, Selling Shareholders, our Promoters, member of the Promoter Group, our Directors and the persons in control of our Company are not debarred from accessing the capital markets by SEBI;
- (b) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- (c) None of our Company, our Promoters or our Directors are declared as a Wilful Defaulter or Fraudulent Borrower;
- (d) None of our Directors have been declared as a Fugitive Economic Offender;
- (e) Except the employee stock options granted pursuant to the ESOP Plans, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares. For further details, see “*Capital Structure – Employee stock option plans*” on page 113. Further, there are no outstanding stock appreciation rights granted to our employees pursuant to a stock appreciation right scheme by our Company as on the date of filing of this Draft Red Herring Prospectus.
- (f) Our Company along with Registrar to the Offer has entered into tripartite agreements each dated June 5, 2026 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;
- (g) The Equity Shares of our Company held by our Promoters, members of our Promoter Group, our Directors, our Key Managerial Personnel, the Senior Management Personnel, our employees, QIBs, and entities regulated by the financial sector regulators (as defined under the SEBI ICDR Regulations), to the extent applicable are in dematerialised form;
- (h) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and
- (i) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, AVENDUS CAPITAL PRIVATE LIMITED, IIFL CAPITAL SERVICES LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND SBI CAPITAL MARKETS LIMITED (“BRLMS”), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT

INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 13, 2026 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013 and at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at www.svatantramicrofin.com, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, 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.

The BRLMs and their respective associates (as defined in the SEBI Merchant Bankers Regulations) and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Subsidiary, our Group Companies, each of the Selling Shareholders and their respective directors and officers, partners, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, any of the Selling Shareholders, their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer from the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus in relation to itself and its respective portion of the Offered Shares or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website or the respective websites of any affiliate of our Company or the respective websites of the Book Running Lead Managers or any of the Selling Shareholders would be doing so at his or

her own risk. Each of the Selling Shareholders, its respective directors, affiliates, associates, representatives, partners, designated partners, trustees, agents, affiliates, associates, and officers, as applicable, accept no responsibility for any statements made or undertakings provided in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and in relation to its respective portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to each of the Selling Shareholders and/or its respective directors, partners, designated partners, trustees, associates, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Each of the Selling Shareholders and/or its respective directors, partners, designated partners, trustees, associates, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Life Insurance Companies, Pension Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, public financial institutions as specified under Section 2(72) of the Companies Act, venture capital funds, permitted insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250.00 million (subject to applicable law) and pension funds with minimum corpus of ₹250.00 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI with minimum corpus of ₹250.00 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction, including 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 the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai in India only. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders since the date hereof or that the information contained herein is correct as at any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity

Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act, and (b) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Our Company is not and will not be registered under the U.S. Investment Company Act, and investors will not be entitled to the benefits afforded to investors under the U.S. Investment Company Act. Investors may be required to bear the financial risk of an investment in the Equity Shares for an indefinite period.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Certain India Income Tax Considerations

There may be certain material Indian tax consequences to a U.S. holder (as defined below) of ownership of Equity Shares which are based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Draft Red Herring Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Equity Shares. For information on Indian taxation, refer to the section “*Statement of Special Tax Benefits*” on page 140 of this Draft Red Herring Prospectus.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax consequences to a U.S. holder (as defined below) for purchasing, owning and disposing of Equity Shares acquired pursuant to this Offer. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person’s decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Offer and you hold the Equity Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or non-U.S. currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a controlled foreign corporation;
- a passive foreign investment company;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually, indirectly or constructively owns 10% or more of (i) the total combined voting power of all classes of the Company voting stock or (ii) the total value of all classes of the Company stock;

- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed U.S. Department of the Treasury regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company (“PFIC”) rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion.

This discussion is not binding on the U.S. Internal Revenue Service (“IRS”) or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

For U.S. federal income tax purposes, you are a “U.S. holder” if you are a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and you are:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

Taxation of Dividends

Subject to the PFIC rules described below under “PFIC Considerations”, if you are a U.S. holder you generally must include in your gross income as a dividend the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by our Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain from the sale or exchange of such Equity Shares. Notwithstanding the foregoing, our Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

Subject to the PFIC rules described below, dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the “ex-dividend date.” If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own

tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be “passive category income”, which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. holder’s particular circumstances. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Taxation of Sale, Exchange or Other Taxable Disposition of Equity Shares

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares in a taxable disposition, you generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates (currently at a maximum rate of 20%). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is “passive income” or (ii) at least 50 percent of its gross assets during the taxable year (generally based on the average of the fair market values of the assets determined at the end of each quarterly period) are “passive assets,” which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. Cash is generally a passive asset. However, under proposed U.S. Treasury regulations, on which taxpayers may rely, an amount of cash held in a non-interest bearing financial account that is held for the present needs of an active trade or business and is no greater than the amount necessary to cover operating expenses incurred in the ordinary course of the trade or business and reasonably expected to be paid within 90 days is generally not treated as a passive asset. Further, goodwill is generally treated as an active asset to the extent attributable to activities that produce or are intended to produce active income. In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

No assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the application of the PFIC rules to a non-US, non-bank fintech company such as our Company is uncertain in several respects under current U.S. federal income tax law, (ii) the composition of our Company’s income and assets will vary over time, and (iii) our Company holds, and may continue to hold, a substantial amount of cash. Further, our Company’s PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

If we are a PFIC for any fiscal year during which a U.S. holder holds our Equity Shares, we generally will continue to be treated as a PFIC with respect to that U.S. holder for all succeeding fiscal years during which the U.S. Holder holds our Equity Shares, unless we cease to meet the threshold requirements for PFIC status and that U.S. holder makes a qualifying “deemed sale” election with respect to the Equity Shares. If such an election is made, the U.S. holder will be deemed to have sold the Equity Shares it holds at their fair market value on the last day of the last fiscal year in which we qualified as a PFIC, and any gain from such deemed sale will be subject to the consequences described below. After the deemed sale

election, the Equity Shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. holder holds our Equity Shares, the U.S. holder may be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of our Equity Shares by the U.S. holder would be allocated ratably over the U.S. holder's holding period for such Equity Shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and would be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to each such other taxable year. Further, to the extent that any distribution received by a U.S. holder on our Equity Shares exceeds 125% of the average of the annual distributions on such Equity Shares received during the preceding three years or the U.S. holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner described immediately above with respect to gain on disposition.

If we are a PFIC for any fiscal year during which any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder of our Equity Shares during such year will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules to such subsidiary. U.S. holders should consult their tax advisers regarding the tax consequences if the PFIC rules apply to any of our subsidiaries. Alternatively, if we are a PFIC and if our Equity Shares are “regularly traded” on a “qualified exchange”, a U.S. holder may be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment described above. Our Equity Shares would be treated as “regularly traded” in any calendar year in which more than a de minimis quantity of the Equity Shares are traded on a qualified exchange on at least 15 days during each calendar quarter. However, because a mark-to-market election cannot be made for equity interests in any lower-tier PFIC that we may own, a U.S. holder that makes a mark-to-market election with respect to us may continue to be subject to the PFIC rules with respect to any indirect investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. If a U.S. holder makes the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the Equity Shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Equity Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in the Equity Shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of our Equity Shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless our Equity Shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. holders are urged to consult their tax advisers about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Alternatively, a U.S. holder of stock in a PFIC may make a so-called “Qualified Electing Fund” election to avoid the PFIC rules regarding distributions and gain described above. The PFIC taxation regime would not apply to a U.S. holder who makes a QEF election for all taxable years that such U.S. Holder has held our Equity Shares while we are a PFIC, provided that we comply with specified reporting requirements. Instead, each U.S. holder who has made a valid and effective QEF election is required for each taxable year that we are a PFIC to include in income such U.S. Holder's pro rata share of our ordinary earnings as ordinary income and such U.S. Holder's pro rata share of our net capital gains as long-term capital gain, regardless of whether we make any distributions of such earnings or gain. The QEF election is made on a shareholder-by-shareholder basis and generally may be revoked only with the consent of the IRS. Our Company does not intend to provide to U.S. holders the information required to make a valid QEF election and our Company currently makes no undertaking to provide such information. Accordingly, it is currently anticipated that a U.S. holder will not be able to avoid the special tax rules described above by making the QEF election.

In addition, if we are a PFIC or, with respect to particular U.S. holders, are treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a U.S. Holder owns our Equity Shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to us, generally with the U.S. holder's federal income tax return for that year. If we are a PFIC for a given taxable year, you should consult your tax advisor concerning your annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. U.S. holders are urged to consult their own tax advisers with respect to the ownership and disposition of our Equity Shares, the consequences if we are or become a PFIC, any elections available with respect to our Equity Shares, and the IRS information reporting obligations with respect to the ownership and disposition of our Equity Shares.

Information with Respect to Foreign Financial Assets

In addition, certain U.S. holders may be subject to certain reporting obligations with respect to Equity Shares if the aggregate value of these and certain other “specified foreign financial assets” exceeds \$50,000. If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation for online filing of a FinCEN Report 114—Foreign Bank and Financial Accounts Report as a result of holding Equity Shares. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Equity Shares.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to distributions made on our Equity Shares within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Equity Shares by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder’s U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder’s U.S. federal income tax liability provided that the appropriate returns are filed.

You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to this Offer, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, non-U.S. tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer clause of RBI

The Company has a valid certificate of registration dated May 18, 2026 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for repayment of deposits/discharge of liabilities by the Company.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders in accordance with applicable law for the delayed period.

