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

DRAFT RED HERRING PROSPECTUS
Dated: July 31, 2024
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

HERO FINCORP LIMITED

Corporate Identity Number: **U74899DL1991PLC046774**

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
34, Community Centre, Basant Lok Vasant Vihar, New Delhi 110 057, Delhi, India	9, Community Centre, Basant Lok Vasant Vihar, New Delhi 110 057, Delhi, India	Shivendra Kumar Suman (*Company Secretary and Compliance Officer*)	Email: investors@herofincorp.com Telephone: +91 011 4946 7150	www.herofincorp.com

OUR PROMOTERS: HERO MOTOCORP LIMITED, BAHADUR CHAND INVESTMENTS PRIVATE LIMITED, HERO INVESTCORP PRIVATE LIMITED, BRIJMOHAN LAL OM PARKASH (PARTNERSHIP FIRM), DR. PAWAN MUNJAL, RENU MUNJAL, SUMAN KANT MUNJAL, RENUKA MUNJAL AND ABHIMANYU MUNJAL

DETAILS OF OFFER TO THE PUBLIC

Type	Fresh Issue Size	Size of the Offer for Sale	Total Offer Size	Eligibility and Reservations
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 21,000.00 million	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 15,681.34 million	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 36,681.34 million	This Offer is being made in terms of Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) for not fulfilling the requirements under Regulation 6(1)(b) of SEBI ICDR Regulations. For further details, see “*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*” on page 502. For details of share reservation among Eligible Employees, Eligible HMCL Shareholders, Qualified Institutional Buyers, Non-Institutional Bidders and Retail Individual Bidders see “*Offer Structure*” beginning on page 531.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)^#
AHVF II Holdings Singapore II Pte. Ltd.	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 10,000.00 million	550.00
Apis Growth II (Hibiscus) Pte. Ltd.	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2,500.00 million	820.00
Link Investment Trust (through Vikas Srivastava)	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 47.72 million	562.07
Otter Limited	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 3,133.62million	559.82

^As certified by B R Maheswari & Co LLP pursuant to their certificate dated July 31, 2024.
#Calculated on a fully diluted basis. For further details, see “The Offer” beginning on page 81.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price (determined by our Company in consultation with the Book Running Lead Managers) and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in “*Basis for Offer Price*” beginning on page 129, in accordance with the SEBI ICDR Regulations, and should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL 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 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*” beginning on page 31.

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

LISTING
The Equity Shares 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**", and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		
NAME OF THE BRLM AND LOGO	**CONTACT PERSON**	**EMAIL AND TELEPHONE**
JM Financial Limited	Prachee Dhuri	**E-mail**: herofincorpipo.ipo@jmfl.com **Tel**: +91 22 6630 3030
Axis Capital Limited	Jigar Jain	**E-mail**: herofincorp.ipo@axiscap.in **Tel**: +91 22 4325 2183
BofA Securities India Limited	Ayush Khandelwal	**E-mail**: dg.hero_fincorp_ipo@bofa.com **Tel**: +91 22 6632 8000
HDFC Bank Limited	Dhruv Bhavsar/Sanjay Chudasama	**E-mail**: herofincorp.ipo@hdfcbank.com **Tel**: +91 22 3395 8233
HSBC Securities and Capital Markets (India) Private Limited	Rachit Rajgaria/Sumant Sharma	**E-mail**: herofincorpipo@hsbc.co.in **Tel**: +91 22 6864 1289
ICICI Securities Limited	Sumit Singh/Gaurav Mittal	**E-mail**: herofincorp.ipo@icicisecurities.com **Tel**: +91 22 6807 7100
Jefferies India Private Limited	Suhani Bhareja	**E-mail**: herofincorp.ipo@jefferies.com **Tel**: +91 22 4356 6000
SBI Capital Markets Limited	Karan Savardekar/Sambit Rath	**E-mail**: herofincorp.ipo@sbicaps.com **Tel**: +91 22 4006 9807

REGISTRAR TO THE OFFER		
Name of the Registrar	**Contact person**	**E-mail and Telephone**
Link Intime India Private Limited	Shanti Gopalkrishnan	**Email:** herofincorp.ipo@linkintime.co.in **Tel:** +91 810 811 4949

BID/OFFER PROGRAMME					
ANCHOR INVESTOR BID/ OFFER PERIOD*	[●]	**BID/OFFER OPENS ON***	[●]	**BID/OFFER CLOSES ON****	[●]***

**Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
****The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

DRAFT RED HERRING PROSPECTUS
Dated: July 31, 2024
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

HERO FINCORP LIMITED

Our Company was incorporated as 'Hero Honda Finlease Limited' at New Delhi under the Companies Act, 1956 pursuant to a certificate of incorporation dated December 16, 1991 issued by the Additional Registrar of Companies, Delhi and Haryana and commenced operations pursuant to a certificate for commencement of business dated January 13, 1992. Subsequently, the name of our Company was changed to 'Hero FinCorp Limited', and a fresh certificate of incorporation dated July 26, 2011 was issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The RBI had granted a certificate of registration dated April 9, 1996, under the former name 'Hero Honda Finlease Limited' to carry on the business of a non-banking financial institution without accepting public deposits. A fresh certificate of registration dated September 1, 2011, was granted by the RBI, pursuant to change of name of our Company from 'Hero Honda Finlease Limited' to 'Hero FinCorp Limited'. For further details, see "*History and Certain Corporate Matters – Brief History of our Company*" on page 295.

Registered Office: 34, Community Centre, Basant Lok Vasant Vihar, New Delhi 110 057, Delhi, India
Corporate Office: 9, Community Centre, Basant Lok Vasant Vihar, New Delhi 110 057, Delhi, India
Tel: +91 011 4946 7150; **Website**: www.herofincorp.com; **Contact Person**: Shivendra Kumar Suman, Company Secretary and Compliance Officer
E-mail: investors@herofincorp.com; **Corporate Identity Number**: U74899DL1991PLC046774

OUR PROMOTERS: HERO MOTOCORP LIMITED, BAHADUR CHAND INVESTMENTS PRIVATE LIMITED, HERO INVESTCORP PRIVATE LIMITED, BRIJMOHAN LAL OM PARKASH (PARTNERSHIP FIRM), DR. PAWAN MUNJAL, RENU MUNJAL, SUMAN KANT MUNJAL, RENUKA MUNJAL AND ABHIMANYU MUNJAL

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF HERO FINCORP LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 36,681.34 MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹ 21,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹ 15,681.34 MILLION ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"), COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 10,000.00 MILLION BY AHVF II HOLDINGS SINGAPORE II PTE. LTD., UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹ 2,500.00 MILLION BY APIS GROWTH II (HIBISCUS) PTE. LTD., UP TO [●]EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹ 47.72 MILLION BY LINK INVESTMENT TRUST (THROUGH VIKAS SRIVASTAVA), AND UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹3,133.62 MILLION BY OTTER LIMITED (COLLECTIVELY, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES, THE "OFFERED SHARES"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) AGGREGATING UP TO ₹[●] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE HMCL SHAREHOLDERS ("SHAREHOLDER RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND SHAREHOLDER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●]% AND [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY.

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER AN ISSUE OF SPECIFIED SECURITIES, AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S) OF UP TO [●] EQUITY SHARES FOR AN AMOUNT AGGREGATING UP TO ₹ 4,200 MILLION, 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 SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. 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. THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH.

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, (HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, ATLEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the Book Running Lead Managers, 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, will 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 Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% 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 and the basis of such allocation will be on a discretionary basis, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, 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, up to [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] million will be available for allocation to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders ("**Non-Institutional Category**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. 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. For details, see "*Offer Procedure*" beginning on page **536**.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price, determined by our Company, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 129 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 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 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 the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 31.

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 Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only such statements made by them in this Draft Red Herring Prospectus to the extent such information specifically pertains to such Selling Shareholder and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, assumes no responsibility for any other statements made in this Draft Red Herring Prospectus, including any of the statements made by or relating to our Company or Company's business or any other Selling Shareholder.

LISTING

The Equity Shares 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 letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page **580**.

BOOK RUNNING LEAD MANAGERS

JM FINANCIAL	AXIS CAPITAL	BofA SECURITIES	HDFC BANK We understand your world	HSBC
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** herofincorpipo.ipo@jmfl.com **Website**: www.jmfl.com **Investor Grievance ID:** grievance.ibd@jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.**: INM000010361	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Maharashtra, India **Tel:** + 91 22 4325 2183 **E-mail:** herofincorp.ipo@axiscap.in **Website:** www.axiscapital.co.in **Investor Grievance ID:** complaints@axiscap.in **Contact person:** Jigar Jain **SEBI Registration No.:** INM000012029	**BofA Securities India Limited** 18th Floor, "A" Wing, One BKC "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 6632 8000 **E-mail:** dg.hero_fincorp_ipo@bofa.com **Website:** https://business.bofa.com/bofas-india **Investor Grievance ID:** dg.india_merchantbanking@bofa.com **Contact Person:** Ayush Khandelwal **SEBI Registration No.:** INM000011625	**HDFC Bank Limited** Investment Banking Group Unit No. 701, 702 and 702-A 7th Floor, Tower 2 and 3, One International Centre, Senapati Bapat Marg, Prabhadevi, Mumbai 400013 Maharashtra, India **Tel:** +91 22 3395 8233 **E-mail:** herofincorp.ipo@hdfcbank.com **Investor Grievance ID**: investor.redressal@hdfcbank.com **Website:** www.hdfcbank.com **Contact Person**: Dhruv Bhavsar/Sanjay Chudasama **SEBI Registration No.:** INM000011252	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road Kala Ghoda Fort Mumbai 400 001 Maharashtra, India **Tel:** +91 22 6864 1289 **E-mail:** herofincorpipo@hsbc.co.in **Investor Grievance ID:** investorgrievance@hsbc.co.in **Website:** https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market **Contact person:** Rachit Rajgaria/Sumant Sharma **SEBI Registration No.:** INM000010353

ICICI Securities	Jefferies	SBICAPS Complete Investment Banking Solutions	**REGISTRAR TO THE OFFER** LINK Intime
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** herofincorp.ipo@icicisecurities.com **Investor Grievance E-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Sumit/Gaurav Mittal **SEBI Registration No.:** INM000011179	**Jefferies India Private Limited** Level 16, Express Towers Nariman Point Mumbai 400 021 Maharashtra, India **Tel**: +91 22 4356 6000 **E-mail**: herofincorp.ipo@jefferies.com **Investor Grievance ID**: jipl.grievance@jefferies.com **Website:** www.jefferies.com **Contact person:** Suhani Bhareja **SEBI Registration No.:** INM000011443	**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 **Tel:** +91 22 4006 9807 **E-mail:** herofincorp.ipo@sbicaps.com **Investor Grievance E-mail:** investor.relations@sbicaps.com **Website:** www.sbicaps.com **Contact Person:** Karan Savardekar/Sambit Rath **SEBI Registration No.:** INM000003531	**Link Intime India Private Limited** C 101, 1st Floor, 247 Park, L.B.S Marg Vikhroli West, Mumbai 400 083 Maharashtra, India **Tel:** +91 22 4918 6000 **Email:** herofincorp.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor Grievance ID:** herofincorp.ipo@linkintime.co.in **Contact person:** Shanti Gopalkrishnan **SEBI registration number:** INR000004058

BID/OFFER PERIOD

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]***

**Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
****The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

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SECTION I: GENERAL

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, directions, guidelines, circulars, notifications, clarifications or policies shall be to such legislations, acts, regulations, rules, directions, guidelines, circulars, notifications, clarifications or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, SEBI Listing Regulations, the Companies Act, the SCRA, and the Depositories Act and the rules and regulations made thereunder. 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 below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

The terms not defined herein but used in "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Restated Consolidated Financial Information", "Our Group Companies", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of the Articles of Association" beginning on pages 129, 143, 147, 278, 295, 361, 498, 479, 536 and 558, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company" or "the Issuer" or "the Company"	Hero FinCorp Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057, Delhi, India
"we" or "us" or "our"	Unless the context otherwise indicates or implies, our Company together with our Subsidiary, on a consolidated basis as on the date of this Draft Red Herring Prospectus

Company Related Terms

Term	Description
"AHVF Shareholders' Agreement"	Shareholders' agreement dated January 31, 2022 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and AHVF II Holdings Singapore II Pte. Ltd., amended by way of an amendment agreement dated February 11, 2022 and AHVF Amendment Agreement
"AHVF Amendment Agreement"	Amendment agreement dated July 30, 2024 to the AHVF Shareholders' Agreement and share subscription agreement dated January 31, 2022, as amended, entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP, and AHVF II Holdings Singapore II Pte. Ltd.
"Apis Shareholders' Agreement"	Shareholders' agreement dated January 24, 2020 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and Apis Growth II (Hibiscus) Pte. Ltd. amended by way of an amendment agreement dated January 31, 2022 and Apis Amendment Agreement
"Apis Amendment Agreement"	Amendment agreement dated July 30, 2024 to the Apis Shareholders' Agreement entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and Apis Growth II (Hibiscus) Pte. Ltd.
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended
"Audit Committee"	Audit committee of our Board, as described in "*Our Management – Committees of the Board – Audit Committee*" on page 312
"Board" or "Board of Directors"	Board of Directors of our Company, as described in "*Our Management – Our Board*" on page 303
"BMOP"	Brijmohan Lal Om Parkash (Partnership Firm)
"CCPS"	Collectively, Class A CCPS and Class B CCPS
"Chairman and Non-Executive Director"	Chairman and non-executive director of our Board, namely, Dr. Pawan Munjal

Term	Description
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Sajin Purushothaman Mangalathu
"Class A CCPS"	Compulsorily convertible class A preference shares having face value ₹550 each
"Class B CCPS"	Compulsorily convertible class B preference shares having face value ₹550 each
"Committee(s)"	Duly constituted committee(s) of our Board of Directors, as described in "*Our Management – Committees of the Board*" on page 312
"Company Secretary and Compliance Officer"	Company secretary and compliance officer of our Company, namely, Shivendra Kumar Suman
"Corporate Office"	9, Community Centre, Basant Lok Vasant Vihar, New Delhi 110 057, Delhi, India
"Corporate Promoter(s)"	Our corporate promoters, namely, Hero MotoCorp Limited, Bahadur Chand Investments Private Limited and Hero InvestCorp Private Limited
"Corporate Social Responsibility Committee" or "CSR Committee"	Corporate social responsibility committee of our Board, as described in "*Our Management – Committees of the Board – Corporate Social Responsibility Committee*" on page 316
"Director(s)"	Director(s) on the Board
"Equity Shares"	Equity shares of our Company bearing face value of ₹10 each
"ESOP 2017"	Hero Fincorp Employee Stock Option Plan 2017, as amended from time to time
"Executive Director"	Executive directors of our Company, as described in "*Our Management*" beginning on page 303
"Group Companies"	Group companies of our Company in accordance with the SEBI ICDR Regulations. For details, see "*Our Group Companies*" beginning on page 498
"HMCL"	Hero MotoCorp Limited
"Independent Director(s)"	Independent director(s) of our Board, as described in "*Our Management*" beginning on page 303
"Individual Promoter(s)"	Our individual Promoters, namely, Dr. Pawan Munjal, Renu Munjal, Suman Kant Munjal, Renuka Munjal and Abhimanyu Munjal
"Investor Selling Shareholder(s)" or "Selling Shareholder(s)"	AHVF II Holdings Singapore II Pte. Ltd., Link Investment Trust (through Vikas Srivastava), Apis Growth II (Hibiscus) Pte. Ltd. and Otter Limited
"IPO Committee"	IPO committee of our Board
"JM Shareholders' Agreement"	Shareholders' agreement dated January 31, 2022 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and JM Financial Products Limited amended by amendment agreement dated February 11, 2022 and JM Shareholders' Amendment Agreement
"JM Shareholders' Amendment Agreement"	Amendment agreement dated July 30, 2024 to the JM Shareholders' Agreement and share subscription agreement dated January 31, 2022, as amended, entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited and BMOP, and JM Financial Products Limited
"Joint Statutory Auditors" or "Statutory Auditors"	The joint statutory auditors of our Company, being B R Maheswari & Co. LLP, Chartered Accountants and Price Waterhouse LLP
"Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management – Key Managerial Personnel of our Company*" on page 318
"LC Investment Agreement"	Investment agreement dated September 13, 2016 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and LC Hercules (Cayman) Limited amended by amendment agreements dated February 13, 2020, January 31, 2022 and November 27, 2023, a deed of adherence dated November 27, 2023 and LC Investment Amendment Agreement
"LC Investment Amendment Agreement"	Amendment agreement dated July 30, 2024 to the LC Investment Agreement entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and LC Hercules (Cayman) Limited
"Managing Director and Chief Executive Officer"	Managing director and chief executive officer of our Company, namely, Abhimanyu Munjal
"Material Subsidiary"	The material subsidiary of our Company, namely Hero Housing Finance Limited. For further details see "*History and Certain Corporate Matters – Our Subsidiary*" on page 301
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
"Nomination and Remuneration Committee"	Nomination and remuneration committee of our Board, as described in "*Our Management – Committees of the Board – Nomination and Remuneration Committee*" on page 314
"Non-Convertible Redeemable Preference Shares" or "NCRPS"	100,000 redeemable non-convertible preference shares of face value of ₹0.1 million each