If our Company does not allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate as may be prescribed by the SEBI.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Chief Compliance Officer, domestic legal counsel to our Company as to Indian law, Bankers to our Company, the BRLMs, the Registrar to the Offer, CRISIL MI&A, Practising Company Secretary and Independent Chartered Accountant have been obtained and such consents have not been withdrawn as of the date of this Draft Red Herring Prospectus. Further, consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s), and Sponsor Banks to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents as mentioned hereinabove have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Experts to the Offer

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

Our Company has received written consent dated August 13, 2026 from S. R. Batliboi & Co. LLP, Chartered Accountants to include their name as required under Section 26(1) 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 Statutory Auditors and in respect of their (i) examination report, dated August 7, 2026 on our Restated Consolidated Summary Statements; and (ii) their report dated August 12, 2026 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received a written consent dated August 13, 2026 from Manian & Rao, Chartered Accountants, to include their name as required under Section 26(5) 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 respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received a written consent dated August 13, 2026 from Mehta & Mehta, Practising Company Secretary, to include their name as required under Section 26(5) 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 respect of the certificates issued by them in their capacity as a practicing company secretary to our Company, 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 company, subsidiaries or associates during the last three years

- Other than as disclosed in “*Capital Structure*” on page 94, 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, our Company does not have any listed Subsidiary, Group Companies or associates.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since the Offer is an initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years by, preceding the date of this Draft Red Herring Prospectus our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Since the Offer is an initial public offer of Equity Shares, our Company has not undertaken any public issue or rights issue (as defined in the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus. For details of rights issues undertaken by our Company, see “*Capital Structure*” on page 94.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed promoter of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries or promoters.

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Price information of past issues handled by the BRLMs

I. Axis Capital Limited (“Axis”)

1. Price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by Axis:

S. No.	Issuer name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Manipal Health Enterprises Limited ^{(1)^^}	92,752.16	590.00	5-Aug-26	652.00	-	-	-
2.	Indo MIM Limited ^{(1)@@}	38,121.15	485.00	30-July-26	700.00	-	-	-
3.	SBI Funds Management Limited ^{(1)***}	97,953.21	574.00	21-July-26	613.30	-	-	-
4.	Kusumgar Limited ^{(1)*}	6,500.00	419.00	15-July-26	569.00	+42.78%, [1.32%]	-	-
5.	SEDEMAC Mechatronics Limited ^{(1)@}	10,873.50	1,352.00	11-Mar-26	1,535.00	+21.13%, [-0.38%]	+75.05%, [-3.12%]	-
6.	Clean Max Enviro Energy Solutions Ltd ^{(1)^}	30,838.26	1053.00	2-Mar-26	960.00	-26.90%, [-10.19%]	+5.40%, [-5.30%]	-
7.	Aye Finance Limited ⁽¹⁾	10,100.00	129.00	16-Feb-26	129.00	-20.71%, [-8.18%]	-2.89%, [-7.94%]	-
8.	Fractal Analytics Limited ^{(1)%}	28,339.00	900.00	16-Feb-26	876.00	-11.52%, [-8.18%]	+4.44%, [-7.94%]	-
9.	ICICI Prudential Asset Management Company Limited ⁽¹⁾	106,026.53	2165.00	19-Dec-25	2600.00	+35.59%, [-1.05%]	+39.49%, [-8.43%]	+49.90%, [-7.61%]
10.	Wakefit Innovation Limited ⁽¹⁾	12,888.00	195.00	15-Dec-25	195.00	-9.64%, [-1.13%]	-16.93%, [-11.05%]	-41.15%, [-9.24%]

Source: www.nseindia.com and www.bseindia.com

⁽¹⁾NSE as Designated Stock Exchange

@ Offer Price was ₹ 1,224.00 per equity share to Eligible Employees

^ Offer Price was ₹ 953.00 per equity share to Eligible Employees

% Offer Price was ₹ 815.00 per equity share to Eligible Employees

** Offer Price was ₹ 99.00 per equity share to Eligible Employees

* Offer Price was ₹ 380.00 per equity share to Eligible Employees

***Offer Price was ₹ 520.00 per equity share to Eligible Employees

@@ Offer Price was ₹ 440.00 per equity share to Eligible Employees

^^ Offer Price was ₹ 534.00 per equity share to Eligible Employees

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- 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.
- Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

- d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by Axis:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in million)	Nos. of IPOs trading at discount as on 30 th calendar days from listing date			Nos. of IPOs trading at premium as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2026-2027*	4	235,326.52	-	-	-	-	1	-	-	-	-	-	-	-
2025-2026	25	1,003,425.37	-	1	6	1	6	11	-	1	7	7	2	4
2024-2025	20	445,928.65	-	1	2	7	6	4	-	3	3	9	1	4

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

II. Avendus Capital Private Limited (“Avendus”)

1. Price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by Avendus:

S. No.	Issuer name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Sedemac Mechatronics Limited [^]	10,873.50	1,352 ⁽¹⁾	March 11, 2026	1,535.00	+21.13% [-0.38%]	+75.05% [-3.12%]	-
2.	Amagi Media Labs Limited [#]	17,886.19	361.00	January 21, 2026	317.00	+13.23% [+0.72%]	+1.80% [-4.82%]	+55.76% [-0.47%]
3.	ICICI Prudential Asset Management Company Limited [^]	106,026.50	2,165.00	December 19, 2025	2,600.00	+35.59%, [-1.05%]	+39.49% [-8.43%]	+49.90% [-7.61%]
4.	Lenskart Solutions Limited [^]	72,780.15	402.00 ⁽¹⁾	November 10, 2025	395.00	+1.60%, [+1.04%]	+13.76% [+0.47%]	+21.70% [-5.47%]
5.	Swiggy Limited [^]	113,274.27	390.00 ⁽¹⁾	November 13, 2024	420.00	+29.31%, [+4.20%]	-7.15%, [-0.75%]	-19.72%, [+1.91%]
6.	Brainbees Solutions Limited [^]	41,937.28	465.00 ⁽²⁾	August 13, 2024	651.00	+ 37.49% [+ 3.23%]	+21.39% [+0.04%]	-10.02% [-2.40%]

Source: www.nseindia.com and www.bseindia.com

[^] NSE as designated stock exchange

[#] BSE as designated stock exchange

Notes:

1. In Sedemac Mechatronics Limited, the issue price to eligible employees was ₹ 1,224 after a discount of ₹ 128 per equity share

2. In Lenskart Solutions Limited, the issue price to eligible employees was ₹ 383 after a discount of ₹ 19 per equity share.

3. In Swiggy Limited, the issue price to eligible employees was ₹ 365 after a discount of ₹ 25 per equity share.

4. In Brainbees Solutions Limited, the issue price to eligible employees was ₹ 421 after a discount of ₹ 44 per equity share.

5. Designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for disclosing the price information.

2. Summary statement of price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by Avendus:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in million)	Nos. of IPOs trading at discount as on 30 th calendar days from listing date			Nos. of IPOs trading at premium as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			No. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2026-2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025-2026	4	207,566.34	-	-	-	-	1	3	-	-	-	1	1	1
2024-2025	2	155,211.55	-	-	-	-	2	-	-	-	2	-	-	-

Notes:

1. The information is as on the date of this Draft Red Herring Prospectus.

2. The information for each of the financial years is based on issues listed during such financial year.

III. IIFL Capital Services Limited (formerly known as IIFL Securities Limited) (“IIFL”)

1. Price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by IIFL:

Sr. No.	Issuer Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Wakefit Innovations Limited	12,888.89	195.00	NSE	December 15, 2025	195.00	-9.64%, [-1.13%]	-16.93%, [-11.05%]	-41.15%, [-9.24%]
2.	Corona Remedies Limited	6,553.71	1,062.00 ⁽¹⁾	NSE	December 15, 2025	1,470.00	+34.92%, [-1.13%]	+44.88%, [-11.05%]	+62.74%, [-9.24%]
3.	Nephrocare Health Services Limited	8,710.48	460.00 ⁽²⁾	NSE	December 17, 2025	490.00	+7.26%, [-0.59%]	+14.52%, [-9.33%]	+62.64%, [-8.50%]
4.	ICICI Prudential Asset Management Company Limited	106,026.5	2,165.0	NSE	December 19, 2025	2,600.00	+35.59%, [-1.05%]	+39.49%, [-8.43%]	+49.90%, [-7.61%]
5.	Amagi Media Labs Limited	17,886.19	361.00	BSE	January 21, 2026	317.00	+13.23%, [+0.72%]	+1.80%, [-4.14%]	+55.76%, [-68.90]
6.	Aye Finance Limited	10,100.00	129.00	NSE	February 16, 2026	129.00	-20.71%, [-8.18%]	-2.89%, [-7.94%]	N.A.
7.	Clean Max Enviro Energy Solutions Limited	30,838.26	1,053.00 ⁽³⁾	NSE	March 2, 2026	960.00	-26.90%, [-10.19%]	+5.40%, [-5.30%]	N.A.
8.	Powerica Limited	11,000.00	395.00 ⁽⁴⁾	NSE	April 2, 2026	366.00	+24.01% [+5.66%]	+56.14%, [+5.07%]	N.A.
9.	Kusumgar Limited	6,500.00	419.00 ⁽⁵⁾	NSE	July 15, 2026	569.00	+42.78% [+1.32%]	N.A.	N.A.
10.	Laser Power and Infra Limited	7,420.00	214.00	NSE	July 16, 2026	250.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

- (1) A discount of Rs. 54 per equity share was offered to eligible employees bidding in the employee reservation portion
(2) A discount of Rs. 41 per equity share was offered to eligible employees bidding in the employee reservation portion
(3) A discount of Rs. 100 per equity share was offered to eligible employees bidding in the employee reservation portion
(4) A discount of Rs. 37 per equity share was offered to eligible employees bidding in the employee reservation portion
(5) A discount of Rs. 39 per equity share was offered to eligible employees bidding in the employee reservation portion

**Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.*

2. Summary statement of price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by IIFL:

Financial Year	Total No. of IPO's*	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25	16	4,81,737.17	-	-	1	6	4	5	-	2	-	6	4	4
2025-26	29	7,10,091.04	-	2	9	1	6	11	-	6	6	5	2	7
2026-27	2	13,920.00	-	1	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

*Total number of IPOs is based on date of prospectus filed

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

IV. Kotak Mahindra Capital Company Limited (“Kotak”)

1. Price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by Kotak:

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Juniper Green Energy Limited [^]	18,000.00	225.00 ¹	August 06, 2026	245.00	Not applicable	Not applicable	Not applicable
2.	Manipal Health Enterprises Limited [^]	92,752.16	590.00 ²	August 05, 2026	652.00	Not applicable	Not applicable	Not applicable
3.	INDO-MIM Limited [^]	38,121.15	485.00 ³	July 30, 2026	700.00	Not applicable	Not applicable	Not applicable
4.	SBI Funds Management Limited [^]	97,953.21	574.00 ⁴	July 21, 2026	613.30	Not applicable	Not applicable	Not applicable
5.	Fractal Analytics Limited [^]	28,339.00	900.00 ⁵	February 16, 2026	876.00	-11.52%, [-8.18%]	+4.44%, [-7.94%]	Not applicable
6.	Amagi Media Labs Limited [#]	17,886.19	361.00	January 21, 2026	317.00	+13.23%, [+0.72%]	+1.80%, [-4.14%]	+55.76%, [-4.59%]
7.	ICICI Prudential Asset Management Company Limited [^]	106,026.50	2,165.00	December 19, 2025	2,600.00	+35.59%, [-1.05%]	+39.49%, [-8.43%]	+49.90%, [-7.61%]
8.	CORONA Remedies Limited [^]	6,553.71	1,062.00 ⁶	December 15, 2025	1,470.00	+34.92%, [-1.13%]	+44.88%, [-11.05%]	+62.74%, [-9.24%]
9.	Meesho Limited [^]	54,212.04	111.00	December 10, 2025	162.50	+48.56%, [+0.46%]	+29.14%, [-6.72%]	+49.50%, [-9.28%]
10.	Aequis Limited [^]	9,218.12	124.00 ⁷	December 10, 2025	140.00	+15.61%, [+0.46%]	+5.33%, [-6.72%]	+50.77%, [-9.28%]

Source: www.nseindia.com; www.bseindia.com

[^] NSE as designated stock exchange

[#] BSE as designated stock exchange

Notes:

1. In Juniper Green Energy Limited, the issue price to eligible employees was ₹ 204 after a discount of ₹ 21 per equity share
2. In Manipal Health Enterprises Limited, the issue price to eligible employees was ₹ 534 after a discount of ₹ 56 per equity share
3. In INDO-MIM Limited, the issue price to eligible employees was ₹ 440 after a discount of ₹ 45 per equity share
4. In SBI Funds Management Limited, the issue price to eligible employees was ₹ 520 after a discount of ₹ 54 per equity share
5. In Fractal Analytics Limited, the issue price to eligible employees was ₹ 815 after a discount of ₹ 85 per equity share
6. In CORONA Remedies Limited, the issue price to eligible employees was ₹ 1,008 after a discount of ₹ 54 per equity share
7. In Aequis Limited, the issue price to eligible employees was ₹ 113 after a discount of ₹ 11 per equity share
8. In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
9. The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
10. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

11. Restricted to last 10 equity initial public issues.

2. Summary statement of price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by Kotak:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in million)	Nos. of IPOs trading at discount as on 30 th calendar days from listing date			Nos. of IPOs trading at premium as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2026-27	4	2,46,826.52	-	-	-	-	-	-	-	-	-	-	-	-
2025-26	19	758,159.20	-	-	6	1	4	8	-	1	4	4	2	7
2024-25	18	999,474.07	-	-	3	2	7	6	1	1	5	4	3	4

Notes:

1. The information is as on the date of this Draft Red Herring Prospectus.
2. The information for each of the financial years is based on issues listed during such financial year.

V. SBI Capital Markets Limited (“SBICAPS”)

1. Price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by SBICAPS:

S. No.	Issuer name**	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing*	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing*	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing*
1.	Indo-MIM Limited ^{#(1)}	38,121.15	485.00	July 30, 2026	700.00	-	-	-
2.	SBI Funds Management Limited ^{#(1)}	97,953.21	574.00	July 21, 2026	613.30	-	-	-
3.	OnEMI Technology Solutions Limited [#]	9,259.20	171.00	May 08, 2026	190.00	+57.81% [-3.35%]	+80.00% [+1.86%]	-
4.	Central Mine Planning & Design Institute Limited ^{#(2)}	18,414.50	172.00	March 30, 2026	160.00	+10.72% [+7.45%]	+44.66% [+7.72%]	-
5.	Clean max Enviro Energy Solutions Limited ^{#(3)}	30,798.84	1,053.00	March 02, 2026	960.00	-26.90% [-10.19%]	+5.40% [-5.30%]	-
6.	ICICI Prudential Asset Management Company Limited [#]	1,06,026.50	2,165.00	December 19, 2025	2,600.00	+35.59% [-1.05%]	+39.49% [-8.43%]	+49.90% [-7.61%]
7.	Fujiyama Power Systems Limited [@]	8,280.00	228.00	November 20, 2025	218.40	-14.45% [-0.82%]	-8.27% [-2.55%]	+15.37% [-12.05%]
8.	Canara HSBC Life Insurance Company Limited ^{#(4)}	25,159.5	106.00	October 17, 2025	106.00	+13.50% [+0.78%]	+34.92% [-0.17%]	+36.73% [-7.26%]
9.	Canara Robeco Asset Management Company Limited [#]	13,261.26	266.00	October 16, 2025	300.45	+9.81% [+1.27%]	+5.62% [+0.57%]	-3.07% [-6.81%]
10.	Rubicon Research Limited ^{1#(5)}	13,775.00	485.00	October 16, 2025	628.20	+47.18% [+1.27%]	+39.61% [+0.57%]	+69.02% [-6.81%]

Source: www.nseindia.com and www.bseindia.com

Notes:

* The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.

** The information is as on the date of this document.

* The information for each of the financial years is based on issues listed during such financial year.

@ The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange

The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange

1. Price for eligible employee was ₹ 440 per Equity Share
2. Price for eligible employee was ₹ 520.00 per Equity Share
3. Price for eligible employee was ₹ 164.00 per Equity Share
4. Price for eligible employee was ₹ 953.00 per Equity Share
5. Price for eligible employee was ₹ 96.00 per Equity Share
6. Price for eligible employee was ₹ 439.00 per Equity Share

2. Summary statement of price information (during the current Fiscal and two Fiscals preceding the current Fiscal) of past issues handled by SBICAPS:

Fiscal	Total no. of IPOs #	Total amount of funds raised (₹ million)	Nos. of IPOs trading at discount as on 30 th calendar days from listing date			Nos. of IPOs trading at premium as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			No. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2026-27*	3	1,45,333.56	-	-	-	1	-	-	-	-	-	-	-	-
2025-26	15	5,24,867.38	-	1	6	1	2	5	1	1	4	2	2	3
2024-25	16	4,00,550.30	-	-	6	6	3	1	-	1	5	5	1	4

* The information is as on the date of this Offer Document.

Date of Listing for the issue is used to determine which financial year that particular issue falls into.

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLM(s), as specified under circular reference CIR/MIRSD/1/2012 dated January 10, 2012, issued by the SEBI, see the websites of the BRLM(s) mentioned below:

S. No.	Name of BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	Aventus Capital Private Limited	www.ventus.com
3.	IIFL Capital Services Limited (<i>formerly known as IIFL Securities Limited</i>)	www.iiflcapital.com
4.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com
5.	SBI Capital Markets Limited	www.sbicaps.com

Stock market data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All Offer-related grievances, other than that of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgement Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. For offer related grievances, investors may contact the BRLMs, details of which are given in "General Information" on page 85.

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

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such SCSB responsible for such delay in unblocking.

In terms of SEBI ICDR Master Circular and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI ICDR Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the post-Offer BRLM shall also compensate the investors at the rate higher of ₹100 or 15% per annum of the Bid Amount for the period of such delay. Further, in terms of SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹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	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor at the rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLMs, the Selling Shareholders and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of SEBI ICDR Regulations.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see “*General Information – Book Running Lead Managers*” on page 87.

Further, the Bidder shall also enclose a copy of the Acknowledgement Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Bidders can contact our Company Secretary and Chief Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES platform, in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI master circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of this Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of

filing of this Draft Red Herring Prospectus.

Investors can contact the Company Secretary and Chief Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. Our Company has also appointed Surinder Kumar Bhatia, as our Company Secretary and Chief Compliance Officer. For details, see “*General Information – Our Company Secretary and Chief Compliance Officer*” on page 86.

Our Company has constituted a Stakeholders’ Relationship Committee, which is, *inter alia*, responsible for redressal of grievances of security holders of our Company, comprising Ananya Birla, Vineet Bijendra Chattree, Anand Rao and NG Shankar. For details, see “*Our Management – Committees of our Board – Stakeholders’ Relationship Committee*” on page 308.

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

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

Other confirmations

There has been no instance of issuance of equity shares in the past by our Company or any entity forming part of the Promoter Group to more than 49 or 200 investors in violation of:

- (a) Section 67(3) of Companies Act, 1956; or
- (b) relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
- (c) the SEBI ICDR Regulations; or
- (d) the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.

No person connected with the Offer, except for fees or commission for services rendered in relation to the Offer, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered, Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Draft Abridged Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting their approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses amongst our Company and the Selling Shareholders, see “*Objects of the Offer – Offer expenses*” on page 122.

Ranking of the Equity Shares

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the applicable laws including provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association and the Articles of Association and shall rank *pari passu* with the existing Equity Shares in all respects including voting, right to receive dividends, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of the Articles of Association*” on page 546.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines, regulations or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 320 and 546, respectively.

Face Value, Offer Price, Floor Price, Cap Price and Price Band

The face value of each Equity Share of our Company is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

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, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, 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 for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Shareholders shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy or “e-voting”, in accordance with the provisions of the Companies Act;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see “*Description of Equity Shares and Terms of Articles of Association*” on page 546.

Allotment of Equity Shares only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, and the SEBI Listing Regulation, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated June 5, 2026 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated June 5, 2026, amongst our Company, CDSL and Registrar to the Offer.

For details in relation to the Basis of Allotment, see “*Offer Procedure*” on page 524.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] equity shares of face value of ₹10 each. For further details on the Basis of Allotment, see “*Offer Procedure*” on page 524.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Period of operation of subscription list

See “– Bid/ Offer Programme” on page 514.