Term	Description
"Non-Executive Directors"	Non-executive directors (other than the Independent Directors) of our Company, as set out in "*Our Management*" beginning on page 303
"Otter Investment Agreement"	Investment agreement dated September 9, 2016 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP, Otter Limited and Link Investment Trust (pursuant to a deed of adherence dated September 30, 2016) amended by way of an amendment agreements dated January 31, 2020 and January 31, 2022 and Otter Amendment Agreement
"Otter Amendment Agreement"	Amendment agreement dated July 30, 2024 to the Otter Investment Agreement entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP, Otter Limited and Link Investment Trust
"Preference Shares"	Collectively, Class A CCPS, Class B CCPS and Non-Convertible Redeemable Preference Shares
"Promoters"	Collectively, Corporate Promoters, Individual Promoters and BMOP
"Promoter Group"	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoter and Promoter Group – Promoter Group*" on page 321
"Registered Office"	34, Community Centre, Basant Lok Vasant Vihar, New Delhi 110 057, Delhi, India
"Registrar of Companies" or "RoC"	Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi
"Restated Consolidated Financial Information"	Restated consolidated financial information of our Company and its Subsidiary comprising of the restated consolidated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and, the restated consolidated statement of cash flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and notes to the restated consolidated financial information, prepared in accordance with the requirements of Section 26 of the Companies Act 2013; Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time
"Risk Management Committee"	Risk management committee of our Board, as described in "*Our Management – Committees of the Board – Risk Management Committee*" on page 315
"Shareholder(s)"	Equity shareholder(s) of our Company from time to time
"Stakeholders Relationship Committee"	Stakeholders relationship committee of our Board, as described in "*Our Management – Committees of the Board – Stakeholders Relationship Committee*" on page 315
"Senior Management Personnel"	Senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as described in "*Our Management – Senior Management Personnel of our Company*" on page 318
"Subsidiary" or "HHFL"	The subsidiary of our Company, namely Hero Housing Finance Limited. For further details see "*History and Certain Corporate Matters – Our Subsidiary*" on page 301
"Whole-time Director - Executive"	Whole-time director of our Company, namely Renu Munjal

Offer Related Terms

Term	Description
"Acknowledgement Slip"	The slip or document to be 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 (in case of the Fresh Issue) or transfer (in case of the Offer for Sale), of the Equity Shares by the Company and the Selling Shareholders, respectively pursuant to the Offer to in each case to 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 million
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to the Anchor Investors during the Anchor Investor Bid Period in terms of the Red Herring Prospectus and the Prospectus, which will be determined by our Company, in consultation with the Book Running Lead Managers

Term	Description
"Anchor Investor Application Form"	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and the Prospectus
"Anchor Investor Bidding Date" or "Anchor Investor Bid/Offer Period"	The day, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers
"Anchor Investor Pay-in Date"	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
"Anchor Investor Portion"	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis by our Company, in consultation with the Book Running Lead Managers in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
"ASBA Account"	A bank account maintained by an ASBA Bidder with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidders linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidders Bidding through the UPI Mechanism
"ASBA Bid"	A Bid made by an ASBA Bidder
"ASBA Bidders"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Banker(s) to the Offer"	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Account Bank and Sponsor Bank(s)
"Basis of Allotment"	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For details, see "*Offer Procedure*" beginning on page 536
"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 Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid 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 by 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. However, the initial allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. 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 Bidding in the Employee Reservation Portion who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The maximum bid amount under HMCL Shareholders Reservation Portion by an Eligible HMCL Shareholder shall not exceed ₹200,000. Eligible HMCL Shareholders applying in the HMCL Shareholders Reservation Portion can apply at the cut-off price and the bid amount shall be cap price multiplied by the number of Equity Share bid for by such Eligible HMCL Shareholders and mentioned in the Bid-Cum Application Form
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
"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 as permitted under the

Term	Description
	SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
"Bid/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 [●], an English national daily newspaper and all editions [●], a Hindi national daily newspaper, (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation. In case of any revisions, the revised Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s) 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
"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 the English national daily newspaper [●], and all editions of the Hindi national daily newspaper (Hindi being the regional language of New Delhi wherein our Registered Office is located), each with wide circulation. In case of any revision, the revised Bid/ Offer Opening Date will also be widely disseminated by notification the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s)
"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 Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days 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"or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
"Bidding Centres"	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the 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, JM Financial Limited, Axis Capital Limited, BofA Securities India Limited, HDFC Bank Limited, HSBC Securities and Capital Markets (India) Private Limited, ICICI Securities Limited, Jefferies India Private Limited and SBI Capital Markets India
"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 the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Cap Price"	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and 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 cash escrow and sponsor bank agreement to be entered into between our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, *inter alia*, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
"Client ID"	The client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
"Confirmation of Allocation Note" or "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Offer Period
"CRISIL"	CRISIL Limited
"CRISIL MI&A"	CRISIL Market Intelligence & Analytics, (MI&A), a division of CRISIL Limited

Term	Description
"CRISIL Report"	Industry report titled "*Report on Loans and Financial Services Industry in India* " dated July 30, 2024 prepared by CRISIL MI&A, appointed by our Company on April 5, 2024, exclusively commissioned and paid for in connection with the Offer
"Cut-off Price"	The Offer Price finalised by our Company, in consultation with the Book Running Lead Managers which shall be any price within the Price Band Only Retail Individual Bidders Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion and Eligible HMCL Shareholders Bidding in the HMCL Shareholders Reservation are entitled to Bid at the Cut-off Price. QIBs (including the 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 or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
"Designated Branches"	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, or at such other website as may be prescribed by SEBI from time to time
"Designated 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 the names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Date"	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted 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 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 using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs 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 relevant ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated July 31, 2024, 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 HMCL Shareholders" or "HMCL Shareholders"	Individuals and HUFs who are the public equity shareholders of our Hero MotoCorp Limited (excluding such persons who are not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as on the date of the filing of the Red Herring Prospectus with the RoC. The maximum Bid Amount under the Shareholder Reservation Portion by an Eligible HMCL Shareholder shall not exceed the ₹200,000
"Eligible Employee"	All or any of the following: (a) a permanent employee of our Company or our Subsidiary or HMCL working in India or outside India, (excluding such employees who are not eligible to invest in the Offer under applicable laws), as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or our Subsidiary or HMCL, until the submission of the Bid cum Application Form; and (b) 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 (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company.

Term	Description
	The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
"Eligible FPI(s)"	FPI(s) that are eligible to participate in the Offer in terms of 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 purchase the Equity Shares
"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 purchase the Equity Shares
"Employee Reservation Portion"	The Portion of the Offer being up to [●] Equity Shares, aggregating up to ₹ [●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company
"Escrow Account(s)"	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
"Escrow Collection Bank(s)"	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being, [●]
"First Bidder" or "Sole Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears 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 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
"Fraudulent Borrower"	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Fresh Issue"	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 21,000.00* million by our Company **Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus. 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 RHP and the Prospectus*
"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, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers
"Gross Proceeds"	The gross proceeds of the Fresh Issue which will be available to our Company
"Monitoring Agency"	[●], being a credit rating agency registered with SEBI
"Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
"Materiality Policy"	The policy adopted by our Board on July 29, 2024, for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
"Mutual Fund Portion"	5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Net Offer"	The Offer less than Employee Reservation Portion and the Shareholders Reservation Portion
"Net Proceeds"	Proceeds from the Fresh Issue less our Company's share of the Offer expenses. For further details, see "*Objects of the Offer*" beginning on page 123
"Mutual Funds"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Net QIB Portion"	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors

Term	Description
"Non-Institutional Bidders" or "NIBs"	All Bidders that are not QIBs or RIBs 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 more than 15% of the Offer comprising of [●] Equity Shares which shall be available for allocation to NIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The allocation to the NIBs shall be as follows: 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-thirds of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹1,000,000. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Bidders
"Non-Resident"	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Rules
"Offer"	The initial public offer of up to Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each (including a share premium of ₹[●] per Equity Share), aggregating up to ₹36,681.34 million, comprising of the Fresh Issue, Offer for Sale, the Employee Reservation Portion and the Shareholders Reservation Portion
"Offer for Sale"	Offer for Sale of up to [●] Equity Shares aggregating up to ₹15,681.34 million by the Selling Shareholders
"Offer Agreement"	The offer agreement dated July 31, 2024 entered into between our Company, the Selling Shareholders, and the Book Running Lead Managers, pursuant to which certain arrangements are agreed upon in relation to the Offer
"Offer Price"	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price and discount (if any) will be decided by our Company, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
"Offer Proceeds"	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to each of the Selling Shareholders in proportion to the respective portion of the Offered Shares. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 123
"Offered Shares"	Up to [●] Equity Shares aggregating up to ₹ 15,681.34 million offered by the Selling Shareholders in the Offer for Sale
"Pre-IPO Placement"	Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the applicable law to any person(s) of up to [●] equity shares for an amount aggregating up to ₹ 4,200 million, 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 RHP and Prospectus
"Price Band"	The price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer 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 and all editions of [●], a Hindi national daily newspaper, (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation at least two Working Days prior to the Bid/Offer Opening Date and shall be 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 Book Running Lead Managers, 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, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is

Term	Description
	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(s)"	The 'no-lien' and 'non-interest bearing' bank account to be opened, in accordance with Section 40(3) of the Companies Act, with the Public Offer Account Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
"Public Offer Account Bank(s)"	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
"QIBs" or "QIB Bidders" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer comprising not more than [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
"Refund Bank(s)"	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
"Registered Brokers"	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular no. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI
"Registrar Agreement "	Registrar agreement dated July 31, 2024 entered into between 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 to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "Retail Individual Investor(s)" or "RII(s)" or "RIB(s)"	Individual Bidders submitting Bids, 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
"Resident Indian"	A person resident in India, as defined under FEMA
"Retail Portion"	The portion of the Offer being not more than 10% of the Offer comprising of [●] Equity Shares, which 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
"Revision Form"	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms 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, Eligible Employees Bidding in the Employee Reservation Portion and Eligible HMCL Shareholders Bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
"RTAs" or "Registrar and Share Transfer Agents"	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 SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
"SCORES"	SEBI Complaints Redress System
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services (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 applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI

Term	Description
	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
"Share Escrow Agent"	The share escrow agent to be appointed pursuant to the Share Escrow Agreement namely, [●]
"Share Escrow Agreement"	Share escrow agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders for the purposes of credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
"Shareholder Reservation Portion" or "HMCL Shareholders Reservation Portion"	The portion of the Offer being up to [●] Equity Shares, aggregating up to ₹[●] million available for allocation to Eligible HMCL Shareholders, on a proportionate basis. Such portion shall not exceed 10 % of the Issue size
"Specified Locations"	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
"Sponsor Banks"	Bankers to the Offer registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism, and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
"Stock Exchanges"	Together, BSE and NSE
"Sub-Syndicate Members"	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate Agreement"	Syndicate agreement to be entered into between our Company, the Selling Shareholders and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
"Syndicate Member(s)"	Intermediaries (other than the Book Running Lead Managers) registered with SEBI who are permitted to carry out activities as an underwriter, namely [●]
"Syndicate" or "members of the Syndicate"	The Book Running Lead Managers and the Syndicate Members
"Underwriters"	[●]
"Underwriting Agreement"	The underwriting agreement to be entered into between our Company, the Selling Shareholders and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
"UPI"	Unified payments interface which is an instant payment mechanism, developed by NPCI
"UPI Bidders"	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, (ii) Eligible Employees in Employee Reservation Portion (subject to the Bid Amount being up to ₹500,000), (iii) Eligible HMCL Shareholders in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 500,000) and (iv) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 using UPI Mechanism, 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/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI RTA Master Circular (to the extent it pertains to UPI), SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard

Term	Description
"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 and by way of an SMS on directing the UPI Bidders to such UPI mobile application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
"UPI Mechanism"	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
"UPI PIN"	A password to authenticate a UPI transaction
"Wilful Defaulter"	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Working Day"	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

Technical or Industry Related Terms

Term	Description
"Active Customers"	Number of customers with an outstanding balance of loan from our Company as of the last day of the relevant Fiscal
"Adjusted Basic Earnings per Equity Share"	Ratio of Adjusted profit/(loss) after tax attributable to equity shareholders to weighted average number of Equity Shares outstanding during the relevant Fiscal
"Adjusted Cost to Income Ratio"	Ratio of Adjusted Operating Expenses to Net Total Income for the relevant Fiscal
"Adjusted Debt to Equity Ratio"	Ratio of Adjusted Total Borrowings to Adjusted Net Worth as of the last day of the relevant Fiscal
"Adjusted EBITDA"	EBITDA plus CCPS Cost
"Adjusted EBITDA Margin"	Ratio of Adjusted EBITDA to total income for the relevant Fiscal
"Adjusted Net Asset Value per Equity Share"	Ratio of Adjusted Net Worth to total number of Equity Shares outstanding as of the last day of the relevant Fiscal
"Adjusted Net Worth"	Net Worth as of the last day of the relevant Fiscal considering CCPS value as equity
"Adjusted Net Worth Growth"	Percentage growth in Adjusted Net Worth as of the last day of the relevant Fiscal over Adjusted Net Worth as of the last day of the preceding Fiscal.
"Adjusted Operating Expenses"	Operating Expenses excluding CCPS Cost for the relevant Fiscal
"Adjusted Operating Expenses (%)"	Ratio of Adjusted Operating Expenses to Average Total Gross Loans for the relevant Fiscal
"Adjusted PAT Growth"	Growth in Adjusted Profit/(loss) after tax for the relevant Fiscal over the Adjusted Profit/(loss) after tax for the preceding Fiscal.
"Adjusted Profit/(loss) after tax"	Adjusted PAT. Restated Profit/(loss) after tax excluding CCPS Cost for the relevant Fiscal
"Adjusted Return on Asset"	Adjusted ROA. Ratio of Adjusted Profit/(loss) after tax to Average Total Gross Loans for the relevant Fiscal
"Adjusted Return on Equity"	Adjusted ROE. Ratio of Adjusted Profit/(loss) after tax for the relevant Fiscal to the Average Adjusted Net Worth for the relevant Fiscal
"Adjusted Total Borrowings"	Sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (excluding CCPS) as of the last day of the relevant Fiscal
"Assigned Loan Assets"	Off-book loan assets which have been transferred by the Company by way of assignment
"AUM"	Sum of Total Gross Loans and Assigned Loan Assets as of the last day of the relevant Fiscal
"AUM Growth"	Percentage growth in AUM as of the last day of the relevant Fiscal over the AUM as of the last day of the preceding Fiscal
"AUM per branch"	AUM as of the last day of the relevant Fiscal divided by the aggregate number of branches as of the last day of the relevant Fiscal
"AUM per on-roll employee"	AUM as of the last day of the relevant Fiscal divided by the number of on-roll employees as of the last day of the relevant Fiscal
"Average Adjusted Net Worth"	Simple average of our Adjusted Net Worth as of the last day of the relevant Fiscal and our Adjusted Net Worth as of the last day of the preceding Fiscal
"Average Adjusted Total Borrowings"	Simple average of our Adjusted Total Borrowings as of the last day of the relevant Fiscal and our Adjusted Total Borrowings as of the last day of the preceding Fiscal
"Average AUM"	Simple average of AUM as of the last day of the relevant Fiscal and AUM as of the last day of the preceding Fiscal