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

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Share Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid/ Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON	[●] ⁽²⁾⁽³⁾
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialised accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

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

⁽²⁾ Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

⁽³⁾ UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Offer Closing Date, i.e. [●]

* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per

annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB 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. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, as partially modified by the SEBI T+3 Circular and SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance with SEBI ICDR Master Circular and any subsequent circulars or notifications issued by SEBI in this regard.

The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges and delay in respect of final certificates from SCSBs. 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. Subject to applicable law, each of the Selling Shareholder, severally and not jointly, confirms that it shall extend reasonable cooperation in relation to its respective portion of the Offered Shares required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within the time period as may be prescribed by SEBI.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day, and submit confirmation to the BRLMs and the Registrar on the daily basis. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the 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 Working Days from the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date*	
Submission of electronic applications (online ASBA through 3-in-1 accounts) for RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (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 (Bank ASBA)	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
Modification/Revision/cancelled of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories [#]	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	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/ Offer Closing Date

QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees Bidding under the Employee Reservation Portion, 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 shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 1:00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted on the Stock Exchange platform only during Working Days during the Bid/ Offer Period and revision shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Bidders may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in 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 respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue, on the Bid/ Offer Closing Date; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable law, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular. If there is a delay beyond two days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Equity Shares will be allotted in the following order: (i) such number of Equity Shares will first be Allotted by the Company such that 90% of the Fresh Issue portion is subscribed; (ii) upon (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue portion. Further, the bids received under the Employee Reservation Portion and Employee Discount, if any, shall entirely be allocated/ adjusted towards proceeds from the Fresh Issue.

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 caused solely by and is directly attributable to an act or omission of such Selling Shareholder in relation to its respective portion of the Offered Shares.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the each of the Selling Shareholders, reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date and intimate the Stock Exchanges 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 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 or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring

prospectus with SEBI. 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 lock-in of the pre-Offer capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 94 and except as provided under the Articles of Association and under SEBI ICDR Regulations, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 546.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Option to receive Equity Shares in Dematerialised Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

OFFER STRUCTURE

The Offer is of up to [●] equity shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹30,000.00 million comprising a Fresh Issue of [●] equity shares of face value of ₹10 each aggregating up to ₹15,000.00 million and an Offer for Sale of [●] equity shares of face value of ₹10 each aggregating up to ₹15,000.00 million by the Selling Shareholders. For details, see “*The Offer*” beginning on page 75.

The Offer includes a reservation of [●] equity shares of face value of ₹10 each, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of the post-Offer paid-up equity share capital of our Company. The Offer less the Employee Reservation Portion is the Net Offer. The face value of each Equity Share is ₹10 each.

The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up equity share capital of our Company, respectively.

Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, aggregating up to ₹3,000.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus, and details of the Pre-IPO Placement, if any, shall be reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation* (2)	[●] equity shares of face value of ₹10 each aggregating up to ₹[●] million	Not more than [●] equity shares of face value of ₹10 each aggregating up to ₹[●] million	Not less than [●] equity shares of face value of ₹10 each available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than [●] equity shares of face value of ₹10 each available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up equity share capital of our Company. The Employee Reservation Portion shall not exceed 5% of the post-Offer paid-up equity share capital of our Company.	Not more than 50% of the Net Offer size shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer or Net Offer less allocation to QIBs and RIBs subject to the following: a) One third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000; and b) two third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹1,000,000. Provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation.

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
			Institutional Bidders, subject to valid Bids being received at or above the Offer Price.	
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate [#] ; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000 (net of Employee Discount, if any), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any)	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] equity shares of face value of ₹10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] equity shares of face value of ₹10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. c) up to 60% of the QIB Portion (of up to [●] equity shares of face value of ₹10 each) may be allocated on a discretionary basis to Anchor Investors of which 40% shall be reserved as under (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Any under-subscription in the reserved category specified in clause (ii) above	The Equity Shares available for allocation to NIBs under the Non-Institutional Portion, shall be subject to the following: a) one third of the portion available to NIBs being [●] equity shares of face value of ₹10 each are reserved for Bidders Biddings more than ₹200,000 and up to ₹1,000,000; and b) two third of the portion available to NIBs being [●] equity shares of face value of ₹10 each are reserved for Bidders Bidding more than ₹1,000,000. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other category. The allotment of specified securities to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see “Offer Procedure” on page 524.	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see “Offer Procedure” on page 524.

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
		may be allocated to domestic Mutual Funds.		
Minimum Bid	[●] equity shares of face value of ₹10 each]	[●] equity shares of face value of ₹10 each in multiples of [●] equity shares of face value of ₹10 each such that the Bid Amount exceeds ₹200,000	For Non-Institutional Bidder applying under: a) One - third of the Non-Institutional Category such number of Equity Shares in multiples of [●] equity shares of face value of ₹10 each such that the Bid Amount exceeds ₹200,000 For Non-Institutional Bidder applying under: b) Two - thirds of the Non-Institutional Category such number of Equity Shares in multiples of [●] equity shares of face value of ₹10 each such that the Bid Amount exceeds ₹1,000,000.	[●] equity shares of face value of ₹10 each in multiples of [●] equity shares of face value of ₹10 each thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] equity shares of face value of ₹10 each, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000 (net of Employee Discount, if any)	Such number of Equity Shares in multiples of [●] equity shares of face value of ₹10 each not exceeding the size of the Net Offer, (excluding the Anchor portion) subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] equity shares of face value of ₹10 each not exceeding the size of the Net Offer, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] equity shares of face value of ₹10 each so that the Bid Amount does not exceed ₹200,000
Mode of Bidding ^{^S}	Through ASBA Process only (including the UPI Mechanism)	Through ASBA process only (excluding the UPI Mechanism) (except in case of Anchor Investors)	Through ASBA process only (including the UPI Mechanism for Bids up to ₹500,000)	Through ASBA Process only (including the UPI Mechanism)
Bid Lot	[●] equity shares of face value of ₹10 each and in multiples of one equity share of face value of ₹10 each thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] equity shares of face value of ₹10 each and in multiples of one Equity Share thereafter of face value of ₹10 each thereafter QIBs, Eligible Employees and RIBs. For NIBs allotment shall not be less than the minimum non-institutional application size.			
Trading Lot	One Equity Share			
Who can apply ⁽³⁾⁽⁴⁾	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
		financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250.00 million, pension funds with minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of Section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws.		
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽³⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for Eligible Employees, RIBs or individual investors bidding under the Non –Institutional Portion for an amount of more than ₹200,000 and up to ₹500,000, using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form			

* Assuming full subscription in the Offer.

[^] Anchor Investors are not permitted to participate in the Offer through the ASBA process. Further, pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI has mandated that ASBA applications in the Offer will be processed only after the Bid Amounts are blocked in the bank accounts of the Anchor Investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIBs and RIBs and all modes through which the Bid cum Application Forms are processed, accept ASBA Forms in their electronic book building platform only with a mandatory confirmation on the Bid Amounts blocked.

^{\$} SEBI through its circular (SEBI/HO/CFD/DIL2/P/CIR/2022/45) dated April 5, 2022 (read with the SEBI ICDR Master Circular), had prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000 shall be required to use the UPI Mechanism

[#] Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (net of Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000 (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Non-Institutional Portion or Retail Portion and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such

under-subscription shall be permitted from the Employee Reservation Portion. Further, the Bids received under the Employee Reservation Portion and Employee Discount, if any, shall entirely be allocated/ adjusted towards Fresh Issue proceeds.

- (1) Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 15 Anchor Investors for every additional ₹2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100.00 million. 40% of the Anchor Investor Portion shall be reserved as under (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price, which shall be determined by our Company, in consultation with the BRLMs in accordance with the SEBI ICDR Regulations. Any under-subscription in the reserved category specified in clause (ii) above may be allocated to domestic Mutual Funds.
- (2) Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.
- (3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor 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.
- (4) In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, partners, designated partners, trustees, associates, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Further, a Bidder Bidding in the Employee Reservation Portion may also Bid under the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion above ₹[●], shall not be allowed to Bid in the Net Offer as such Bids shall be treated as multiple Bids.

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

The Bids by FPIs with certain structures as described under “Offer Procedure – Bids by FPIs” on page 531 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “Terms of the Offer” on page 512.

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 offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

The SEBI by its circular no. read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 (read with the SEBI ICDR Master Circular), has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Further, SEBI by the SEBI ICDR Master Circular has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to the SEBI ICDR Master Circular, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Pursuant to the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, read with the SEBI ICDR Master Circular, the time period for listing of equity shares pursuant to a public issue has been reduced from six Working Days to three Working Days, and as a result, the final reduced timeline of T+3 days has been made effective using the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”). Accordingly, this Offer will be undertaken pursuant to the processes and procedures prescribed under the UPI Phase III on a mandatory basis, subject to any circulars, clarifications or notifications which may be issued by the SEBI from time to time.

Pursuant to the SEBI ICDR Master Circular, applications made using the ASBA facility in initial public offerings shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

SEBI vide its circular no. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/55 dated May 24, 2024 (“AV Circular”) has introduced the disclosure of audiovisual presentation of disclosures made in Offer Documents. Pursuant to the AV Circular, investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by influencers.

In terms of Regulation 23(5) and Regulation 52 of the SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated, in accordance with applicable law, at a uniform rate of ₹100 per day or 15% per annum of the application amount for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular and SEBI RTA Master Circular, in case of delays in resolving investor grievances in relation blocking/unblocking of funds. The BRLMs shall be the nodal entity for any issues arising out of

public issuance process.

Our Company, the Selling Shareholders and the BRLMs, the 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 Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis in accordance with the SEBI ICDR Regulations, of which 40% shall be reserved as under (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Any under-subscription in the reserved category specified in clause (ii) above may be allocated to domestic Mutual Funds. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Further, [●] equity shares of face value of ₹10 each, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

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

Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post-Offer paid-up equity share capital of our Company.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, and press release dated June 25, 2021 and September 17, 2021, CBDT Circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto.

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

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid

cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The SEBI by its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, read with the SEBI ICDR Master Circular, has reduced the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. This Offer will be undertaken pursuant to the processes and procedures prescribed under UPI Phase III, on a mandatory basis, subject to any circulars, clarifications or notifications which may be issued by the SEBI.

Pursuant to the SEBI ICDR Master 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 SEBI ICDR Master Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as BRLMs will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. Our Company will be required to appoint Sponsor Banks to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders using the UPI. Further, pursuant to the SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a) syndicate member;
- b) a stock broker recognised with a registered stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- c) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); and
- d) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time. Further, in accordance with the SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) UPI Bidders using 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.
- (ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

(3) Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of the Company.

In case of ASBA forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to Bidders, SCSBs shall send SMS alerts as specified in SEBI ICDR Master Circular. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue.

The Sponsor Banks and Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
- b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
- c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.
- d. Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Electronic registration of Bids

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST for Retail Individual Bidders and Eligible Employees and 4:00 pm for Non-Institutional Bidders and QIBs, on the Bid/Offer Closing Date to modify select fields uploaded

in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

- d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension funds sponsored by entities which are associates of the BRLMs shall not apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Employees

The Bid must be for a minimum of [●] equity shares of face value of ₹10 each and in multiples of [●] equity shares of face value of ₹10 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of employee discount, if any).

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of employee discount, if any). Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 519.

However, Allotments to Eligible Employees in excess of ₹200,000 (net of employee discount, if any) shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of employee discount, if any). Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- (i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- (ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
- (iii) In case of joint bids, the Sole Bidder or the First Bidder shall be the Eligible Employee.
- (iv) Bids by Eligible Employees may be made at Cut-off Price.
- (v) Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.
- (vi) The Bids must be for a minimum of [●] equity shares of face value of ₹10 each and in multiples of [●] equity shares of face value of ₹10 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000.
- (vii) Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism
- (viii) If the aggregate demand in this portion is less than or equal to [●] equity shares of face value of ₹10 each at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (ix) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (x) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of employee discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of employee discount, if any).

If the aggregate demand in this portion is greater than [●] equity shares of face value of ₹10 each at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Offer Procedure*” on page 524.

Bids by eligible Non-resident Indians (“NRIs”)

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External (“NRE”) accounts, or FCNR accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its master circular for foreign portfolio investors, designated depository participants and eligible foreign investors with reference number SEBI/HO/AFD/AFD-

PoD/P/CIR/2024/70 dated May 30, 2024 and the SEBI RTA Master Circular, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form *“exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.”*

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the **“FPI Group”**) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250.00 million and pension funds with a minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of Section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly,

the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA NDI Rules, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules. Further, AIFs are required to comply with the SEBI circular no. SEBI/HO/AFD/AFD-1/P/CIR/2024/135 issued vide dated October 08, 2024.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid-up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies

should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each amended (“**IRDAI Investment Regulations**”) are broadly set forth below:

- equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000.00 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.*

Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of Section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100.00 million.
3. Of the 40% of the Anchor Investor Portion, 33.33% shall be reserved for domestic Mutual Funds and 6.67% shall be reserved for life insurance companies and pension funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
5. Our Company, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100.00 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor; and (c) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 15 Anchor Investors for every additional ₹2,500.00 million, subject to minimum Allotment of ₹50.00 million per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
9. Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked-in for a period of 90 days from the date of Allotment, whereas the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.
10. The Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) or pension fund sponsored by entities which are associate of the Book Running Lead Managers shall not apply under the Anchor Investors category.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the Acknowledgement Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgement Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

General Instructions

QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

Do's:

1. Ensure that your PAN is linked with Aadhaar and you are in compliance with the notification of the Central Board of Direct Taxes dated February 13, 2020 and press release dated June 25, 2021;
2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
6. UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;
8. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
9. If the First Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders);
10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
11. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
12. The ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;
13. 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;

14. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
15. 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;
16. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
20. Ensure that the Demographic Details are updated, true and correct in all respects;
21. 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;
22. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
25. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
26. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
27. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. IST on the Bid/ Offer Closing Date;
29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
30. 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;
31. 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;

32. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and
33. 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).
34. 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 UPI Bidders, 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.
35. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
6. Do not submit the Bid for an amount more than funds available in your ASBA account;
7. 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;
8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;
9. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;
10. Anchor Investors should not Bid through the ASBA process;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. 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;
16. 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);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares more than what is specified for each category;
21. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for physical applications);
22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI

- Bidder, do not submit the ASBA Form directly with SCSBs;
25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
 26. Do not Bid if you are an OCB;
 27. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;
 28. Do not submit the Bid cum Application Forms to any non-SCSB bank;
 29. 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);
 30. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 (net of employee discount, if any) for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
 31. 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
 32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time is liable to be rejected.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

- (a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
- (b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
- (c) Bids submitted on a plain paper;
- (d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
- (e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));
- (f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;
- (g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
- (h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
- (i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- (j) Bids submitted without the signature of the First Bidder or Sole Bidder;
- (k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
- (l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
- (m) GIR number furnished instead of PAN;
- (n) Bids by RIBs with Bid Amount of a value of more than ₹200,000;
- (o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- (p) Bids accompanied by stock invest, money order, postal order, or cash; and
- (q) Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by RIBs and Eligible Employees uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees under the Employee Reservation Portion, 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-Offer or post-Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Chief Compliance Officer. For further details

of the Company Secretary and Chief Compliance Officer, see “General Information” and “Our Management” on pages 85 and 295, respectively.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular (to the extent applicable) in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of the SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The allotment of Equity Shares to each RIBs shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to NIBs. The Equity Shares available for allocation to NIBs under the Non - Institutional Portion, shall be subject to the following: (i) one-third of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000 and (ii) two-third of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of NIBs. The allotment to each NIB shall not be less than ₹200,000, subject to the availability of Equity Shares in the Non - Institutional Portion, and the remaining Equity Shares if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

The Allotment advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchanges, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from the Stock Exchanges is received post 9:00 p.m. IST on that date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper and [●] edition of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders/Applicants. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

- (a) Our Company, 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.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see “*Terms of the Offer*” on page 512.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and

satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within three Working Days from the Bid/ Offer Closing Date or such other 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;
- 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 Working Days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- Except for any issue of (a) Equity Shares pursuant to Fresh Issue or pursuant to exercise of the employee stock options granted under the ESOP Plans, or (b) any issuance of specified securities pursuant to the Pre-IPO Placement, 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.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, undertakes, in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares that:

- its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall transfer its portion of the Offered Shares to an escrow demat account in accordance with the Share Escrow Agreement;
- it is the legal and beneficial owner of its respective portion of the Offered Shares and that such Offered Shares shall be transferred in the Offer, free and clear from any encumbrances; and
- it shall not have recourse to the proceeds of the Offer for Sale until receipt of final listing and trading approval from the Stock Exchanges in relation to the Offer.

Utilisation of Gross Proceeds

Our Company specifically confirm that (i) 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, (ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Gross Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and (iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1,000,000 or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1,000,000 or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5,000,000 or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Policy**”), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI 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 a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate the Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/ Offer Period. Subsequently, *vide* Press Note No. 2 (2026 Series), dated March 15, 2026 issued by the DPIIT, the FDI Policy has been further amended to, *inter alia*, define the expression “beneficial owner” and to provide that prior approval of the Government of India shall be required only where citizen(s) and/ or entity(ies) of a country sharing a land border with India have the ability to, directly or indirectly, individually or cumulatively, independently or collectively, whether acting together or otherwise, hold rights/entitlements more than 10% of the shares, capital or profits of the investor entity which is incorporated or registered in a country other than a country sharing land border with India, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity in any manner. The amendments under Press Note No. 2 (2026 Series) has come into effect from the date of notification of the FEMA (Non-debt Instruments) (Amendment) Rules, 2026 i.e., May 2, 2026. Moreover, through the Foreign Exchange Management (Non-debt Instruments) (Third Amendment) Rules, 2026 dated June 12, 2026, the Portfolio Investment Scheme is extended from NRIs and OCIs to any individual person resident outside India.

As per the FEMA Rules and FDI Policy, up to 100% foreign investment under the automatic route is currently permitted in NBFCs.

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 SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible Non-resident Indians*” and “*Offer Procedure – Bids by FPIs*” on pages 530 and 531.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

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. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act, and (b) outside the United States in “offshore transactions” as defined in and in reliance on

Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered 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, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

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

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to the provisions of Section 14 and Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below. The Articles of Association have been adopted pursuant to a special resolution passed by the Shareholders in their meeting held on July 22, 2026, in substitution for and to the exclusion of all the existing Articles thereof. No material clause that may have a bearing on the Offer has been left out from disclosure in this Draft Red Herring Prospectus.

PART I

PRELIMINARY

- 1 (1) Subject to anything to the contrary hereinafter provided, the regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013, as amended from time to time, in so far as they are applicable to a public company, will apply to the Company except in so far as otherwise expressly or by implication excluded by these Articles. Subject to the provisions of the Act (as defined hereinafter), (a) in case of any conflict between the provisions of Part I and Table 'F', the provisions of Part I herein will prevail; and (b) in case of any conflict between the provisions of Part II and Table 'F', the provisions of Part II herein will prevail.
- (2) These Articles are divided into Part I and Part II and in case of any conflict, inconsistency and/or contradiction between the provisions contained in Part I and Part II of the Articles, the provisions contained in Part II of these Articles, to the extent of such conflict, inconsistency and/or contradiction, shall supersede the provisions of Part I and shall prevail at all times. Provided, however that, on the date of commencement of listing and trading of Equity Shares on the Recognised Stock Exchanges (as defined in Part II of these Articles) pursuant to an initial public offering of Equity Shares by the Company in accordance with the terms of these Articles, Part II of these Articles shall automatically stand deleted and shall not have any force and shall be deemed to be removed from the Articles.
- (3) On and from the date of commencement of listing and trading of Equity Shares on the Recognised Stock Exchanges (as defined in Part II of these Articles) pursuant to an initial public offering of Equity Shares by the Company in accordance with the terms of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**") or of the Act or of the Secretarial Standard issued by the Institute of Company Secretaries of India ("**Secretarial Standards**"), the provisions of the Listing Regulations or the Act or the Secretarial Standards shall prevail over the Articles to such extent and the Company shall discharge its obligations under the Listing Regulations or the Act or the Secretarial Standards, as may be applicable, from time to time.