Term	Description
"Average CIBIL Score"	Mean value of the credit scores assigned by CIBIL/CRIF, ranging from 300 to 900, which indicates the credit worthiness of an individual
"Average Collateral Value"	Average market value of the asset used to secure the loan disbursed during the relevant Fiscal
"Average Cost of Borrowings (%)"	Ratio of finance cost to Average Adjusted Total Borrowings for the relevant Fiscal
"Average Net Worth"	Simple average of our Net Worth as of the last day of the relevant Fiscal and our Net Worth as of the last day of the preceding Fiscal
"Average Residual Tenure"	Average remaining period until the maturity of the loans as of the last day of the relevant Fiscal
"Average Tenure"	Average period at the time of origination of the loans disbursed during the relevant Fiscal
"Average Ticket Size"	Disbursement amount divided by disbursal count for the relevant Fiscal
"Average Total Assets"	Simple average of our Total Assets as of the last day of the relevant Fiscal and our Total Assets as of the last day of the preceding Fiscal
"Average Total Borrowings"	Simple average of our Total Borrowings as of the last day of the relevant Fiscal and our Total Borrowings as of the last day of the preceding Fiscal
"Average Total Gross Loans"	Simple average of our Total Gross Loans as of the last day of the relevant Fiscal and our Total Gross Loans as of the last day of the preceding Fiscal
"Average Total Gross Loans" or "Average Adjusted Net Worth"	Ratio of Average Total Gross Loans to Average Adjusted Net Worth as of the last day of the relevant Fiscal
"Average Yield"	Weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal
"CCPS Cost"	Net loss on financial instruments designated at fair value through profit or loss (i.e. fair value change in CCPS recognised in net gain/(loss) on fair value changes for the relevant Fiscal)
"CCPS Value"	Carrying amount of CCPS as of the last day of the relevant Fiscal
"Cost to Income Ratio"	Ratio of Operating Expenses to Net Total Income for the relevant Fiscal
"CRAR"	Capital to risk (weighted) assets ratio divided by Tier I and Tier II capital by total risk weighted assets, computed in accordance with the relevant RBI guidelines as of the last day of the relevant Fiscal
"Impairment on Financial Instruments"	Impairment allowance on gross carrying amount of Total Gross Loans and Settlement Loss and Bad Debts Written Off for the relevant Fiscal
"Credit Cost Ratio"	Ratio of Impairment on Financial Instruments to Average Total Gross Loans for the relevant Fiscal
"Credit Ratings"	Long-term and short-term credit ratings of our Company's various borrowing facilities on the basis of the assessment by independent rating agencies
"Debt to Equity Ratio"	Ratio of Total Borrowings to Net Worth as of the last day of the relevant Fiscal
"Disbursements per On-roll Employee"	Disbursements for the relevant Fiscal divided by the number of on-roll employees for the relevant Fiscal
"Disbursements"	Total amount of new loans disbursed to the customers during the relevant Fiscal
"Disbursements Growth"	Percentage growth in disbursements for the relevant Fiscal over disbursements in the preceding Fiscal
"EBITDA"	Earnings before interest, taxes, depreciation and amortisation, calculated as Restated Profit/(loss) after tax for the relevant Fiscal plus total tax expenses, depreciation and amortisation expenses and finance costs
"Fee and Other Income"	Sum of dividend income, profit on sale of investments (net), rental income, gain on derecognition of financial instrument on amortised cost basis, net gain on fair value changes, insurance commission, other charges and total other income for the relevant Fiscal
"Fee and Other Income Ratio"	Ratio of Fee and Other Income to Average Total Gross Loans for the relevant Fiscal
"Finance cost Ratio"	Ratio of finance cost to Average Total Gross Loans for the relevant Fiscal
"GNPA Ratio"	Ratio of Stage 3 Loans to Total Gross Loans as of the last day of the relevant Fiscal
"Interest Income Ratio"	Ratio of Interest income to Average Total Gross Loans for the relevant Fiscal
"Interest-earning Investments"	Total amount of investments in commercial paper, certificate of deposits, treasury bills, government securities and corporate bonds
"Liquidity coverage ratio"	High quality liquid assets (HQLAs) divided by Total Net Cash Outflows over the next 30 calendar days
"LTV"	Ratio of total secured loans disbursed to the customers against value of mortgaged collateral(s)
"MSME Finance Disbursements"	Total amount of new loans disbursed to MSME customers during the relevant Fiscal
"Net Asset Value per Equity Share"	Ratio of Net Worth to the total number of Equity Shares outstanding as of the last day of the relevant Fiscal
"Net Interest Income"	Interest income reduced by finance cost for the relevant Fiscal
"Net Interest Income Growth"	Percentage growth in Net Interest Income in the relevant Fiscal over the Net Interest Income in the preceding Fiscal.

Term	Description
“Net Interest Margin”	Ratio of Net Interest Income to Average Total Gross Loans for the relevant Fiscal
“Net Total Income”	Total income reduced by finance cost for the relevant Fiscal
“Net Total Income Ratio”	Ratio of Net Total Income to Average Total Gross Loans for the relevant Fiscal
“Net Worth”	Sum of equity share capital and other equity as of the last day of the relevant Fiscal
“NNPA”	Stage 3 Loans reduced by Stage 3 Impairment Allowance (NPA Provisions) as of the last day of the relevant Fiscal
“NNPA Ratio”	Ratio of NNPA to Total Gross Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal
“Number of Branches”	Total number of active branches as of the last day of the relevant Fiscal
“Number of On-roll Employees”	Total number of active on-roll employees as of the last day of the relevant Fiscal
“Number of Total Employees”	Total number of active employees as of the last day of the relevant Fiscal
“Operating Expenses”	Sum of employee benefit expenses, depreciation and amortisation, net loss on fair value changes and other expenses for the relevant Fiscal
“Operating Expenses Ratio”	Ratio of Operating Expenses to Average Total Gross Loans for the relevant Fiscal
“PAT Growth”	Growth in Restated Profit/(loss) after Tax for the relevant Fiscal over Restated Profit/(loss) after Tax for the preceding Fiscal
“PPC”	Products per customer, calculated as total loans disbursed (including non-lending products) by the number of distinct customers acquired during the relevant Fiscal
“PBCC”	Profit before Credit Cost, calculated as Net Total Income reduced by Operating Expenses for the relevant Fiscal
“PBCC Ratio”	Ratio of PBCC to Average Total Gross Loans for the relevant Fiscal
“PCR”	Provision coverage ratio, calculated as the ratio of Stage 3 Impairment Allowance (NPA Provisions) to Stage 3 Loans as of the last day of the relevant Fiscal
“Restated Basic Earnings per Equity Share”	Restated profit/(loss) after tax attributable to equity shareholders by weighted average number of Equity Shares outstanding during the relevant Fiscal
“Restated Diluted Earnings per Equity Share”	Restated profit/(loss) after tax attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the relevant Fiscal plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares of the Company
“Restated Profit/(loss) after tax”	Restated Profit/(loss) before tax reduced by tax expenses for the relevant Fiscal
“Restated Profit/(loss) before tax”	Net Total Income reduced by Operating Expenses and Impairment on Financial Instruments for the relevant Fiscal
“Return on Assets”	Ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Total Gross Loans for the relevant Fiscal
“Return on Equity”	Ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Net Worth for the relevant Fiscal
“Return on Net Worth”	Restated Profit/(loss) after tax for the relevant Fiscal as a percentage of Net Worth as of the last day of the relevant Fiscal
“Settlement Loss and Bad Debts Written Off”	Settlement loss and bad debts written off (net of recoveries from bad debts written off) during the relevant Fiscal
“Spread”	Difference between Yield on Advances and Average Cost of Borrowings for the relevant Fiscal
“Stage 3 Impairment Allowance”	Impairment allowance on Stage 3 Loans as of the last day of the relevant Fiscal
“Stage 3 Loans”	Gross carrying amount of Stage 3 Loans as of the last day of the relevant Fiscal
“Tier I Capital”	Tier I capital computed basis the method provided by the regulator as at the last day of the relevant Fiscal
“Tier I Capital (%)”	Tier I capital divided by total risk weighted assets
“Tier II Capital”	Tier II capital computed basis the method provided by the regulator as at the last day of the relevant Fiscal
“Tier II Capital (%)”	Tier II capital divided by total risk weighted assets
“Total Assets”	Sum of total financial assets and total non-financial assets as of the last day of the relevant Fiscal
“Total Borrowings”	Sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant Fiscal
“Total Customers”	Number of distinct customers served as of March 31 of the relevant Fiscal since our Company’s inception
“Total Gross Loans”	Aggregate amount of loan receivables from customers, including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as of the last day of the relevant Fiscal
“Total Gross Loans Growth”	Percentage growth in Total Gross Loans as of the last day of the relevant Fiscal over the Total Gross Loans as of the last day of the preceding Fiscal

Term	Description
"Total Gross Loans / Adjusted Net Worth"	Ratio of Total Gross Loans to Adjusted Net Worth as of the last day of the relevant fiscal
"Weighted Average LTV"	Ratio of secured loans disbursed to a customer to the value of collateral mortgage
"Yield on Advances"	Ratio of Interest Income to Average Total Gross Loans for the relevant Fiscal

Technical, Industry Related Abbreviations

Term	Description
"AAEC"	Appreciable adverse effect on competition
"AI"	Artificial intelligence
"ALM"	Asset-liability management
"App"	Mobile application
"ASM"	Additional Surveillance Measure
"AWOW"	Agile Way of Working
"CAGR"	Compound annual growth rate
"CAR"	Capital adequacy ratios
"CGU"	Cash generating unit
"CIF"	Corporate and institutional finance
"CRAR"	Capital to risk (weighted) assets ratio
"CRILIC"	Central Repository of Information on Large Credits
CROMS"	Clearcorp Repo Order Matching System
"CRWAs"	Credit risk weighted assets
"CSR"	Corporate Social Responsibility
"DPD"	Days past due
"DSAs"	Direct selling agents
"E2W"	Electric two-wheelers
"EAD"	Exposure at default
"ECBs"	External commercial borrowings
"ECL"	Estimated credit loss
"ECS"	Electronic clearing system
"EIR"	Effective interest rate
"EIS"	Excess interest spread
"EMI"	Equated monthly instalment
"ETC"	Existing-to-credit
"FVTOCT"	Fair value through other comprehensive income
"FVTPL"	Fair value through profit or loss
"GNPA"	Gross non-performing assets being the gross carrying amount of Stage 3 Loans as at the last day of the relevant Fiscal
"GPT"	Generative Pre-trained Transformer
"GSM"	Graded Surveillance Measures
"HFC"	Housing finance company
"HIPL"	Hero Instant Personal Loans
"ICAAP"	Internal Capital Adequacy Assessment
"IRDAI"	Insurance regulatory and development authority of India
"ISO"	International Organisation for Standardisation
"IT"	Information technology
"KPI"	Key performance indicators
"KYC"	Know Your Customer
"KYD"	Know your DSA
"LGD"	Loss given default
"LMS"	Loan management system
"LTV"	Loan to value
"MCA Portal"	Online portal of the Ministry of Corporate Affairs
"ML"	Machine learning
"MMI"	Meri Monthly Instalment
"MSME"	Micro, small and medium enterprise
"NBFC"	Non-banking financial company
"NCDs"	Non-convertible debentures
"NIM"	Net Interest Margin
"NPA"	Non-performing assets
"NNPA"	Net non-performing assets
"NPS"	Net promoter score
"NTC"	New-to-credit
"PAT"	Restated Profit/(loss) after tax
"PBCC"	Profit before Credit Cost
"PBT"	Restated Profit/(loss) before Tax

Term	Description
“PCR”	Provision Coverage Ratio
“PD”	Probability of default
“PDC”	Post-dated cheques
“PFIC”	Passive foreign investment company
“PLR”	Prime lending rate
“POCI”	Purchased or originated credit impaired
“PPC”	Products per customer
“ROA”	Return on Assets
“ROE”	Return on equity
“RoNW”	Return on Net Worth
“SEO”	Search engine optimisation
“SIAM”	Society of Indian Automobile Manufacturers
“SIDBI”	Small Industries Development Bank of India
“SMA”	Special mention account
“SPPI”	Solely payments of principal and interest
“STT”	Securities transaction tax

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
“AS” or “Accounting Standards”	Accounting standards issued by the ICAI
“AUM”	Asset under the Company’s management
“Bn” or “bn”	Billion
“BSE”	BSE Limited
“Category I AIF”	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
“Category I FPIs”	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
“Category II AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“Category II FPIs”	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
“Category III AIF”	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
“CDSL”	Central Depository Services (India) Limited
“CIN”	Corporate Identity Number
“Civil Code”	Code of Civil Procedure, 1908
“CIRP”	Corporate Insolvency Resolution Process
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications and modifications made thereunder
“Consolidated FDI Policy”	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020
“CrPC”	Code of Criminal Procedure, 1973
“Depositories”	Together, NSDL and CDSL
“Depositories Act”	Depositories Act, 1996
“DIN”	Director Identification Number
“DP ID”	Depository Participant’s Identification
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
“DPIIT”	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*formerly known as Department of Industrial Policy and Promotion*)
“EGM”	Extraordinary general meeting
“EMI”	Equated Monthly Instalment
“EPS”	Earnings per equity share
“Factories Act”	Factories Act, 1948
“FDI”	Foreign direct investment
“FEMA”	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder

Term	Description
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year” or “Fiscal” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
“FPI”	Foreign portfolio investors as defined under the SEBI FPI Regulations
“FVCI”	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
“GoI” or “Government” or “Central Government”	Government of India
“GDP”	Gross domestic product
“GST”	Goods and services tax
“ICAI”	The Institute of Chartered Accountants of India
“IFRS”	International Financial Reporting Standards
“Income Tax Act”	The Income-tax Act, 1961
“Ind AS”	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
“India”	Republic of India
“Indian GAAP” or “IGAAP”	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
“Indian Securities Laws”	Indian Securities Laws include among others the SEBI Act, SEBI FUTP Regulations, SEBI ICDR Regulations, SEBI Listing Regulations, SEBI Takeover Regulations and SEBI PIT Regulations
“IPC”	Indian Penal Code, 1860
“IPO”	Initial public offering
“IRDAI”	Insurance Regulatory and Development Authority of India
“IST”	Indian Standard Time
“IT”	Information Technology
“IT Act”	The Information Technology Act, 2000
“KYC”	Know Your Customer
“MCA”	Ministry of Corporate Affairs, Government of India
“Mn” or “mn”	Million
“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”	Net Asset Value
“NBFC”	Non-Banking Financial Companies
“NEFT”	National Electronic Fund Transfer
“Negotiable Instruments Act”	The Negotiable Instruments Act, 1881
“NHB”	National Housing Board
“NHB Act”	The National Housing Bank Act, 1987
“NPCI”	National Payments Corporation of India
“NRE”	Non- Resident External
“NRO”	Non-Resident Ordinary
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
“p.a.”	Per annum
“P/E Ratio”	Price to Earnings Ratio
“PAN”	Permanent Account Number
“RBI”	Reserve Bank of India

Term	Description
“RBI Act”	Reserve Bank of India Act, 1934
“Regulation S”	Regulation S under the U.S. Securities Act
“RTGS”	Real Time Gross Settlement
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SARFAESI Act”	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
“SEBI”	Securities and Exchange Board of India constituted under the SEBI Act
“SEBI Act”	Securities and Exchange Board of India Act, 1992
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“SEBI BTI Regulations”	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
“SEBI FUTP Regulations”	Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
“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/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“SEBI Merchant Bankers Regulations”	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
“SEBI Mutual Fund Regulations”	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“SEBI RTA Master Circular”	SEBI master circular bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
“SEBI SBEB & SE Regulations”	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
“SEBI Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“SEBI VCF Regulations”	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
“State Government”	The government of a state in India
“Stock Exchanges”	BSE and NSE
“STT”	Securities Transaction Tax
“Systemically Important NBFC” or “NBFC-SI”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
“TAN”	Tax deduction account number
“U.S. QIBs”	“qualified institutional buyers”, as defined in Rule 144A
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended
“U.S.” or “USA” or “United States”	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
“USD” or “US$”	United States Dollars
“VCFs”	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of the Articles of Association" beginning on pages 31, 98, 123, 147, 237, 321, 361, 479, 536 and 558, *respectively.*

Primary Business of our Company

We are a NBFC offering a diversified suite of financial products catered primarily to the growing retail customer segment and the rapidly formalising micro, small and medium enterprise ("**MSME**") customer segment in India. We offer retail, MSME and corporate and institutional finance ("**CIF**") loans. Our retail loans include vehicle, personal and mortgage loans. We had assets under management ("**AUM**") of ₹518,208.11 million as at March 31, 2024, of which our retail and MSME loan verticals contributed 65.08% and 20.80%, respectively. Since our inception in 1991, we have grown our customer base to 11.80 million customers as at March 31, 2024.

For further information, see "*Our Business*"' beginning on page 237.

Industry in which our Company Operates

According to the CRISIL Report, the "Aspiring India" segment, characterised by households with annual incomes of ₹0.20-1.00 million represents a significant growth opportunity. Aspiring India households is expected to grow from 103.00 million in Fiscal 2022 to 181.00 million in Fiscal 2030. Favourable consumer demographics, rising incomes and higher aspirations are expected to boost personal loan growth. MSME customers are also an increasingly attractive customer base with the shift towards the formalisation and digitisation of MSMEs generating additional data points and improving the efficacy of credit assessments. There was an MSME credit gap of ₹103.00 trillion as at March 31, 2024.

For further information, see "*Industry Overview*" beginning on page 147.

Our Promoters

Our Promoters are Hero MotoCorp Limited, Bahadur Chand Investments Private Limited, Hero InvestCorp Private Limited, Brijmohan Lal Om Parkash (Partnership Firm), Dr. Pawan Munjal, Renu Munjal, Suman Kant Munjal, Renuka Munjal and Abhimanyu Munjal.

For details, see "*Our Promoters and Promoter Group*" beginning on page 321.

Offer Size

The following table summarizes the details of the Offer.

Offer of Equity Shares(1)(2)(3)	Up to [●] Equity Shares of face value of ₹10 each for cash at price of ₹[●] per Equity Share of face value of ₹ 10 each (including a premium of [●] per Equity Share) aggregating up to ₹ 36,681.34 million.
of which	
Fresh Issue(1)*	Up to [●] Equity Shares of face value of ₹10 each, aggregating up to ₹21,000.00 million
Offer for Sale(2)	Up to [●] Equity Shares of face value of ₹10 each, aggregating up to ₹15,681.34 million
The Offer comprises:	
Employee Reservation Portion(3)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
Shareholder Reservation Portion(3)(4)	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million

* *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus. 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 RHP and Prospectus.*

(1) *The Offer has been authorized by the resolution of our Board of Directors at their meeting held on May 29, 2024, and the Fresh Issue has been authorised by a special resolution passed by our Shareholders through postal ballot declared on June 30, 2024.*

(2) *Our Board and IPO Committee have taken on record the approval for the Offer for Sale by each of the Selling Shareholders pursuant to their resolutions dated July 29, 2024 and July 31, 2024, respectively. Each of the Selling Shareholders has severally and not jointly confirmed its respective eligibility to participate in the Offer for Sale in accordance with Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, confirms its compliance with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to such Selling*

Shareholder, as on the date of this Draft Red Herring Prospectus. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" beginning on pages 81 and 501 respectively.

(3) Subject to valid bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. The unsubscribed portion, if any, in the Shareholder Reservation Portion, shall be added to the Net Issue. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Retail Portion in the Net Offer and such Bids will not be treated as multiple Bids. For further details, see "The Offer" beginning on page 81.

(4) The Shareholder Reservation Portion shall not exceed 10% of the Issue size. For further details, see "Offer Structure" beginning on page 531.

The Offer and Net Offer shall constitute [●]% and [●]% of the post Offer paid up Equity Share capital of our Company, respectively. For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 81 and 531, respectively.

Objects of the Offer

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

Objects	Estimated Amount (in ₹ million)(1)(2)
Augmentation of our Company's Tier – I capital base to meet our Company's future capital requirements towards onward lending	[●]

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

(2) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus. 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 RHP and Prospectus

For further details, see "*Objects of the Offer*" beginning on page 123.

Aggregate pre-Offer and post-Offer shareholding of our Promoter, members of the Promoter Group and Selling Shareholders

Category of Shareholders	Pre-Offer		Post-Offer*	
	No. of Equity Shares	Percentage of pre-Offer paid-up Equity Share capital (%)$	No. of Equity Shares	Percentage of post-Offer paid-up Equity Share capital on a fully diluted basis (%)
Promoters				
Dr. Pawan Munjal	592,259	0.36	[●]	[●]
Renu Munjal	410,740	0.25	[●]	[●]
Suman Kant Munjal	184,534	0.11	[●]	[●]
Renuka Munjal	16,373	0.01	[●]	[●]
Abhimanyu Munjal	151,229	0.09	[●]	[●]
Hero MotoCorp Limited	65,159,165#	39.56	[●]	[●]
Bahadur Chand Investments Private Limited	25,896,764	15.72	[●]	[●]
Brijmohan Lal Om Parkash (Partnership Firm)^	13,576,431#	8.24	[●]	[●]
Hero InvestCorp Private Limited	3,433,008	2.08	[●]	[●]
Promoter Group				
Annuvrat Munjal	342,945	0.21	[●]	[●]
Sunil Kant Munjal	314,502	0.19	[●]	[●]
Ujjwal Munjal	224,420	0.14	[●]	[●]
Rahul Munjal	224,166	0.14	[●]	[●]
Supria Munjal	190,978	0.12	[●]	[●]
Vasudha Dinodia	190,978	0.12	[●]	[●]
Akshay Munjal	187,324	0.11	[●]	[●]
Radhika Uppal	104,805	0.06	[●]	[●]
Vidur Munjal	99,531	0.06	[●]	[●]
Geeta Anand	99,423	0.06	[●]	[●]
Aniesha Munjal	91,704	0.06	[●]	[●]
Munjal Acme Packaging Systems Private Limited	1,921,968	1.17	[●]	[●]
Pawan Munjal Family Trust	2,608,575#	1.58	[●]	[●]
R.K. Munjal & Sons Trust	2,608,575#	1.58	[●]	[●]

Category of Shareholders	Pre-Offer		Post-Offer*	
	No. of Equity Shares	Percentage of pre-Offer paid-up Equity Share capital (%)$	No. of Equity Shares	Percentage of post-Offer paid-up Equity Share capital on a fully diluted basis (%)
Munjal Family Trust	150,682	0.09	[●]	[●]
Survam Trust	607,541#	0.37	[●]	[●]
Vinod Ahuja HUF	37,000	0.02	[●]	[●]
Love Kumar Khosla	13,456	0.01	[●]	[●]
Vandana Raheja	7,204	0.00	[●]	[●]
Savita Grover	1,500	0.00	[●]	[●]
Bindu Gupta	20	0.00	[●]	[●]
Selling Shareholders				
AHVF II Holdings Singapore II Pte. Ltd.	17,036,363#	10.34	[●]	[●]
Apis Growth II (Hibiscus)Pte. Ltd.	2,048,781	1.24	[●]	[●]
Link Investment Trust (through Vikas Srivastava)	196,174	0.12	[●]	[●]
Otter Limited	12,882,170	7.82	[●]	[●]
Total	**151,613,376** ^^	**92.04**	[●]	[●]

* *Subject to completion of the Offer and finalization of the Allotment.*
\# *Assuming conversion of 1 CCPS = 1 Equity Share. For details of the CCPS, see "Capital Structure – Preference Share Capital-Details of CCPS" on page 104.*
^ *Held by Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*
$ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable. For details of the CCPS, see "Capital Structure – Preference Share Capital-Details of CCPS" on page 104.*
^^ *Includes 2,088 Equity Shares held by Late Raj Kumari Khosla which are subject to transmission.*

For further details of the Offer, see "*Capital Structure*" beginning on page 98.

Summary of Restated Consolidated Financial Information

The following details are derived from the Restated Consolidated Financial Information as at March 31, 2024, March 31, 2023 and March 31, 2022.

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Equity Share capital	1,273.06	1,273.06	1,273.06
Net worth(i)	57,659.70	52,434.40	47,675.20
Total income	83,597.31	64,475.45	47,975.13
Restated profit/(loss) after tax	6,370.48	4,799.47	(1,918.98)
Adjusted profit/(loss) after tax(ii)	9,857.38	7,899.99	(1,918.98)
Restated Basic earnings per equity share (face value of ₹ 10 each) (in ₹)	50.04	37.70	(15.07)
Restated Diluted earnings per equity share (face value of ₹10 each) (in ₹)	49.94	37.67	(15.07)
Return on Net Worth ("RoNW")(iii) (%)	11.05%	9.15%	(4.03)%
Net Asset Value per Equity Share(iv) (in ₹)	452.92	411.87	374.49
Adjusted Net Asset Value per Equity Share (v) (in ₹)	658.03	593.33	374.49
Total borrowings(vi)	461,694.76	366,278.60	286,797.30

Notes:
The ratios have been computed as follows:
(i) *Net worth means sum of equity share capital and other equity as of the last day of relevant fiscal.*
(ii) *Restated Profit/(loss) after tax excluding CCPS cost for the relevant fiscal.*
(iii) *Return on Net Worth ("RoNW") (%) represents Restated profit/(loss) after tax for the relevant fiscal as a percentage of net worth as of the last day of relevant fiscal.*
(iv) *Net Asset Value per Equity Share represents Net Worth as at the end of the relevant fiscal, as divided by the number of Equity Shares outstanding at the end of the relevant Fiscal.*
(v) *Adjusted Net Asset Value per Equity Share represents Adjusted Net Worth as at the end of the relevant fiscal, as divided by the number of Equity Shares outstanding at the end of the relevant Fiscal.*
(vi) *Total borrowings represent sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of relevant fiscal.*

For further details, see "*Restated Consolidated Financial Information*" beginning on page 361.

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

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" beginning on page 479 in terms of the SEBI ICDR Regulations is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved (in ₹ million)^
Company						
By the Company	14*	N.A.	N.A.	N.A.	14	14,690.90
Against the Company	14	11	2	Nil	1	3,925.21
Directors						
By our Directors$	Nil	N.A	N.A.	N.A.	Nil	Nil
Against the Directors$	3	7	Nil	N.A.	1	5,003.76
Promoters						
By our Promoters	2	N.A.	N.A.	N.A.	Nil	Nil
Against our Promoters	14	66	1	Nil	Nil	104,984.66
Subsidiary						
By Subsidiary	1	Nil	N.A.	N.A.	Nil	Nil
Against Subsidiary	4	1	Nil	N.A.	Nil	0.17

^ *To the extent quantifiable.*

$ *Excludes litigations involving our Individual Promoters*

* *This does not include the consolidated disclosure for recovery cases under Negotiable Instruments Act, 1881 and Payment and Settlement Systems Act, 2007 disclosed in "Outstanding Litigation and Material Developments – Litigations involving our Company – Recovery Proceedings" on page 486, since these are not material civil litigation*

As on date of this Draft Red Herring Prospectus, there are no outstanding litigations involving the Group Companies, which may have a material impact on our Company.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 479.

Risk Factors

The following is a summary of the top ten risk factors in relation to our Company:

1. We sourced 99.04%, 99.69% and 99.93% of our two-wheeler loans from our Promoter, Hero MotoCorp Limited's two-wheeler dealership in Fiscals 2024, 2023 and 2022, respectively. Any decline in demand for Hero two-wheelers may adversely affect us;

2. Stage 3 Loans amounted to 4.02%, 5.11% and 7.54% of Total Gross Loan as at March 31, 2024, 2023 and 2022, respectively. Non-payment or default by our customers and our inability to provide any adequate provisioning coverage for non-performing assets may adversely affect our business, results of operations, cash flows and financial condition;

3. Our Company's retail business depends on new-to-credit borrowers We may not be able to properly assess the credit of new-to-credit borrowers, and loans extended to such new-to-credit borrowers may accordingly have a higher risk of non-performance or default;

4. Retails finance, comprising vehicle loans, personal loans and mortgage loans, and micro, small and medium enterprises finance constituted 85.88%, 83.14% and 79.02% of our assets under management as at March 31, 2024, 2023 and 2022, respectively. We are susceptible to any adverse developments that reduce demand for our loans and/or increase loan default rates amongst retail and micro, small and medium enterprises customers.

5. Certain Promoters have been and are currently subject to certain regulatory proceedings initiated by authorities. Any adverse outcome in such proceedings may lead to reputational risks.

6. We rely extensively on our information technology systems and any unforeseen internal or external disruptions, downtime and inadequacy may have a detrimental impact on our operations;

7. Changes in interest rates may affect our treasury operations, causing our net interest income to decline;

8. We extend fixed rate and floating rate loans to customers, and any adverse change in interest rates could cause our net interest income to decline and adversely affect our business, results of operations, cash flows and financial condition;

9. In Fiscals 2024, 2023, 2022, unsecured loans comprised 39.13%, 37.18% and 31.76% of our total assets under management, respectively. If we are unable to recover such receivables in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected; and

10. We are subject to regulations and periodic inspections by regulatory authorities in India. Non-compliance with regulations and observations made during their inspections could expose us to penalties, suspension and restrictions as well as cancellation of our license.

For further details of the risks applicable to us, see "*Risk Factors*" beginning on page 31. Investors are advised to read the risk factors carefully before making an investment decision in the Offer.