INTERPRETATION

- 2 (1) In these articles of association:-
 - (a) "**Act**" means the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force and where the context requires includes applicable rules and regulations made thereunder.
 - (b) "**Articles**" mean these articles of association as originally framed or as altered by special resolution, from time to time;
 - (c) "**Board**" means the board of Directors of the Company;
 - (d) "**Company**" means Svatantra Microfin Limited;
 - (e) "**Director(s)**" means the directors of the Company and includes persons occupying the position of the directors by whatever names called;
 - (f) "**Office**" means the Registered Office of the Company; and
 - (g) "**Seal**" means the common seal of the Company.
- (2) Unless the context otherwise requires, words or expressions contained in these Articles shall have the same

meaning as in the Act, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

PUBLIC COMPANY

- 3 The Company is a public company within the meaning of section 2(71) of the Act.

SHARE CAPITAL AND VARIATION OF RIGHTS

- 4 The authorised share capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.
- 5 The shares shall be under the discretionary control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion, at such time and on such term & conditions as they may in their absolute discretion think fit & proper. Provided that the option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in a general meeting.
- 6 Shares may be registered in the name of any minor through a guardian only as fully paid shares.
- 7 The Board may allot and issue shares in the Capital of the Company as partly or fully paid up in consideration of any property sold or goods transferred or machinery supplied or for services rendered to the Company in the conduct of its business.
- 8 (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
 - b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary.
- Provided that in case the Company has a Seal it shall be affixed in the presence of the persons required to sign the certificate.
- (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.
- 9 The Share Certificate to the Share registered in the name of two or more person shall be delivered to first named person in the register and this shall be a sufficient delivery to all such holders.
- 10 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. The provisions of Article 8 and 9 of these Articles shall mutatis mutandis apply to debentures of the Company. No fee shall be charged for registration of transfer, sub-division, consolidation, transmission, probate, succession certificate, letters of administration, certificate of death or marriage, power of attorney or similar other document. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf, as applicable.

- 11 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.
- 12 (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.
- 13 Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act.
- 14 (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or 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.
- 15 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- 16 Subject to the provisions of Section 55 of the Act, the Company may issue preference shares, which shall be redeemed within a period not exceeding Twenty Years from the date of their issue.

FURTHER ISSUE OF SHARES

- 17 Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, whether out of unissued share capital or out of increased share capital, then such Shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
- (a) To persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:
- 17.1.1. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days or such lesser number of days as may be prescribed under the Act and not exceeding 30 days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three (3) days before the opening of the issue, or such other time as prescribed under applicable law.
- 17.1.2. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in sub-clause 17.1.1 shall contain a statement of this right.

17.1.3. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company;

- (b) Notwithstanding anything contained in sub clause (a) above, if authorized by a special resolution passed by the company in a General Meeting, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause 17.1(a) hereof) in any manner whatsoever subject to compliance with the applicable provisions and conditions prescribed under the Act.

- 18 Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company to convert such debentures or loans into shares in the Company;

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

LIEN

- 19 Subject to the provisions of the Act the Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends and bonuses, from time to time, declared in respect of shares, subject to section 123 of the Act. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause. The fully paid-up shares shall be free from all lien and that in the case of partly-paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

- 20 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.
- 21 (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 22 (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.

CALLS ON SHARES

- 23 (i) The Board is empowered to make call on members of any amount payable at a time fixed by them. However, the Company may accept from any member, the whole or a part of the amount remaining unpaid on any shares held by him, even if no part of that amount has been called up.

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.

24 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.

25 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

26 (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.

27 (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.

28 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.

TRANSFER OF SHARES

29 (i) The Company shall use a common form of transfer. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

30 (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.

31 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.

32 The Board may refuse to register any transfer of shares where the Company has a lien on the shares or where the shares are not fully paid up shares, subject to Section 58 of the Act.

- 33 Subject to Section 58 of the Act, these Articles, the Securities Contracts (Regulation) Act, 1956, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force the Board may in its discretion, refuse to register the transfer of any shares to any person, whom it shall, in their opinion, be undesirable in the interest of the Company to admit to membership. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares; and provided further that the transfer of shares or debentures in whatsoever lot shall not be refused. The Company shall, within a period of thirty days from the date on which the instrument of transfer was delivered to the Company, send notice of the refusal to register such transfer to the transferer and/ or the transferee, as the case may be, with the reasons for such refusal.
- 34 Subject to Section 56 of the Act, where the shares are held in physical form every instrument of transfer, duly stamped must be accompanied by the certificate of share proposed to be transferred and such other evidence as the Board may require. In case of transfer of shares where the Company has not issued any certificate and where the shares are held in dematerialized form, the provisions of Depositories Act, 1996 (“**Depositories Act**”), as amended from time to time any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (“**SEBI Depositories Regulations**”) and other applicable law shall apply. Notwithstanding anything contained in these Articles, the Board may delegate to the Company’s registrar and share transfer agent or any committee of the Board, the power to approve the transfer and transmission of shares or securities and to do all incidental things thereto. Further, subject to the provisions of the Act, the members of the Company shall transfer securities only in a dematerialized form.
- 35 On giving not less than seven days’ previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

- 36 (i) At the death of any members, his or her shares be recognised as the property of his or her survivor or survivors, where the member was a joint holder, and his or her nominee or nominees or legal representatives where the member was a sole holder, upon production of reasonable evidence as may required by the Board.
- 37 (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.
- 38 (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.
- 39 (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.

- 40 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.

FORFEITURE OF SHARES

- 41 If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 42 The notice aforesaid shall —
- (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.
- 43 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect
- 44 (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 45 (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- 46 (i) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute 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.
- 47 The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF SHARE CAPITAL

- 48 The Company, subject to provisions of section 61 of the Act, by ordinary resolution may, from time to time:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.
 - (c) sub-divide its share or any of them into shares of smaller amount than is fixed by the Memorandum of Association so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - (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 and diminish the amount of its share capital by the amount of share so cancelled. Where any share capital is sub-divided, the Company in General Meeting, subject to the Sections 43, 47 and other provisions of the Act, may determine that as between the holders of the shares resulting from sub-division, one or more of such shares shall have same preferential or special rights as regards dividend, payment of capital, voting or otherwise.

49 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.

INCREASE AND REDUCTION OF CAPITAL

- 50 The Company in General Meeting may, from time to time, by ordinary resolution increase the share capital of the Company by the creation of new shares by such sum, to be divided into shares of such amount as may be deemed expedient.
- 51 Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company when issued, the new shares may be issued upon such terms and conditions and with such preferential, qualified or such rights and privileges or conditions there to as general meeting resolving upon the creation thereof shall direct. If no direction be given, the Board shall determine in particular the manner in which such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.
- 52 Before the issue of any new shares, the Company in General Meeting may make provisions as to the allotment and issue of the new shares and in particular may determine to whom the shares be offered in the first instance and whether at par or premium. In case no such provision is made by the Company in General Meeting, the new shares may be dealt with according to the provisions of these Articles.
- 53 Subject to the provisions of the Act, the Company may, from time to time in any manner, by special resolution and subject to any consent required under the Act, reduce:
- (a) its share capital,

- (b) any capital redemption reserve account; or
- (c) any share premium account

54 Subject to provisions of the Act, the Board may accept from any member, to surrender, on such terms and conditions as shall be agreed, of all or any of his shares.

BUY-BACK OF SHARES

55 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.

CAPITALISATION OF PROFITS

56 Subject to the provisions of Section 63 of the Act, and any statutory amendments or reenactments thereof and compliance of the provisions thereof by the Company:

- (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 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.

- 57
- (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.

GENERAL MEETINGS

- 58 All general meetings other than the annual general meeting shall be called extra-ordinary general meeting.
- 59 (a) The Board may whenever it thinks fit, call an extra-ordinary general meeting.
- (b) 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.
- (c) The Board shall, on a requisition made by, such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as on that date carries the right of voting, call an extraordinary general meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 60 Any general meeting may be called by giving to the members clear twenty-one (21) days' notice. The General Meeting may be called by giving less than twenty-one (21) days' notice, if consent for the same is given by the members in accordance with the provisions laid down under sections 101 and 102 of the Act. The notice shall specify the date, day, hour, place and the objects of meeting. In every such notice calling meeting of the Company there will appear a statement that member is entitled to appoint proxy and to vote instead of himself.
- 61 No business shall be transacted at any general meeting, unless quorum of members is present.
- 62 The chairperson, if any, of the Board, shall preside as chairperson of all Board and general meetings, of the Company. If there is no such chairperson, or if at any time the chairperson is not present within 15 minutes after the time appointed for holding the same or is unwilling to act as chairperson, the Directors present shall elect one of the Directors present to be chairperson of such meeting. If no Director is present or is unwilling to act as chairperson, the members may appoint one of their members as chairperson.
- 63 No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

63A PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act or the Listing Regulations, to be passed by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.
- (c) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

ADJOURNMENT OF MEETING

64 Subject to provisions of the Act:

- (i) The chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

65 Subject to any rights or restrictions for the time being attached to any class or classes of shares and provisions of the Act,—

- (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 share capital of the Company.

66 A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

- 67
- (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.

68 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.

69 Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

70 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.

- 71
- (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
 - (ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

72 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.

73 An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

74 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.

MINUTES

75 Directors shall respectively cause minutes of all proceedings of general meetings and of all proceedings at meetings of the Board or of committee of the Board or by postal ballot to be duly entered in books to be maintained for that purpose in accordance with Section 118 of the Act.

The minutes of each meeting shall contain:

- (a) The fair and correct summary of the proceedings thereat.
- (b) The name of the Directors present at the meeting in case of meeting of the Board or any committee of the Board.
- (c) The name of the Directors, if any, dissenting from or not consenting to the resolution, in the case of each resolution passed at the meeting of Board or committee of Board of Directors.
- (d) All appointments made at any meeting. Any such minutes, purposing to be signed in accordance with the provisions of Section 118 of the Act, shall be evidence of the proceedings.