Summary of Contingent Liabilities

The details of our contingent liabilities as per Ind AS 37 derived from our Restated Consolidated Financial Information are set forth in the table below:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2024
1.	VAT matters under appeal	2.00
2.	Income tax matters:	
	a. Appeals/ writ by the Group	1,126.17
	b. Appeals by the Income tax department	3.30
3.	Bank guarantee	5.00
Total		**1,136.47**

For details on contingent liabilities, as per Ind AS 37, see "*Restated Consolidated Financial Information – Annexure VI – Note 38. Contingent Liabilities, Commitments and Leasing Arrangements*" on page 420.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures entered into by our Company with related parties for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 derived from our Restated Consolidated Financial Information are as follows:

(*In ₹ million*)

Name of the Related Party	Nature of the Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Hero MotoCorp Limited	Dividend received	0.18	0.10	0.13
	Dividend paid	424.70	-	52.43
	Dividend paid on compulsorily convertible preference shares	166.27	-	-
	Lease rental received	-	1.10	17.28
	Subvention income	28.83	30.60	87.41
	Reimbursement for sale of operating lease vehicles	-	2.10	7.50
	Issuance of compulsorily convertible preference shares	-	7,000.00	-
Bahadur Chand Investment Private Limited – Core Investment Company	Dividend paid	209.76	-	25.90
Cosmic Kitchen Private Limited	Staff welfare expense and others	22.22	9.30	2.17
	Business Promotion Expense	1.17	4.20	-
Brijmohan Lal Om Parkash (Partnership firm)	Dividend paid	98.19	-	12.12
	Dividend paid on compulsorily convertible preference shares	19.00	-	-
	Issuance of compulsorily convertible preference shares	-	800.00	-

Name of the Related Party	Nature of the Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Hero InvestCorp Private Limited	Dividend paid	27.81	-	3.43
Munjal Acme Packaging Systems Private Limited	Dividend paid	15.57	-	1.92
Ather Energy Private Limited	Loan given (including interest capitalisation)	-	1,500.00	1,300.00
	Loan repaid	1,067.47	1,338.00	444.66
	Processing fees received	-	18.80	26.00
	Interest received/accrued	216.55	171.60	249.74
	Subvention income	5.53	-	-
	Margin money paid	30.44	-	-
	Other charges	-	-	0.22
Hero Solar Energy Private Limited	Loan given (including interest capitalisation)	-	-	2,500.00
	Loan repaid	502.15	1,760.80	250.00
	Processing fees received	-	-	25.00
	Interest received/accrued	5.80	182.30	163.79
	Interest waiver	3.80	-	-
Motherson Lease Solution Limited$	Loan given	-	-	425.00
	Interest received/accrued	-	33.50	0.28
	Loan repaid	-	425.80	-
	Dividend paid	0.39	-	-
Hero Wind Energy Private Limited	Loan repaid	-	-	2,507.65
	Interest received/accrued	-	-	201.96
Motherson Auto Limited$	Loan repaid	-	-	676.28
	Interest received/accrued	-	-	40.17
Hero Mind Mine Institute Private limited	Employee's training expense	0.95	2.20	4.80
SR Dinodia & Co. LLP	Professional Fee	-	-	0.21
BML Munjal University	Employee's training expense	4.36	-	2.18
Hamari Asha Foundation	Induction Expense	0.19	-	-
	Business Promotion Expense	2.71	-	-
Elvy Lifestyle Private Limited	General Office Expense	0.34	-	-
Key management personnel and their relatives	Short term employee benefits#*	457.44	318.00	223.84
	Post–employment benefits#	-	-	-
	Other long-term benefits#	-	-	-
	Dividend paid	29.49	-	3.04
	Director sitting fee/commission	12.70	2.40	3.37
	Loan given	-	-	38.32
	Loan repaid	-	-	168.87
	Interest received/accrued	-	-	7.98
	Reimbursement of expenses	0.51	-	-
	# *Does not include gratuity and compensated absences as these are provided based on the group as a whole.* **Includes variable pay/ commission on payment basis since accruals are made at the Group level and are subject to requisite approvals*.			

$ *Ceased to be a related party from February 5, 2024.*

For details of the related party transactions, see "*Restated Consolidated Financial Information – Annexure VI – Note 39. Related Party Transactions*" on page 421.

Weighted average price at which the Equity Shares were acquired by the Promoters and Selling Shareholders of our Company

Except as stated below, there have been no Equity Shares that were acquired in the last one year preceding the date of this Draft Red Herring Prospectus by our Promoters or the Selling Shareholders.

Name of the Promoters	Number of Equity Shares acquired in the last one year	Weighted average price per Equity Share (₹)*
Abhimanyu Munjal	548	2,500

* *As certified by B R Maheswari & Co LLP, by way of their certificate dated July 31, 2024.*

For further details, see "*Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company*" on page 100.

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

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price (in ₹)^
Last one year	60.49	[●]	Nil – 2,500
Last eighteen months	60.49	[●]	Nil – 2,500
Last three years	60.49	[●]	Nil – 2,500

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

^ *As certified by B R Maheswari & Co LLP, by way of their certificate dated July 31, 2024.*

Note:

1. *CCPS has not been included in calculation of weighted average cost of acquisition for last 1 year, 18 months and 3 years.*
2. *Weighted average cost of acquisition has been computed based on the equity shares acquired/allotted/purchased (including acquisition pursuant to transfer but excluding equity shares acquired pursuant to transmission of shares)*

Weighted average cost of acquisition of the Promoters and the Selling Shareholders

The weighted average cost of acquisition per Equity Share acquired by our Promoters and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Promoters / Selling Shareholders	Number of Equity Shares held pre conversion of CCPS	Number of Equity Shares held post conversion of CCPS#	Weighted average cost of Acquisition per Equity Share (in ₹)*$
Promoters			
Dr. Pawan Munjal	592,259	592,259	343.26
Renu Munjal	410,740	410,740	268.61
Suman Kant Munjal	184,534	184,534	750.00
Renuka Munjal	16,373	16,373	212.76
Abhimanyu Munjal	151,229	151,229	320.63
Hero MotoCorp Limited	52,431,893	65,159,165	332.06
Bahadur Chand Investments Private Limited	25,896,764	25,896,764	324.66
Brijmohan Lal Om Parkash (Partnership Firm)^	12,121,886	13,576,431	214.10
Hero InvestCorp Private Limited	3,433,008	3,433,008	221.24
Selling Shareholders			
AHVF II Holdings Singapore II Pte. Ltd.	Nil	17,036,363	550.00
Apis Growth II (Hibiscus)Pte. Ltd.	2,048,781	2,048,781	820.00
Link Investment Trust (through Vikas Srivastava)	196,174	196,174	562.07
Otter Limited	12,882,170	12,882,170	559.82

* *As certified by B R Maheswari & Co LLP, pursuant to their certificate dated July 31, 2024.*

\# *Assuming conversion of 1 CCPS = 1 Equity Share. For details of the CCPS, see "Capital Structure – Preference Share Capital-Details of CCPS" on page 103.*

^ *Held by Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal on behalf of Brijmohan Lal Om Parkash (Partnership Firm). 323,600 Equity shares held by Late Mrs. Santosh Munjal are currently under transmission to BMOP.*

$ *Weighted average cost of acquisition has been computed based on the Equity Shares acquired/allotted/purchased (including acquisition pursuant to transfer but excluding equity shares acquired pursuant to transmission of shares). However, the Equity Shares disposed off have been not been considered while computing average cost of price.*

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

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

A. Equity Shares

Name of the acquirer/shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Face value per Equity Share#	Acquisition price per Equity Share (in ₹)*
Promoters				
Abhimanyu Munjal	June 27, 2024	548	10	2,500
Dr. Pawan Munjal	February 1, 2022	315,000^	10	-.
Promoter Group				
Munjal Family Trust	August 28, 2023	150,682#	10	Nil

* *As certified by B R Maheswari & Co LLP, pursuant to their certificate dated July 31, 2024.*

^ *Shareholding of Late Santosh Munjal i.e. 315,000 Equity Shares were transmitted to Dr. Pawan Munjal due to her demise.*
# *Munjal Family Trust has acquired 150,682 Equity Shares from Abhimanyu Munjal by way of gift on August 28, 2023.*

B. Compulsorily Convertible Preference Shares

Name of the acquirer/shareholder	Date of acquisition of CCPS	Number of CCPS acquired	Face value per CCPS	Acquisition price per CCPS (in ₹)*
Promoters				
Hero MotoCorp Limited	June 16, 2022	12,727,272 Class B CCPS	550	550
Brijmohan Lal Om Parkash (Partnership Firm)^	June 16, 2022	1,454,545 Class B CCPS	550	550
Promoter Group				
RK Munjal and Sons Trust	June 16, 2022	1,818,181 Class B CCPS	550	550
Pawan Munjal Family Trust	June 16, 2022	1,818,181 Class B CCPS	550	550
Survam Trust	June 16, 2022	363,636 Class B CCPS	550	550
Selling Shareholders				
AHVF II Holdings Singapore II Pte Ltd.	June 16, 2022	17,036,363 Class A CCPS	550	550
Shareholders with special rights				
AHVF II Holdings Singapore II Pte Ltd.	June 16, 2022	17,036,363 Class A CCPS	550	550

* *As certified by B R Maheswari & Co LLP, pursuant to their certificate dated July 31, 2024.*
^ *Held by Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*

Issue of Equity Shares made in the last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or consolidation of Equity Shares in the last one year

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

Financing Arrangements

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

Details of pre-IPO placement

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement to any person(s) of up to [●] equity shares for an amount aggregating up to ₹4,200 million, prior to filing of the Red Herring Prospectus. 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 RHP and Prospectus.

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 the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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", "U.S.A" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a 'year' in this Draft Red Herring Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" beginning on page 361.

Restated consolidated financial information of our Company and its Subsidiary comprising of the restated consolidated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and, the restated consolidated statement of cash flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and notes to the restated consolidated financial information, prepared in accordance with the requirements of Section 26 of the Companies Act 2013; Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular FY, Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**") and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this 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 policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Indian accounting standard and other accounting principles, such as international financial reporting standards and United States generally accepted accounting principles, which investors may be more familiar with and may consider material to their assessment of our financial condition.*" on page 73.

Unless the context otherwise indicates, any percentage amounts, or ratios as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 31, 237 and 446, respectively and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-Generally Accepted Accounting Principles Financial Measures

In addition to our results determined in accordance with Ind AS, we use a variety of financial and operational performance indicators like Adjusted profit/(loss) after tax, Average Total Assets, Average Total Gross Loans, Net Worth, Average Net Worth, Adjusted Net Worth, average adjusted net worth, Total Gross Loans/ adjusted net worth, average Total Gross Loans/average adjusted net worth, Total Borrowings, adjusted Total Borrowings, Average Adjusted Total Borrowings, Return on Assets, Return on Equity, Adjusted Return on Assets, Adjusted Return on Equity, Net Asset value per Equity share, Net Interest Income, Fee and other income, Net Total Income, Operating Expenses, Adjusted Operating Expenses, Profit before Credit Cost, Net Interest Margin, Net NPA (**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus which are a supplemental measure of our performance and are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the 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 Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See "*Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance that may vary from any standard methodology in our industry, and such measures are not verified.*" on page 67.

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 "$" or "US$" are to 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 and one billion represents 1,000,000,000.

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Consolidated Financial Information in decimals have been rounded off to the second decimal place. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures 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 may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places 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 Financial Years/ periods indicated, information with respect to the exchange rate between the Rupee and the other currencies:

(Amount in ₹, unless otherwise specified)

Currency	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
1 US$	83.37	82.22	75.81

(Source: www.fbil.org.in, www.oanda.com and rbi.org.in)

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Draft Red Herring Prospectus is derived from report titled "*Report on Loans and Financial Services Industry in India*" dated July 30, 2024, prepared by CRISIL MI&A ("**CRISIL Report**"). CRISIL is an independent agency and except for Amar Raj Singh Bindra, one of our Independent Directors, who is also an independent director on the board of CRISIL Limited, which has no relationship with our Company, our Promoters, any of our Directors, KMPs, SMPs or the Book Running Lead Managers. The CRISIL Report has been exclusively commissioned and paid for by our Company, for the purpose of understanding the industry in connection with this Offer, since no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the CRISIL Report. This Draft Red Herring Prospectus contains certain data and statistics from the CRISIL Report, which is available on the website of our Company at https://www.herofincorp.com/investor-relations and also included in "*Material Contracts and Documents for Inspection*" beginning on page 580 and is subject to the following disclaimer.

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources which are believed to be reliable but accuracy, completeness relevance of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Accordingly, no investment decisions should be based solely on such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – We have included data derived from the CRISIL Report titled "Report on loans and financial services industry in India" which has been prepared by CRISIL Limited exclusively for the Offer and commissioned and paid for by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*" on page 65.

Industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 31.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 129 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein.

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this 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 the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. 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 U.S. 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 ("**Rule 144A**") and referred to in this Draft Red Herring Prospectus as "U.S. QIBs" and, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as QIBs) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and (b) outside the United States in "offshore transactions" (as defined in Regulation S) in compliance Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "propose", "project", "seek" "will", "will achieve", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Red Herring Prospectus that are not statements of historical fact are 'forward–looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, restrictions resulting from regulatory changes pertaining to the industry in India and other overseas jurisdictions in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry in which we operate.

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

1. We have sourced the majority of our two-wheeler loans from Hero MotoCorp two-wheeler dealership network and any decline in demand for Hero two-wheelers may adversely affect us;

2. Non-payment or default by our customers and our inability to provide adequate provisioning coverage for non-performing assets;

3. Any adverse developments that reduce demand for our loans and/or increase loan default rates amongst retail and MSME customers who constitute the majority of our AUM;

4. Growth of our business depends on the growth in NTC borrowers and we may not be able to properly assess the credit of new-to-credit borrowers, with loans to such borrowers posing a higher risk of non-performance or default;

5. Certain Promoters have been and are currently subject to certain regulatory proceedings initiated by authorities. Any adverse outcome in such proceedings may lead to reputational risks.

6. We rely extensively on our information technology systems and any unforeseen internal or external disruptions, downtime and inadequacy may have a detrimental impact on our operations

7. Changes in interest rates may affect our treasury operations and cause our net interest income to decline;

8. We extend fixed rate and floating rate loans to customers and any adverse changes in interest rates could cause our net interest income to decline;

9. Failure to recover receivables on unsecured loans in a timely manner or at all may adversely affect our business, results of operations, cash flows and financial condition; and

10. We are subject to regulations and periodic inspections by regulatory authorities in India and non-compliance with regulations and observations made during their inspections could expose us to penalties, suspension, restrictions and cancellation of our license.

For further details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 31, 147, 237 and 446 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the Syndicate 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 investors are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by our Company and the Selling Shareholders, severally and not jointly, in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

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

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in our Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate or propose to operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have an adverse effect on our business, prospects, results of operations, financial condition and cash flows. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. For more details on our business and operations, see "Our Business," "Industry Overview," "Key Regulations and Policies," "Selected Statistical Information," "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 237, 147, 278, 336, 361 and 446, respectively, as well as other financial information included elsewhere in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "Forward-Looking Statements" beginning on page 29.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is derived from our Restated Consolidated Financial Information for Fiscals 2024, 2023 and 2022 included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" beginning on page 361. In addition, certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Financial Data – Non-Generally Accepted Accounting Principles Financial Measures" on page 26. Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled 'Report on loans and financial services industry in India' dated July 30, 2024 prepared and issued by CRISIL MI&A (the "**CRISIL Report**"), which has been commissioned and paid for by our Company exclusively in connection with the Offer and prepared, only for the purposes of understanding the industry in which we operate, pursuant to an engagement letter dated April 5, 2024. The CRISIL Report will form part of the material documents for inspection and is available at the following web-link: www.herofincorp.com/investor-relations. Unless otherwise indicated, all 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 year. For further details, see "- Internal Risks – We have included data derived from the CRISIL Report titled "Report on loans and financial services industry in India" which has been prepared by CRISIL Limited exclusively for the Offer and commissioned and paid for by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." and "Industry Overview" on pages 65 and 147, respectively.*

INTERNAL RISKS

1. ***We sourced 99.04%, 99.69% and 99.93% of our two-wheeler loans from our Promoter, Hero MotoCorp Limited's two-wheeler dealership in Fiscals 2024, 2023 and 2022, respectively. Any decline in demand for Hero two-wheelers may adversely affect us.***

   We source customers for two-wheeler loans primarily through Hero MotoCorp Limited's two-wheeler dealership network. As at March 31, 2024, 2023 and 2022 we had 4,257, 4,100 and 4,100 dealer touchpoints comprising dealers and sub-dealers. We have no arrangement with Hero MotoCorp Limited or its dealerships for exclusive disbursements of loans in the dealerships. We also cross-sell personal loans to customers who make timely payments on their two-wheeler loans, most of whom are sourced through Hero MotoCorp Limited. The table below shows certain details in relation to the two-wheeler loans disbursed to Hero MotoCorp Limited customers and personal loans cross-sold to two-wheeler loan customers as at March 31, 2024, 2023 and 2022:

Particulars	As at March 31,		
	2024	2023	2022
Total amount of two-wheeler loans *(₹ million)*	95,816.18	87,265.23	80,748.82
AUM *(₹ million)*	5,18,208.11	4,17,508.93	3,30,524.82
Total amount of two-wheeler loans as a percentage of our AUM *(%)*	18.49%	20.90%	24.43%
Number of two-wheeler loans disbursed to Hero MotoCorp Limited's customers	9,91,462	10,01,427	8,77,728
Number of two-wheeler loans disbursed	10,01,035	10,04,556	8,78,342
Total count of two-wheeler loans extended to purchasers of Hero MotoCorp Limited's two-wheelers as a percentage of total count of two wheeler loans disbursed *(%)*	99.04%	99.69%	99.93%
Total amount of two-wheeler loans as a percentage of Hero MotoCorp Limited's two-wheeler financed sales *(%)*	29.94%	31.85%	34.12%
Total amount of personal loans cross-sold to two-wheeler loan customers *(₹ million)*	46,918.62	37,972.22	29,253.76
Total amount of cross-sold loans as a percentage of two-wheeler loans (%)	48.97%	43.51%	36.23%

Note:

(1) Amount of two-wheeler loans excludes two-wheeler loans to finance EV purchases from Hero MotoCorp Limited.