BOARD OF DIRECTORS

76 The number of Directors shall not be less than three and not more than fifteen. As per the provisions of the Act, the Company reserves the right to increase the number of Directors beyond fifteen, provided such increase is authorized by a special resolution of the shareholders. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

77 The following shall be the First Directors of the Company.

- 1. Mr. Sushil Agarwal
- 2. Mrs. Neerja Birla

78 The Board shall have the power, at any time and from time to time, to appoint any person as additional Director in addition to the existing Director so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any additional Director(s) so appointed shall hold office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, and shall be eligible for appointment by the Company as a Director subject to the provisions of the Act.

79 The Managing Director may be paid such remuneration as may, from time to time, be determined by the Board, and such remuneration may be fixed by way of salary or commission or participation in profits or partly in one way or partly in another and the same has to be ratified by the shareholders in the General Meeting as per the provisions of Section 196 and Schedule V of the Act.

80 The quorum necessary for the transaction, of the business of the Board meeting subject to Section 174 of the Act, shall be one third of the total strength or at least two whichever is higher.

- 81 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.
- 82 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.
- 83 Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book/attendance sheet to be kept for that purpose.
- 84 The Company shall not, directly or indirectly, advance any loan, or a loan represented as a book debt, to any of its managing/whole time directors or to any person in whom such managing/whole time director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person unless the same is approved by the members in general meeting or as a part of conditions of service extended to all of its employees by the Company subject to the provisions of section 185 of the Act.
- 85 Subject to the provisions of Section 161 of the Act, the Board of Directors may, by passing a resolution in Board Meeting, appoint a person as an alternate director in place of a Director who is absent from India for a period not less than 3 (three) months. Such alternate director while so acting shall exercise and discharge all functions and powers and be subject to all the duties and limitations of the Director which he represents and shall be entitled to receive notice to attend and to vote a Director's meeting on behalf of meeting attended by him. Such alternate director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.
- 86 1) The Board shall have the power, on receipt of the nomination by the debenture trustee to appoint a Nominee Director on the Board, in the following circumstances:
- i. 2 (two) consecutive defaults in payment of interest to the debenture holders; or
 - ii. default in creation of security for debentures; or
 - iii. default in redemption of the debentures.
- Such Nominee Director shall not be liable to retire by rotation nor be required to hold any qualification shares.
- The debenture trustee shall have the right to remove such Nominee Director so appointed and in the case of death or resignation or vacancy in the office for any reasons whatsoever of the Nominee Director(s) so appointed, at any time appoint any other person as Nominee Director. Such appointment or removal shall be made in writing to the Company.
- 2) Notwithstanding anything contained in these Articles, whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution, or any person or persons, (hereinafter referred to as "the Appointer") for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board or any committee or any officers of the Company (so authorised), shall have the power to agree that such appointer shall have if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract ("Nominee Director") and that such Nominee Director may not be liable to retire by rotation nor be required to hold any qualification shares.
- The Appointer may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the Nominee Director/s so appointed, at any time appoint any other person as Nominee Director. Such appointment or removal shall be made in writing to the Company.
- 87 The Board shall have power for engagement and dismissal of managers, engineers, assistants, clerks and others and shall have power of general direction, and management and superintendence, of the business of the Company

with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business and concern of the Company including the power to make such investment of the Company's fund as they shall think fit, and sign contracts and to draw, make sign, accept, endorse and negotiate on behalf of the Company all bills of exchange, promissory notes, hundies drafts, Government Promissory Notes and other Government securities and such other instruments.

- 88 The Director may delegate all or any of their powers to such other Directors, Managers or other persons as they think fit and shall have power to grant to any such person such power of attorney, as they deem expedient and such powers at pleasure to revoke, subject to Section 179 and 166 of the Act.
- 89 Subject to the provisions of the Act, the Director shall receive such remuneration for their services as may, from time to time, be determined by the Company in general meeting or in a Board Meeting or may be contained in an agreement, if any, between the Company and any Director or Directors. The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- 90 A Director shall not be required to hold any qualification shares in the Company.
- 91 The Director may also be paid travelling and other expenses of attending and returning from meeting(s) of the Board (including hotel expenses) and any other expenses incurred by them in connection with the business of the Company, including all expenses incurred in getting up and registering the Company. The Directors may also be remunerated for any extra services rendered by them outside their ordinary duties as Director, subject to the provisions of Section 188 of the Act.
- 92 Subject to the provisions of the Act, and the rules framed there under, Board may decide to pay a Director out of the funds of the Company by way of sitting fees a sum to be determined by the board for each meeting attended by him.
- 93 The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed under the Act, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time.
- 94 Written resolution circulated to all the Directors, whether in India or overseas and signed by majority of them as approved, shall (subject to the provisions of section 175 of the Act.) be as valid and effective as a resolution duly passed at the meeting of the Board.
- 95 Wherever, the managing director has been appointed in a Board meeting and has not been approved by shareholders in the general meeting, all the acts done by such person in such duration shall not be invalid.

POWERS AND DUTIES OF DIRECTORS

- 96 The business of the Company shall be managed by the Board of Directors who may pay all such expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit and may exercise all such power of the Company and do on behalf of the Company all such acts as may be exercised or done by the Company except that are barred by statute or by these Articles and are required to be exercised or done by the Company in General Meeting, provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, or in the Memorandum & Articles of Association of the Company, or in any rules or regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting. No regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- 97 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. 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.

PROCEEDINGS OF THE BOARD

- 98 (i) The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(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.

99 (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.

100 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.

101 (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

102 (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

103 (i) A committee may elect a chairperson of its meetings.

(ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.

(iii) The Board and/or the chairperson of the relevant committee shall be entitled to, at their discretion, to invite any director to attend the meetings of such committee, as an invitee in a non-voting capacity, through the same mode as are available to the members of such committee under these Articles and the Act.

104 (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairperson shall have a second or casting vote.

105 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.

106 Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

107 Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, if any, 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.

- 108 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.

SEAL

- 109 (a) The Board may, with a resolution passed in Board meeting, decide to have a Seal in place.
- (b) The Board shall provide for the safe custody of the Company's Seal.
- 110 The Seal 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 or such other person as the Board or committee of the Board may authorise who shall sign every instruments to which the seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVE

- 111 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 112 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.
- 113 (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 114 (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.
- 115 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.
- 116 (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.

- 117 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.
- 118 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.
- 119 Where capital is paid up on any shares in advance of calls and the same carries interest, such capital shall not, while carrying interest, confer any right to participate in dividends or profits of the Company.
- 120 No dividend shall bear interest against the Company.
- 121 No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all provisions of section 125 of the Act in respect of unclaimed or unpaid Dividend over a period of seven (7) years.

BORROWING POWERS

- 122 Subject to section 73-76A and 179 of the Act, and Regulations made thereunder and Directions issued by the RBI the Directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks, financial institutions etc or they may themselves advance money to the Company on such interest or no interest as may be approved by the Board, without security or on security.
- 123 The Board may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.
- 124 Any debenture, bonds, or other securities may be issued at premium or otherwise and with special privileges as to redemption, surrender, drawing and allotment of shares of the Company and otherwise.

OPERATION OF BANK ACCOUNTS

- 125 The Board or any other committee authorised by the Board shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other person or persons to exercise such powers.

ACCOUNTS

- 126 The Board of Directors may, 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 Director).
- 127 No member (not being Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorised by the Board of Directors or by the Company in General Meeting.
- 128 The Board shall in all respect comply with the provisions of Section 128, 129, 133, 134, 137, 207 of the Companies Act, 2013, profit and Loss Account, Balance Sheet and Auditors Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet, to be sent to every member and debenture holder of the Company and every trustee for the holders of the debentures issued by the Company at least clear twenty one days before the date of Annual general meeting of the Company at which they are to be laid, subject to the provisions of section 136 of the Act.

AUDIT

- 129 Auditors shall be appointed, and their rights, obligations and duties regulated in accordance with the provisions applicable to the Company, from time to time.

SECRECY

- 130 Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the Company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

WINDING UP

- 131 Winding up when necessary will be done subject to the provisions of Chapter XX of the Act and rules made thereunder—

(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.

INDEMNITY

- 132 Subject to the provisions of Act, every Director, manager, auditor, secretary and other officers or servants of the Company shall be indemnified, out of the assets of the Company against any bonafide liability incurred by him in defending any bonafide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 463 of the Act, in which relief is granted to him by the Court.

DEMATERIALIZATION OF SHARES

- 133 Company to recognize interest in dematerialized securities under Depositories Act as amended from time to time and SEBI Depositories Regulations and any other applicable law.

- i. The Company or an investor may exercise an option to, as applicable, issue, hold, transfer and deal in its securities only in dematerialised form with a depository. All securities of the Company shall be issued, held and transferred in electronic form in accordance with the provisions of the Depositories Act, 1996, as amended from time to time or any statutory modification there to or re-enactment thereof and the SEBI Depositories Regulations and any other applicable law.
- ii. Every person subscribing to or holding securities of the Company shall receive such securities in dematerialized form. Such a person who is the beneficial owner of the securities can at any time optout of a Depository, if permitted by the Law, in respect of any securities in the manner provided by the Depositories Act and the regulations made thereunder and our Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of the securities.
- iii. If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee and the beneficial owner of the security.