For further details, see "*Our Business – Our Products – Retail Finance – Vehicle Finance – Two wheeler loans*" on page 259. We have no arrangement with Hero MotoCorp Limited or its dealerships for exclusive disbursements of loans in the dealerships.

Factors that may impact customer demand for Hero MotoCorp Limited two-wheelers, include changes in Indian regulations and policies affecting two-wheelers, decrease in overall customer demand for two-wheelers and increase in customer preferences towards EV two-wheelers, a decline in the Hero MotoCorp Limited brand image, and the general vehicle industry and macroeconomic environment in India. Such factors could in turn affect demand for our two-wheeler loans and cross-sold personal loans. While there has not been a decline in demand for our two-wheelers loans in Fiscals 2024, 2023, 2022, any future decrease in demand could have a material and adverse impact on our business, results of operations, cash flows and financial condition.

2. ***Stage 3 Loans amounted to 4.02%, 5.11% and 7.54% of Total Gross Loan as at March 31, 2024, 2023 and 2022, respectively. Non-payment or default by our customers and our inability to provide any adequate provisioning coverage for non-performing assets may adversely affect our business, results of operations, cash flows and financial condition.***

Our customers may default on their repayment obligations or may delay payment. Further, a number of macro-economic factors outside of our control may affect our ability to limit and reduce non-performing assets ("**NPA**"). We cannot assure you that there will not be significant increases in the portion of our loans that are classified as NPA as our loan portfolio matures. In respect of our secured loans, we may be exposed to risks of default in payment to the extent the value of the collateral declines or falls short of the amount of the loan or if the collateral goes missing or is destroyed. For details, see "*–Total Gross Secured loans comprised 59.95%, 62.48% and 67.49% of our Total Gross Loans, respectively. The value of our collateral may decrease or we may experience delays in enforcing collateral when our customers default on their obligations, thereby exposing us to potential loss.*" on page 41. The table below provides a breakdown of Stage 3 Loans by business vertical, and as a percentage of the Total Gross Loans as at March 31, 2024, 2023 and 2022:

Particulars	As at March 31,					
	2024		2023		2022	
	(₹ million)	*Percentage of Loan Assets*	*(₹ million)*	*Percentage of Loan Assets*	*(₹ million)*	*Percentage of Loan Assets*
Stage 3 Loans	**20,712.52**	**4.02%**	**21,202.02**	**5.11%**	**24,857.60**	**7.54%**
Retail Finance	15,537.99	4.65%	14,383.68	5.54%	17,504.36	8.81%
MSME Finance	2,520.79	2.34%	2,422.28	2.86%	3,598.73	5.85%
CIF	2,653.74	4.43%	4,396.06	8.73%	3,754.52	5.66%

Note:

(1) Loan Assets: Gross Loans of the respective loan verticals as of the last day of the relevant Fiscal.

The table below provides our NNPA as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(₹ million)	*NNPA Ratio*	*(₹ million)*	*NNPA Ratio*	*(₹ million)*	*NNPA Ratio*
NNPA[(1)]	10,064.96	2.00%	10,868.70	2.69%	14,128.97	4.43%

Note:

(1) NNPA: Stage 3 Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as at the last day of the relevant Fiscal.

Particulars	As at March 31,		
	2024	2023	2022
Total impairment allowance (₹ million)[(1)]	16,066.24	16,259.99	16,097.66
Total Gross Loans (₹ million)	514,870.94	414,972.68	329,508.05
Total impairment allowance as a percentage of Total Gross Loans (%)	3.12%	3.92%	4.89%
Stage 3 Loans	20,712.52	21,202.02	24,857.60
Stage 3 Impairment Allowance (₹ million)	10,647.56	10,333.32	10,728.63
Stage 3 Loans	20,712.52	21,202.02	24,857.60
Provision Coverage Ratio (PCR)[(2)]	51.41%	48.74%	43.16%

Note:

(1) Refers to impairment allowance as a percentage of Total Gross Loans.

(2) Provision Coverage Ratio (PCR): Stage 3 Impairment Allowance (NPA Provision) as a percentage of gross carrying amount of Stage 3 Loans as of the last day of the relevant Fiscal.

An increase in the level of GNPA and customer defaults would adversely affect our business, results of operations, cash flows and financial condition. While we have set up risk management controls, we cannot assure you that such controls will continue to be sufficient to prevent future losses on account of customer defaults which could have a materially adverse impact on our business and operations. While Stage 3 Loans as a percentage of Total Gross Loans declined to 4.02% in Fiscal 2024 from 5.11% in Fiscal 2023 and 7.54% in Fiscal 2022, there is no assurance that we will be able to maintain or reduce our current levels of NPA as we continue to grow our loan portfolio. If our NPAs increase, we may be required to increase our Provision Coverage Ratio (PCR), which was 51.41%, 48.74% and 43.16% as at March 31, 2024, 2023 and 2022, respectively which could materially adversely affect our business, results of operations, cash flows and financial condition. Our Provision Coverage Ratio (PCR) increased as at March 31, 2024 as compared to March 31, 2022 due to an increase in expected credit loss provisions in relation to our retail finance vertical based on actual defaults and the higher probability of default in our retail portfolio. Expected credit loss provisions made in relation to our CIF vertical also increased based on our case to case assessments of probability of defaults. Any incorrect estimation of risks or regulatory changes in mandated provisioning methodologies may result in our provisions not being adequate to cover any further increase in the amount of NPA or any further deterioration in our NPA portfolio thus adversely impacting our business, results of operations, cash flows and financial condition.

3. ***Our Company's retail finance business depends on new-to-credit borrowers who constituted 26.55%, 34.06% and 46.33% of our total retail assets under management as at March 31, 2024, 2023 and 2022, respectively. We may not be able to properly assess the credit of new-to-credit borrowers, and loans extended to such new-to-credit borrowers may accordingly have a higher risk of non-performance or default.***

We extend loans to new-to-credit ("**NTC**") customers who do not have any credit history supported by income tax returns and other related documents, which makes it difficult to assess their creditworthiness. For further details, please see "*Our Business – Our Customers*" on page 253. While we follow the Know Your Customer ("**KYC**") guidelines prescribed by the RBI, we may be unable to accurately assess the credit risk posed by such customers and may extend loans in cases to non-creditworthy borrowers. Retail customers tend to be more vulnerable to declining economic conditions. The table below provides the total amounts of retail loans extended to NTC and existing-to-credit ("**ETC**") customers in absolute amounts and as a percentage of our AUM as at March 31, 2024, 2023 and 2022.

Particulars	As at March 31,					
	2024		2023		2022	
	(₹ million)	*Percentage of retail AUM*	*(₹ million)*	*Percentage of retail AUM*	*(₹ million)*	*Percentage of retail AUM*
Loans to NTC customers	89,536.62	26.55%	89,345.10	34.06%	92,504.00	46.33%
Loans to ETC customers	247,725.97	73.45%	172,977.28	65.94%	107,160.83	53.67%
Retail AUM	**337,262.59**	**100.00%**	**262,322.39**	**100.00%**	199,664.83	**100.00%**

In the event of default by our NTC customers on their loans, we may not be able to recover such loans fully or partly extended to them, in particular if such loans are unsecured. In addition, even if such loans are secured, it may be difficult and time-consuming and we may incur additional expenses to enforce on our collateral and there can be no assurance that we will be able to recover the sums due to us in full. In each case, such non-performance of loans to our NTC customers could have an adverse effect on our business, financial condition and results of operations. Please also see "*–Total Gross Secured Loans comprised 59.95%, 62.48% and 67.49% of our Total Gross Loans, respectively. The value of our collateral may decrease or we may experience delays in enforcing collateral when our customers default on their obligations, thereby exposing us to potential loss.*" on page 41.

4. ***Retail finance, comprising vehicle loans, personal loans and mortgage loans, and micro, small and medium enterprises finance constituted 85.88%, 83.14% and 79.02% of our assets under management as at March 31, 2024, 2023 and 2022, respectively. We are susceptible to any adverse developments that reduce demand for our loans and/or increase loan default rates amongst retail and micro, small and medium enterprises customers.***

As a significant number of our loans are extended to customers as vehicle loans, personal loans, mortgage loans and loans to MSMEs, we are susceptible to the adverse developments in these sectors and industries, which would reduce demand for our loans and/or increase loan default rates amongst retail and MSME customers. The table below provides a breakdown of our AUM as at March 31, 2024, 2023 and 2022.

Particulars	**As at March 31,**					
	2024		**2023**		**2022**	
	(in ₹ million)	*Percentage of total AUM*	*(in ₹ million)*	*Percentage of total AUM*	*(in ₹ million)*	*Percentage of total AUM*
Retail Finance (A)	**337,262.59**	**65.08%**	**262,322.39**	**62.83%**	**199,664.83**	**60.41%**
Vehicle Loans	127,942.58	24.69%	108,383.55	25.96%	98,760.38	29.88%
Personal Loans	155,993.81	30.10%	114,433.03	27.41%	72,664.22	21.98%
Mortgage Loans	53,326.21	10.29%	39,505.81	9.46%	28,240.24	8.54%
MSME Finance (B)	**107,798.26**	**20.80%**	**84,815.01**	**20.31%**	**61,514.37**	**18.61%**
MSME Secured Loans	61,036.26	11.78%	44,037.67	10.55%	29,201.43	8.83%
MSME Unsecured Loans	46,761.95	9.02%	**40,777.35**	**9.77%**	**32,312.94**	9.78%
Retail and MSME Finance (A+B)	**445,060.80**	**85.88%**	**347,137.40**	**83.14%**	**261,179.20**	**79.02%**
CIF (C)	**59,881.01**	**11.56%**	**50,364.54**	**12.06%**	**66,345.32**	**20.07%**
Others[(1)] **(D)**	13,266.30	2.56%	20,006.99	4.79%	3,000.30	0.91%
CIF & Others (C+D)	**73,147.31**	**14.12%**	**70,371.53**	**16.86%**	**69,345.62**	**20.98%**
AUM[(2)] (A+B+C+D)	**518,208.11**	**100.00%**	**417,508.93**	**100.00%**	**330,524.82**	**100.00%**

Notes:

(1) Others includes loans to Clearcorp Repo Order Matching System.

(2) AUM: sum of (i) Total Gross Loans, which is the aggregate amount of loan receivables from customers including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as at the last day of the relevant Fiscal, and (ii) Assigned Loan Assets, being the loan assets which have been transferred by our Company by way of assignment, as at the last day of the relevant Fiscal.

Factors that may impact home buying include movements in real estate prices, changes in applicable government policies or requirements and adverse market conditions. The same factors also affect the value of the real estate properties that typically secure our mortgage loans. Factors that impact demand for personal loans and MSME loans include general macroeconomic conditions in India. For factors that impact customer demand for two-wheelers, please see "*—We sourced 99.04%, 99.69% and 99.93% of our two-wheeler loans from our Promoter, Hero MotoCorp Limited's two-wheeler dealership in Fiscals 2024, 2023 and 2022, respectively. Any decline in demand for Hero two-wheelers may adversely affect us.*" on page 31.

Further, as at March 31, 2024, 72.20% of our retail customers came from households with annual incomes ranging from ₹0.20 million to ₹1.00 million, a group that we identify as the "**Aspiring India**" or "**Rising India**" segment according to the CRISIL Report. Such customers are particularly susceptible to adverse macroeconomic developments, which may in turn cause a corresponding decrease in their ability to avail loans.

While we have not experienced any of the foregoing adverse developments that materially and adversely impacted our business and operations in Fiscals 2024, 2023 and 2022, any future adverse developments affecting a sector in which we lend, including the Aspiring India segment in particular, could result in fewer loans being generated and increased rates of default on our loans, and consequent adverse effects on our business, financial condition and results of operations.

5. ***Certain Promoters have been and are currently subject to certain regulatory proceedings initiated by authorities. Any adverse outcome in such proceedings may lead to reputational risks.***

In August 2018, an employee of an event management company, who was travelling with Dr. Pawan Munjal, one of our Individual Promoters, was apprehended for undeclared foreign currency amounting to ₹8.10 million. Consequently, proceedings had been initiated against the event management company and its officials as well as against Dr. Pawan Munjal by the Commissioner of Customs, New Customs House, New Delhi for alleged violation of the Prevention of Money Laundering Act, 2002 ("**PMLA**") and Customs Act, 1962. The only allegation against Dr. Pawan Munjal was that he was the beneficial owner of the undeclared foreign currency ("**Alleged Offence**"). The proceedings initiated by the Commissioner of Customs, New Customs House, New Delhi has been dismissed by Customs, Excise and Service Tax Appellate Tribunal, New Delhi, by way of order dated March 28, 2022, and such dismissal has been upheld by the High Court of Delhi ("**Court**") and the Supreme Court of India by way of orders, dated October 5, 2023 and April 26, 2024, respectively.

Further, regulatory proceedings had been initiated against Dr. Pawan Munjal, by the Directorate of Revenue Intelligence ("**DRI Proceedings**") before the Additional Chief Metropolitan Magistrate, Patiala House Court ("**ACMM**"), in relation to the same facts. Subsequently, Dr. Pawan Munjal filed a petition dated October 30, 2023, before the Court for quashing the proceedings before the ACMM *inter alia* on the ground that the allegations were untrue and that he was not a beneficial owner. The Court pursuant to its order dated November 3, 2023, had granted an interim stay on the DRI Proceedings, and subsequently, the Court has pursuant to its judgement dated July 24, 2024, allowed the petition and quashed the DRI Proceedings against Dr. Pawan Munjal.

The DRI Proceedings were followed by proceedings initiated by the Directorate of Enforcement ("**ED**") under the PMLA ("**ED Proceedings**") on the same facts. Dr. Pawan Munjal has filed a writ petition dated November 15, 2023, with the Court against the ED Proceedings. The Court, pursuant to an order dated November 17, 2023, has granted a stay on the ED Proceedings. As on date of this Draft Red Herring Prospectus, there is no prosecution complaint filed by the ED against Dr. Pawan Munjal. However, we cannot assure you that the ED Proceedings will be decided in his favour or that no liability will be imposed or actions will be taken against him.

In relation to the alleged illegal export of foreign currency cumulatively amounting to ₹540.00 million including the Alleged Offence, on August 1, 2023, on spot searches were conducted at the Corporate Office of our Company, at certain branches of Hero MotoCorp Limited, one of our Corporate Promoters, at the place of residence of Abhimanyu Munjal, the Managing Director and one of our Individual Promoters and at the place of residence of Dr. Pawan Munjal, our Chairman and one of our Individual Promoters, by officials of the Directorate of Enforcement, New Delhi ("**ED**"). In the course of the search, the ED officials inspected and seized, among others, folders and invoices in the name of foreign currency dealers, pen drives and movable property such as foreign currency and jewellery from the searched premises. The ED filed an application for the retention of seized documents/ properties of our Company, Dr. Pawan Munjal, Abhimanyu Munjal, and Hero MotoCorp Limited, under Section 17(4) of the PMLA in relation to the Alleged Offence. Against the application of the ED, our Company and Abhimanyu Munjal, filed applications dated October 9, 2023, each, before the Adjudicating Authority ("**AO**") under the PMLA, contending that they had no role or relevance to the said Alleged Offence. The AO, *vide* its orders dated December 29, 2023 ("**Order**"), held that our Company, Abhimanyu Munjal and Hero MotoCorp Limited, were not in possession of the foreign currency, however, the Order confirmed the retention of seized documents/properties. Consequently, our Company and Abhimanyu Munjal filed appeals dated February 16, 2024, each and Hero MotoCorp Limited filed an appeal dated February 12, 2024, against the Order, stating that the AO had erroneously ordered the retention of the records that had been unjustifiably seized by the ED. The matter is currently pending.

For further details, see "*Outstanding Litigation and Material Developments– Litigation involving our Promoters*" on page 486.

Further, Bahadur Chand Investments Private Limited, one of our Corporate Promoters, was subject to a penalty of ₹ 3.00 million pursuant to the order of the RBI dated January 6, 2023 for non-compliance with certain provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 and Directions on Information Technology Framework for the NBFC Sector.

6. ***We rely extensively on our information technology systems and any unforeseen internal or external disruptions, downtime and inadequacy may have a detrimental impact on our operations.***

Our information technology ("**IT**") systems are a critical part of our business that help us manage, among other things, our risk management, deposit servicing and loan origination functions, as well as our increasing portfolio of financial products and services. For further details, see "*Our Business – Our Technology Platform*" on page 264. The table below shows our capital expenditure incurred towards IT systems in absolute amounts as well as a percentage of our total costs in Fiscals 2024, 2023 and 2022.

Particulars	Fiscal		
	2024	**2023**	**2022**
	(in ₹ million, except percentages)		
Capital expenditure incurred towards IT systems	**484.26**	**264.70**	**184.33**
Total capital expenditure	**1,642.60**	**460.25**	**256.75**
Capital expenditure incurred towards IT systems as a percentage of total capital expenditure (%)	**29.48%**	**57.51%**	**71.79%**

From time to time, our IT systems require maintenance and upgrades, including in response to technological advances and emerging banking and other financial services industry standards and practices. Any failure to do so, in a timely manner or at all, could result in disruption, breach or failure of our IT infrastructure, and could result in the malfunctioning of financial, accounting or data processing systems, inability to generate potential customer scorecards, inability to service our customers and partners on a timely basis or at all, non-availability of certain information for our management in order to enable them to plan for or respond to contingencies and changes in market conditions in a timely manner or at all, or loss of confidential or material data, all of which could result in a loss of customers, damaged reputation and weakening of our competitive position and have an adverse effect on our financial condition and results of operations. Further, we have also entered into agreements with several IT vendors to set up our IT infrastructure. Any failure of such IT vendors to fulfil their contractual obligations to us could likewise result in disruptions that could have an adverse effect on our financial condition and results of operations. See "– *Our business is sourced through different channels of disbursement including third party distributors (comprising two-wheeler dealers, digital partners and direct selling agents) that contributed to 62.07%, 65.69% and 58.02% of our disbursements in Fiscals 2024, 2023 and 2022, respectively. Any deficiency, interruption in service or lapse by such third-party service providers may have adverse consequences on our business and reputation*." on page 46.

We have in the past faced instances of technology related issues involving our own IT systems and third-party IT systems that resulted in temporary disruptions and downtime in certain processes. The table below shows our system downtimes in Fiscals 2024, 2023 and 2022.

Particulars	Fiscal		
	2024	**2023**	**2022**
	Percentage of hours in a year		
System downtime (%)	0.17%	0.27%	0.54%

While the financial impact of such instances is not quantifiable and these instances have not had any material adverse impact on our business and operations, similar instances for a prolonged period of time and/or at a large scale in the future could potentially impact our business, results of operations, cash flows, financial condition and reputation.

7. ***Changes in interest rates may affect our treasury operations, causing our net interest income to decline.***

Our results of operations depend substantially on the level of our net interest income, which is the difference between our interest income on our loan portfolio and our finance costs. The following table provides an overview of our finance costs for the periods indicated.

Particulars	Fiscal		
	2024	**2023**	**2022**
	(*in ₹ million except percentages*)		
Finance costs	30,973.64	21,739.50	16,785.23
Average Total Gross Loans(1)	464,921.81	372,240.37	302,128.67
Finance cost ratio (2)	6.66%	5.84%	5.56%
Yield on Advances (%)(3)	16.09%	15.37%	14.04%
Net Interest Income(4)	43,820.17	35,456.50	25,633.43
Net Interest Margin (%)(5)	9.43%	9.53%	8.48%

Notes:

(1) Average Total Gross Loans: simple average of our Total Gross Loans as at the last day of the relevant Fiscal and our Total Gross Loans as at the last day of the previous Fiscal.

(2) Finance cost ratio: ratio of Finance Cost to Average Total Gross Loans for the relevant Fiscal.

(3) Yield on Advances: ratio of Interest Income to Average Total Gross Loans for the relevant Fiscal.

(4) Net Interest Income: Interest income reduced by finance cost for the relevant Fiscal.

(5) Net Interest Margin: ratio of Net Interest Income as a percentage of Average Total Gross Loans for the relevant Fiscal.

The table below provides an overview of our debt funding profile as of March 31, 2024, 2023 and 2022:

Particulars	As of March 31,		
	2024	**2023**	**2022**
	(₹ million, unless otherwise indicated)		

Total Borrowings[(1)]	461,694.76	366,278.60	286,797.30
Average Cost of Borrowings[(2)]	7.95%	6.90%	6.37%
Average Residual Tenure of borrowings (in years)[(3)]	1.75	1.83	1.69

Notes:

(1) Total Borrowings: Sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant Fiscal.

(2) Average Cost of Borrowings: Ratio of finance cost to Average Adjusted Total Borrowings for the relevant Fiscal. Average Adjusted Total Borrowings is the simple average of our Adjusted Total Borrowings as of the last day of the relevant Fiscal and our Adjusted Total Borrowings of the last day of the previous Fiscal.

(3) Average Residual Tenure of Borrowings: average tenure of borrowings as at the last day of the relevant Fiscal weighted based on residual tenure.

Any increase in our cost of funds may lead to a reduction in our Net Interest Margin or an increase in interest expense relative to interest income if we are unable to increase the rates charged on our loan portfolio or if the volume of our interest-bearing liabilities becomes larger or grows faster than the volume of our interest-earning assets. Such increase in interest rates could also affect our ability to raise low-cost funds as compared to some of our competitors who may have access to lower cost funds. Conversely, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin, thereby affecting our results of operations.

Our Company's Average Cost of Borrowing has increased in the last three Fiscals due to an increase in borrowings to fund our loan disbursements growth and the higher interest rates in domestic and global markets which may continue to remain high. This has resulted in an increase in our finance costs. Any future increases in our cost of borrowing could have an adverse impact on our Net Interest Income, and consequently our financial position and results of operations.

8. ***We extend fixed rate and floating rate loans to customers, and any adverse change in interest rates could cause our net interest income to decline and adversely affect our business, results of operations, cash flows and financial condition.***

We extend loans to our customers and avail borrowings at fixed as well as floating interest rates. While we seek to pass through interest rate increases to our customers, there is no assurance that we will be able to effectively do so. The table below shows a breakdown of our Total Gross Loans and Total Borrowings by fixed and floating rates as at March 31, 2024, 2023 and 2022. For further details, see "*Our Business – Our Products*" and "*Our Business – Treasury Functions*" on pages 254 and 268, respectively.

Particulars	**As at March 31,**					
	2024		**2023**		**2022**	
	(in ₹ million)	*(%)*	*(in ₹ million)*	*(%)*	*(in ₹ million)*	*(%)*
Total Gross Loans [(1)]	**514,870.94**	**100.00%**	**414,972.68**	**100.00%**	**329,508.05**	**100.00%**
Fixed Interest Rate	370,840.37	72.03%	313,522.22	75.55%	252,791.79	76.72%
Floating Interest Rate	144,030.57	27.97%	101,450.46	24.45%	76,716.26	23.28%
Total Borrowings[(2)]	**461,694.76**	**100.00%**	**366,278.60**	**200.00%**	**286,797.30**	**100.00%**
Fixed Interest Rate	110,824.26	24.00%	96,721.18	26.41%	82,490.30	28.76%
Floating Interest Rate	350,870.50	76.00%	269,557.42	73.59%	204,307.00	71.24%

Notes:

1. *Total Gross Loans: aggregate amount of loan receivables from customers, including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as of the last day of the relevant Fiscal*
2. *Total Borrowings: sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant Fiscal.*

In the event of further increases in interest rates on our borrowings, we may not be able to fully pass on the increased cost of funds to customers with fixed rate loan agreements, resulting in an adverse impact on our net interest income and net interest margins. Additionally, any increase in the interest rates we levy on loans disbursed to customers at floating interest rates, could result in the extension of loan maturities or higher monthly instalments due from borrowers, which, in turn, could result in higher rates of default. Increased interest rates could also reduce the volume of loans as customers are deterred from taking loans at high interest rates to finance their purchases or investments, and we may also lose customers if they opt to prepay our loans in favour of less expensive loans from other lenders, either of which could adversely impact our business, financial condition and results of operations.

In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin. Declining interest rates could also result in customers opting to prepay our loans to take advantage of the lower interest rate, or a higher component of principal being repaid in every interest payment cycle, resulting in reduced growth of our loan portfolio. While we have not experienced the foregoing instances that led to any material adverse effect on our business and operations in Fiscals 2024, 2023 and 2022, if any of the foregoing were to occur in the future, it could have an adverse effect on our business, results of operations, cash flows and financial condition.

9. ***In Fiscals 2024, 2023, 2022, unsecured loans comprised 39.13%, 37.18% and 31.76% of our total assets under management, respectively. If we are unable to recover such receivables in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected.***

We offer unsecured loans (in the form of business loans and supply chain finance) to our MSME customers and unsecured personal loans to our retail customers. The table below provides an overview of unsecured business and personal loans as at March 31, 2024, 2023 and 2022:

Particulars	**Fiscals**		
	2024	**2023**	**2022**
	(in ₹ million, except percentages)		
AUM of unsecured loans (1)	202,755.76	155,210.37	104,977.16
AUM	518,208.11	417,508.93	330,524.82
AUM of unsecured loans as a percentage of AUM (%)	39.13%	37.18%	31.76%

Notes:

1. *AUM of unsecured loans comprises unsecured MSME loans and unsecured personal loans.*

For further details, please see "*Our Business – Our Products – MSME Finance*" on page 254. Such unsecured loans pose a higher credit risk as compared to our secured loan portfolio because they are not supported by realisable collateral that could help ensure an adequate source of repayment for the loan and, in some cases, may be recalled at any time. We may be unable to collect our outstanding advances in part or at all in the event of non-payment by a borrower. Since these loans are unsecured, in the event of defaults by such customers, our ability to realise the amounts due to us would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the amount of our resources that would be utilised and the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision to us. Based on our accounting policies, we have, in the past had to record accounting write-offs in respect of such non-performing loans, although we have, in respect of such loans continued to make recovery efforts even after such accounting write-offs. For further details on such write-offs and provisions made as at and for the Fiscal ended March 31, 2024, 2023 and 2022, please see "*Selected Statistical Information – Provisioning and Write-offs*" on page 341. Any failure to recover the full amount of principal and interest on unsecured loans given to our customers could adversely affect our business, results of operations, cash flows and financial condition.

10. ***We are subject to regulations and periodic inspections by regulatory authorities in India. Non-compliance with regulations and observations made during their inspections could expose us to penalties, suspension and restrictions as well as cancellation of our license.***

We are subject to periodic inspections by the RBI under the RBI Act on our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems, pursuant to which the RBI issues observations, directions and monitorable action plans, on issues related to various operational risks, information technology security and regulatory non-compliances, amongst others. During the course of finalising inspections, the RBI inspection team shares its findings and recommendations with us and provides us an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, than that observed by the RBI. Upon final determination by the RBI of the inspection results, we are required to take actions specified therein by the RBI to its satisfaction. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.

In Fiscals* 2023, 2022 and 2021, RBI has recommended certain areas of improvement to our Company in relation to concerns such as, (i) the composition of certain committees being deficient and non-compliant with regulatory requirements, (ii) to undertake the root cause analysis of the increasing trend in customer complaints and strengthen the grievance redressal mechanism; (iii) not providing the terms and conditions of the loan in the vernacular language of the customer, hence violating the Fair Practise Code issued by RBI; and (iv) to monitor the end use of funds in case unsecured business loans. While we have responded to the observations made by the RBI in their risk assessment reports pursuant to inspections undertaken for Fiscals* 2023, 2022 and 2021, we cannot assure you that RBI will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies and other matters to RBI's satisfaction, or are otherwise in non-compliance with RBI's directions, RBI may take regulatory and supervisory action which many include charging penalties, penalising our management, restricting our banking activities or otherwise enforcing increased scrutiny and control over our banking operations, including by way of withholding approvals, or issuing conditional approvals. For instance, in May 2024, the RBI imposed a penalty of

₹0.31 million for not conveying the terms and conditions of our loans in writing to our borrowers in their respective vernacular language. We have paid the penalty amount and complied with the RBI order in this regard**.**

Our Subsidiary, Hero Housing Finance Limited ("**HHFL**") is subject to periodic inspections by the NHB under the NHB Act, 1987 (the "**NHB Act**"). In Fiscals** 2022, 2021 and 2020, the NHB recommended certain areas of improvement to HHFL in relation to concerns such as, (i) non-compliance with loan-to-value norms in certain instances, (ii) HHFL using the dealer network of Hero MotoCorp Limited without the approval of its board of directors, (iii) delay in submitting returns in relation to instances of fraud, and (iv) deficiency in the composition of certain committees. While the NHB has not levied any penalty for the above non-compliances and we have provided necessary clarifications or undertaken to ensure compliance with the above observations, we cannot assure that such steps will be satisfactory and that the NHB will not have further/follow-on observations in the future.

We cannot assure you that the RBI, NHB, IRDAI, or any other regulatory authority will not make similar or other observations in the future or impose any penalties or restrictions on us including having approvals withheld, receiving conditional approvals, or having our licenses cancelled, which may have an adverse effect on our reputation, business, results of operations, financial condition, and cash flows.

**The Company has not been subject to inspections by the RBI for fiscal 2024.*

***HHFL has not been subject to inspections by the NHB for fiscals 2023 and 2024.*

11. ***In Fiscals 2024, 2023 and 2022, 16.69%, 18.76% and 24.00% of our collections were in cash, respectively, exposing us to certain operational risks, including misappropriation or fraud by our employees or third-party agents.***

A significant portion of our overdue collections are collected by our field agents in cash. Cash collection refers to physical cash collections by our field agents. Other modes of collection include non-cash based collections through modes such as the National Automated Clearing House, cheques, electronic clearing service payments, payments through payment gateways and aggregators. Such cash transactions expose us to the risk of loss, theft, fraud, misappropriation and unauthorised transactions by third-party field staff and our employees. The table below provides a split of our cash and non-cash collections in Fiscals 2024, 2023 and 2022:

Particulars	Fiscals		
	2024	2023	2022
	(*in ₹ million, except percentages*)		
Total collections	278,836.23	242,567.06	165,466.95
Cash collections	46,527.94	45,496.95	39,708.70
Cash collections as a percentage of total collections (%)	16.69%	18.76%	24.00%
Non-cash collections	232,308.29	197,070.11	125,758.26
Non-cash collections as a percentage of total collections (%)	83.31%	81.24%	76.00%

We may be unable to adequately prevent or deter such activities in all cases. In Fiscals 2024, 2023 and 2022, we experienced acts of fraud, forgery and misappropriation committed by or involving our customers, borrowers and employees. In particular, we faced instances of manipulation, misrepresentation and fraud, such as embezzlement of cash, cheating and forgery. The fraud detected was mainly due to embezzlement of cash and fabricated collateral and identity documents. The table below shows the number of fraud cases we have experienced and the amounts involved in Fiscals 2024, 2023 and 2022, each of which was reported to the RBI:

Particulars	Fiscals		
	2024	2023	2022
Fraud cases *(count)*	30	8	3
Amounts involved in fraud cases (*in ₹ million*)	25.10	108.65	484.50
Amounts involved in fraud cases as a percentage of our total AUM *(%)*	0.005%	0.03%	0.15%

While such fraud 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 cash 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. In addition, we may be subject to regulatory or other proceedings in connection with any unauthorised transactions, fraud or misappropriation, which could adversely affect our goodwill, business prospects and financial performance. For details of legal proceedings involving our Company, see "*Outstanding Litigation and Material Developments*" beginning on page 479.