- iv. All securities held by a depository shall be dematerialized and be in fungible form.
- v. Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- vi. Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- vii. Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be the member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits subject to all the liabilities in respect of his securities which are held by a depository.
- viii. Every depository shall furnish to the Company about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the byelaws and the Company in that behalf.
- ix. Upon receipt of certificate of securities of surrender by a person who has entered into an agreement with the depository through a participant, the Company shall cancel such certificate and substitute in its records the name of depository as the registered owner in respect of the said securities and shall also inform the depository accordingly.
- x. Notwithstanding anything in the Act or these Articles to the contrary, these securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- xi. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.
- xii. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- xiii. The Company shall cause to be kept a register and index of Members and a register and index of debenture holders in accordance with the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialized forms in any media as may be permitted by law including in any form of electronics media. The register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the register and index of Members and register and index of debenture holders, as the case may be, for the purpose of the Act. The Company shall keep a register of Transfer and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

LOCK-IN OF PLEDGED AND POST-INVOCATION SECURITIES

- 134 Notwithstanding anything to the contrary contained in these Articles, where any Equity Shares held by persons other than promoters are required to be locked in under Regulation 17 of the SEBI ICDR Regulations and such lock-in cannot be created or recorded by depositories for any reason whatsoever including where such Equity Shares are (a) subject to pledge or (b) under “freeze balance” or “safe keep balance” or “Suspended for Debit” or “Suspended for Debit and Credit” on a day prior to the bid/issue closing date in respect of an initial public offering, the Company is hereby authorized to issue instructions to the depositories (NSDL/ CDSL) within such timelines and manner as may be required under the applicable law, including circulars issued by the Depositories, directing them to record such Equity Shares as “non-transferable” for the duration of the applicable Lock-in Period. The aforementioned Equity Shares shall be treated as locked-in for the Lock-in Period as specified under the SEBI ICDR Regulations.
- 135 In the event of invocation of the pledge on such Equity Shares by the pledgee or exercise of lien on such Equity Shares by any person pursuant to an order or directions of any court, tribunal, any government agency, SEBI or any other authority made or given under any law for the time being in force, whether in whole or in part, the Equity Shares so transferred or received by the pledgee upon such invocation or by such other person

upon exercise of lien shall continue to remain locked-in in the account of the pledgee for the balance Lock-in Period.

136 In the event of release of the pledge of such Equity Shares by the pledgee or release of the lien over such Equity Shares, whether in whole or in part, the Equity Shares so released shall be automatically locked-in and continue to remain locked-in in the account of the pledgor for the balance Lock-in Period.

137 For the purposes of Articles 134 to 136, (a) “**Lock-in Period**” means the period for which the entire pre-issue capital of the Company held by persons other than the promoters and equity shares specified under the proviso to Regulation 17(1) of the SEBI ICDR Regulations, in case of IPO, is locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations; and (b) “**SEBI ICDR Regulations**” shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or re-enacted or replaced from time to time.

138 Notwithstanding anything contained in these Articles, provisions of this Article shall override any other provisions in these Articles relating to the transfer and transmission of shares during the applicable regulatory period.

GENERAL POWER

139 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. IST on Working Days and will also be available on the website of our Company at <https://svatantramicrofin.com/investor-relations/initial-public-offerings>, from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such documents or agreements executed after the Bid/ Offer 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 other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

A. Material contracts for the Offer

- (1) Offer Agreement dated August 13, 2026 entered amongst our Company, the Selling Shareholders and the BRLMs.
- (2) Registrar Agreement dated August 13, 2026 between our Company, the Selling Shareholders and the Registrar to the Offer.
- (3) Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Banker(s) to the Offer.
- (4) Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent.
- (5) Syndicate Agreement dated [●] between our Company, the Selling Shareholders, Registrar to the Offer, the BRLMs and the Syndicate Members.
- (6) Monitoring agency agreement dated [●] between our Company and the Monitoring Agency.
- (7) Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material documents

- (1) Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
- (2) Certificate of incorporation dated February 17, 2012, in the name of Svantra Microfin Private Limited issued by the RoC.
- (3) Fresh certificate of incorporation dated April 15, 2026 issued by the Registrar of Companies, Central Processing Centre at Manesar, consequent to the change in name of our Company from 'Svantra Microfin Private Limited' to 'Svantra Microfin Limited', pursuant to conversion to a public limited company.
- (4) Resolutions of the Board of Directors dated July 22, 2026, approving the Offer and other related matters and resolution of our Shareholders dated July 22, 2026, approving the Fresh Issue.
- (5) Resolutions of the Board of Directors dated August 13, 2026 approving this Draft Red Herring Prospectus.
- (6) Resolutions of the Board of Directors dated August 13, 2026 approving the Draft Abridged Prospectus.
- (7) Consent letters dated August 13, 2026 received from each of the Selling Shareholders authorising their participation in the Offer for Sale.
- (8) Resolution of the Board of Directors dated August 13, 2026 taking on record the consent letters received from each of the Selling Shareholders authorising its respective participation in the Offer for Sale.
- (9) Resolutions of the Board of Directors dated June 17, 2026, approving the terms of appointment for each

of our Executive Directors.

- (10) Consent letter dated August 12, 2026 from CRISIL MI&A in relation to the CRISIL Report.
- (11) The report titled "*The microfinance industry in India*" dated August 2026 prepared by CRISIL MI&A, which has been commissioned by and paid for by our Company pursuant to an engagement letter dated April 14, 2026, exclusively for the purposes of the Offer.
- (12) The examination report of the Statutory Auditors dated August 7, 2026, on our Company's Restated Consolidated Summary Statements, included in this Draft Red Herring Prospectus.
- (13) The report on statement of special tax benefits available to our Company and its Shareholders dated August 12, 2026 from the Statutory Auditors.
- (14) Consent of the Directors, the Company Secretary and Chief Compliance Officer, the BRLMs, the Syndicate Members, domestic legal counsel to our Company as to Indian law, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank(s), Monitoring Agency, Bankers to our Company, practising company secretary and as referred to in their specific capacities.
- (15) Written consent dated August 13, 2026 from S. R. Batliboi & Co. LLP, Chartered Accountants to include their name as required under Section 26(1) 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 Statutory Auditors and in respect of their (i) examination report, dated August 7, 2026, on our Restated Consolidated Summary Statements; and (ii) their report dated August 12, 2026 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
- (16) Consent dated August 13, 2026 from Manian & Rao, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the 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 respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.
- (17) Certificates dated August 13, 2026 issued by Manian & Rao, Chartered Accountants with respect to the (a) key performance indicators; (b) basis for Offer Price and transactions in specified securities; (c) the weighted average price, average cost of acquisition and price at which Equity Shares were acquired; (d) employee stock option plans; (e) financial indebtedness; (f) outstanding dues to creditors; and (g) tax litigation.
- (18) Resolution dated August 13, 2026 passed by the Audit Committee approving the Key Performance Indicators for disclosure.
- (19) Written consent dated August 13, 2026 from Mehta & Mehta, Practising Company Secretary, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the 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 respect of the certificates issued by them in their capacity as a practicing company secretary to our Company.
- (20) Order of the National Company Law Tribunal, Mumbai Bench III dated March 12, 2026, approving the Scheme.
- (21) Share purchase agreement dated August 8, 2023, entered into by and between Navi Finserv Limited, Navi Technologies, our Company and Chaitanya India Fin Credit Private Limited.
- (22) Scheme of amalgamation between Svatantra Holdings Private Limited, Chaitanya India Fin Credit Private Limited and our Company and the respective shareholders of Chaitanya India Fin Credit Private Limited, Svatantra Holdings Private Limited and our Company, as sanctioned by the National Company Law Tribunal, Mumbai Bench III by way of its order dated March 12, 2026, respectively.
- (23) Shareholders' agreement dated March 4, 2024 entered into amongst our Company, Individual Promoter, IGH Holdings Private Limited, Svatantra Holdings Private Limited, Violicina Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV, as amended by way of the letter agreement dated October 29, 2024 entered into amongst our Company, Individual Promoter, IGH Holdings Private Limited, Svatantra Holdings Private Limited, Violicina

Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV read together with the deed of adherence dated March 20, 2026 between IGH Holdings Private Limited and Antimatter Media Private Limited.

- (24) Waiver cum amendment agreement dated August 13, 2026 to the Shareholders' Agreement, entered into by and amongst our Company, Individual Promoter, Antimatter Media Private Limited, Violicina Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV.
- (25) Inter-se agreement dated August 13, 2026 entered into amongst Individual Promoter, Antimatter Media Private Limited, Violicina Limited, Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV.
- (26) Valuation report dated August 7, 2023 issued by Finshore Management Services Limited, in relation to the acquisition of the equity shares of CIFCPL by our Company.
- (27) Valuation report dated November 6, 2024 issued by Bansi S. Mehta Valuers LLP, in relation to the Scheme.
- (28) Due diligence certificate dated August 13, 2026 addressed to SEBI from the BRLMs.
- (29) In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.
- (30) Tripartite agreement dated June 5, 2026, between our Company, NSDL and the Registrar to the Offer.
- (31) Tripartite agreement dated June 5, 2026, between our Company, CDSL and the Registrar to the Offer.
- (32) SEBI observation letter bearing number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ananyashree Birla

Chairperson and Non-Executive Director

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vineet Bijendra Chattree
Managing Director

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anand Rao

Joint Managing Director

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shweta Jalan

Non-Executive Director

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Renuka Ramnath

Non-Executive Director

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

NG Shankar

Independent Director

Date: August 13, 2026

Place: New Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mamta Suri

Independent Director

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Balasubramanian Ganesh
Independent Director

Date: August 13, 2026

Place: Chennai, Tamil Nadu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mathew Joseph

Independent Director

Date: August 13, 2026

Place: Chennai, Tamil Nadu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashish Razdan

Independent Director

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Vrushali Vishal Mahajan
Chief Financial Officer

Date: August 13, 2026

Place: Mumbai, Maharashtra

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Multiples Private Equity Fund III, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF MULTIPLES PRIVATE EQUITY FUND III

Authorised Signatory

Name: Nithya Easwaran

Place: Mumbai, Maharashtra

Date: August 13, 2026

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Multiples Private Equity Fund IV, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF MULTIPLES PRIVATE EQUITY FUND IV

Authorised Signatory

Name: Nithya Easwaran

Place: Mumbai, Maharashtra

Date: August 13, 2026

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Multiples Private Equity Gift Fund IV, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF MULTIPLES PRIVATE EQUITY GIFT FUND IV

Authorised Signatory

Name: Hemal Shah

Place: Ahmedabad, Gujarat

Date: August 13, 2026

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Violicina Limited, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF VIOLICINA LIMITED

Authorised Signatory

Name: Christakis Santis

Place: Nicosia, Cyprus

Date: August 13, 2026