12. ***We incurred restated loss after taxes of ₹1,918.98 million in Fiscal 2022 and may continue to incur operating losses in the near term as we invest in further expanding our distribution network across India.***

We derive our revenue principally from interest earned on the loans that we disburse to customers. The table below shows our total revenue from operations as well as our Restated profit/ (loss) after tax derived from our Restated Consolidated Financial Information on cash flows for Fiscals 2024, 2023 and 2022:

Particulars	Fiscals		
	2024	2023	2022
	(₹ million)		
Total revenue from operations	82,909.04	64,015.93	47,386.54
Restated profit/ (loss) after tax	6,370.48	4,799.47	(1,918.98)

Our reduced collections during the COVID-19 pandemic contributed to a higher Stage 3 Loan as a percentage of Total Gross Loans of 7.54% as at March 31, 2022, as compared to 5.11% and 4.02% as at March 31, 2023 and 2024, respectively. We wrote off a significant portion of our Stage 3 Loan in Fiscal 2022. Such write offs and the general economic outlook as a result of the pandemic were factored into our estimates, assumptions and judgments in the measurement of our impairment loss allowances, which contributed to our recording of a Restated loss (after tax) of ₹1,918.98 million for Fiscal 2022. We may continue to incur operating losses in the near term as we invest in expanding our distribution network across more pin-codes in India. We may not realise expected returns from such investments. Our ability to achieve profitability and a net working capital surplus will depend on many factors, including our ability to increase our Total Gross Loans and net interest margin. We cannot assure you that our expansion will be profitable. Failure to become profitable would materially and adversely affect the value of your investment in our Company.

13. ***If we are unable to comply with the capital adequacy requirements stipulated by the Reserve Bank of India, our business, results of operations, cash flows and financial condition could be materially and adversely affected.***

Our Company is subject to the capital adequacy ratio ("**CAR**") requirements prescribed by the RBI under the non-banking financial company ("**NBFC**") Scale Based Regulations. CAR is defined as the ratio of Tier I and Tier II capital as compared to risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items. In accordance with the NBFC Scale Based Regulations, NBFCs such as our Company are required to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, of not less than 15.00% of our aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items, of which Tier I capital cannot be less than 10.00%. While our CAR did not fall below the level prescribed by the RBI in Fiscal 2024, 2023 or 2022, there can be no assurance that our CAR will continue to be compliant with RBI requirements in the future. For further details, please see "*Key Regulations and Policies*" beginning on page 278. The table below shows our CAR on a standalone basis as at March 31, 2024, 2023 and 2022.

Particulars	As at March 31,		
	2024	2023	2022
Minimum CAR as per RBI *(%)*	15.00%	15.00%	15.00%
Total capital funds *(₹ million)*	81,049.24	75,056.95	45,033.93
Risk weighted assets *(₹ million)*	497,819.68	364,823.53	288,592.15
CAR *(%)*	16.28%	20.57%	15.60%
Tier I Capital *(%)*	14.36%	17.68%	13.10%
Tier II Capital *(%)*	1.92%	2.89%	2.50%

As a housing finance company ("**HFC**"), our Subsidiary, HHFL, is required to maintain a capital to risk (weighted) assets ratio ("**CRAR**") as prescribed by the NHB, consisting of Tier I and Tier II Capital, of not less than 15.00% of the aggregate of the HFC's risk-weighted assets and of risk adjusted value of off-balance sheet items, pursuant to the NHB Directions. Tier I Capital must be at least 10.00% of the risk weighted assets and Tier II Capital must not exceed 100.00% of the Tier I Capital. The table below shows HHFL's CRAR as at March 31, 2024, 2023 and 2022:

Particulars	As at March 31,		
	2024	2023	2022
Minimum CRAR as per NHB *(%)*	15.00%	15.00%	15.00%
Total capital funds *(₹ million)*	7,736.40	7,892.40	4,587.42
Risk weighted assets *(₹ million)*	39,470.22	26,124.72	18,768.30
HHFL's CRAR *(%)*	19.60%	30.21%	24.44%
Tier I Capital *(%)*	17.37%	26.93%	21.37%
Tier II Capital *(%)*	2.23%	3.28%	3.07%

There can be no assurance that we will be able to continue maintaining our CAR and CRAR within the regulatory requirements. As we continue to grow our loan portfolio and asset base, we may be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our businesses. If we fail to meet the applicable CAR and CRAR requirements, our business, results of operations, cash flows and financial condition could be adversely affected.

14. ***Total Gross Secured loans comprised 59.95%, 62.48% and 67.49% of our Total Gross Loans, respectively. The value of our collateral may decrease or we may experience delays in enforcing collateral when our customers default on their obligations, thereby exposing us to potential loss.***

Certain of our retail loans, namely vehicle loans and mortgage loans, and certain MSME loans and CIF loans are secured by collateral. The table below shows the amount of such secured loans as a percentage of Total Gross Loans as at March 31, 2024, 2023 and 2022:

Particulars	**As of March 31,**		
	2024	**2023**	**2022**
Total Gross Secured Loans *(₹ million)*	308,662.40	259,289.49	222,400.84
Total Gross Loans *(₹ million)*	514,870.94	414,972.68	329,508.05
Total Gross Secured Loans as a percentage of Total Gross Loans *(%)*	59.95%	62.48%	67.49%

The table below shows the percentage of vehicle finance, mortgage loans, MSME finance and CIF loans that were secured as at March 31, 2024, 2023 and 2022:

Particulars	**As of March 31,**		
	2024	**2023**	**2022**
Vehicle loans *(₹ million)*	127,942.58	108,383.55	98,760.38
Vehicle loans secured *(₹ million)*	127,942.58	108,383.55	98,760.38
Vehicle loans secured as a percentage of total vehicle loans *(%)*	100.00%	100.00%	100.00%
Mortgage loans *(₹ million)*	49,988.99	36,969.51	27,223.48
Mortgage loans secured *(₹ million)*	49,227.07	36,576.37	26,916.67
Mortgage loans secured as a percentage of total mortgage loans *(%)*	98.48%	98.94%	98.87%
MSME loans *(₹ million)*	107,798.26	84,815.06	61,514.36
MSME loans secured *(₹ million)*	62,622.92	48,371.32	34,969.64
MSME loans secured as a percentage of total MSME loans *(%)*	58.09%	57.03%	56.85%
CIF loans *(₹ million)*	73,147.31	70,371.53	69,345.62
CIF loans secured *(₹ million)*	68,869.95	65,958.26	62,029.28
CIF loans secured as a percentage of total CIF loans *(%)*	94.15%	93.73%	89.45%

The value of the collateral such as wheeled assets and residential and commercial properties may fluctuate or decline due to factors beyond our control, including deterioration in regional economic conditions or asset values or deficiencies in the perfection of collateral. Such risk is particularly pronounced in situations where the collateral is in the form of depreciating fixed assets such as vehicles. In the case of loans against property and housing finance, where the collateral takes the form of mortgage over our customers' residential or commercial property, we are exposed to adverse movements in the price of such immoveable property and the real estate market in general. Our loans may exceed the value of the underlying collateral if the value of the collateral reduces significantly or if the collateral goes missing or is destroyed. As a result of the foregoing, we may not be able to realise the full value of the collateral, assign or refinance such loans. While there has been no past instances of a loss in the value of collateral, missing collateral or destroyed collateral resulting in an increase in our provision on loans or inability to assign or refinance such loans in Fiscals 2024, 2023 and 2022, if such instances were to occur in the future, we may increase our provisions for loan losses.

We cannot assure you that we will be able to successfully repossess or liquidate the collateral in the event of a default. We may face delays, including in respect of legal proceedings and auction processes, and incur legal and administrative costs in the repossession and sale of the collateral. We are exposed to the risk of forged or defective title deeds and property documents from time to time in the ordinary course of business, particularly as there is no centralised land title registry in India. While we have not faced any such instances that materially and adversely affected our business or results of operations in Fiscals 2024, 2023 and 2022, title to the property may be disputed, including on account of out-of-date or illegible local land records which may only be available in the local vernacular languages, as well as alleged short payment of stamp duty or registration fees, which may render the title documents inadmissible in evidence. If we are unable to seize and/or recover the full value of collateral in a timely manner, or at all, our business, results of operations, cash flows and financial condition may be adversely affected. There can be no assurance that any foreclosure proceedings would not be stayed by the Debt Recovery Tribunal. Further, in case insolvency proceedings are initiated under the Insolvency and Bankruptcy Code, 2016, as amended ("**IBC**") against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. We may not be able to realise the full value of our collateral as a result of delays in foreclosure proceedings. A failure to recover the expected value of collateral security could expose us to a potential loss.

15. ***We are exposed to risks related to concentration of loans to certain customers. For Fiscals 2024, 2023 and 2022 loans to our top 10 customers amounted to 4.75%, 5.50% and 7.62% of our total outstanding loans, respectively.***

We cannot assure you that we will be able to maintain historic levels of business from our top 10 customers, or that we will be able to significantly reduce customer concentration in our loan book in the future. While no developments in relation to our top 10 customers have occurred in Fiscals 2024, 2023 or 2022 that had a material adverse impact on our business and operations, a significant decrease in business from any such customer, whether due to circumstances specific to such customer, or a sharp increase in interest rates or the macro-economic environment generally, may materially and adversely affect our business, results of operations, cash flows and financial condition. The following table sets forth the percentage of loans outstanding to our top 10 customers (based on our DNBS01 return filed with the RBI in the respective Fiscal), as at the dates indicated:

Particulars	As of March 31,		
	2024	2023	2022
Loans to top 10 customers[1] (₹ million)	24,447.64	22,808.74	25,092.44
Total Gross Loans (₹ million)	514,870.94	414,972.68	329,508.05
Loans to top 10 customers as a percentage of Total Gross Loans (%)	4.75%	5.50%	7.62%

Notes:

(1) Top 10 customers in each Fiscal may vary.

Similarly, if the loans to any of these customers becomes non-performing, we cannot assure you that we will be able to make full recoveries on these loans and consequently it could result in deterioration of the credit quality of our loan portfolio. In addition, an increase in delinquency rates could result in a reduction in our interest income and as a result, lower our revenue from our operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans.

16. ***Any disruption in our sources of capital or inability by us to secure funding on acceptable terms and at competitive rates when needed could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We have historically secured financing through a variety of sources to meet our capital requirements, including, primarily, from bank loans. Our business depends and will continue to depend on our ability to access a variety of sources of capital on suitable terms and in a timely manner in order to service our existing debt or to fund our other liquidity needs. The table below provides a breakdown of our total borrowings as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Borrowings*	*(in ₹ million)*	*Percentage of Total Borrowings*	*(in ₹ million)*	*Percentage of Total Borrowings*
Debt Securities:						
Redeemable non-convertible debentures	28,813.15	6.24%	37,055.56	10.12%	27,194.78	9.48%
Commercial papers	38,224.00	8.28%	30,415.23	8.30%	32,615.66	11.37%
Debt Securities (A)	**67,037.15**	**14.52%**	**67,470.79**	**18.42%**	**59,810.44**	**20.85%**
Borrowing (other than Debt Securities):						
Term Loans:						
Term loan from banks and financial institutions (Secured)	275,849.73	59.75%	205,614.00	56.14%	183,717.24	64.06%
Term loan from banks – Foreign currency loan (Secured)	508.47	0.11%	773.17	0.21%	1,036.10	0.36%
External commercial borrowing (Secured)	47,597.31	10.31%	39,348.28	10.74%	8,623.12	3.01%
Loan repayable on demand from banks:						
Cash credit (Secured)	4,244.78	0.92%	3,193.70	0.87%	5,467.03	1.91%
Working capital demand loans (Secured)	23,150.11	5.01%	14,700.72	4.01%	17,613.20	6.14%
Working capital demand loans (Unsecured)	2,000.00	0.43%	2,000.00	0.55%	3,850.00	1.34%
Additional special refinance facility from National Housing Bank	5,053.50	1.09%	500.00	0.14%	0.00	0.00%
Borrowing (other than Debt Securities) (B)	**358,403.90**	**77.63%**	**266,129.87**	**72.66%**	**220,306.69**	**76.82%**
Subordinated Liabilities (Unsecured) (C)	**36,253.71**	**7.85%**	**32,677.94**	**8.92%**	**6,680.17**	**2.33%**
Total Borrowings (A+B+C)	**461,694.76**	**100.00%**	**366,278.60**	**100.00%**	**286,797.30**	**100.00%**

The following table sets forth our Average Cost of Borrowings as of the dates indicated:

Particulars	Fiscal		
	2024	2023	2022
Average Cost of Borrowing *(%)*	7.95	6.90	6.37

Our Company's Average Cost of Borrowing has increased in the last three Fiscals due to an increase in borrowings to fund our increase in loan disbursements and the reversal of the interest rate cycle in domestic and global markets which may continue to remain high or increase so long as interest rates remain elevated. If we are unable to obtain adequate financing in a timely manner and on commercially reasonable terms, our CAR may fall below the minimum requirement of 15.00% of our aggregate risk weighted assets, as prescribed under the NBFC Scale Based Regulations, thus adversely impacting our business, results of operations, cash flows and financial condition.

Our ability to raise funds on acceptable terms, at competitive rates, in a timely manner, depends on various factors. Any event affecting the market sentiment surrounding the financing sector could adversely affect our borrowing. For example, there have been instances where our Company's name has been mistakenly reported to the Central Repository of Information on Large Credits ("**CRILIC**") as a special mention account ("**SMA**") (although CRILIC later corrected their records and removed our name from such records) and our credit ratings have been downgraded. While such events did not have a material effect on our operations, there can be no assurance that similar events in the future also will not. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our cost of funds and make it difficult for us to access financing in a cost-effective manner. Further our ability to raise debt to meet our funding requirements is also restricted by the limits prescribed under applicable regulations, including guardrails set by RBI in Bank Finance to NBFCs and NBFC lending caps imposed by SEBI on mutual Funds, gratuity funds and provident funds.

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

Asset-liability mismatches may arise if assets and liabilities mature over different periods. A significant portion of our assets, such as mortgage loans disbursed by HHFL and certain structure finance loans secured by collateral have maturities with longer terms than our borrowings. A portion of our funding requirements are met through short and medium-term borrowings such as term loans and working capital loans from banks and financial institutions, non-convertible debentures, commercial papers, refinancing from the NHB/Small Industries Development Bank of India ("**SIDBI**") or cash credit facilities. Mismatches between our assets and liabilities are compounded in case of pre-payments of the loans by our customers. Any mismatch in the maturity profile of our assets and liabilities may lead to a liquidity risk and have an adverse effect on our business, results of operations, cash flows and financial condition. The table below provides an overview of our asset and liability maturity pattern as at March 31, 2024:

Particulars	Liabilities	Assets	Cumulative mismatch
	(*in ₹ million*)		
Maturity Period			
Less than one month[(1)]	34,545.17	101,655.62	67,110.45
Over one month up to two months	18,526.41	23,347.72	71,931.76
Over two months up to three months	20,378.96	23,547.00	75,099.79
Over three months up to six months	43,001.62	53,470.94	85,569.11
Over six months up to one year	128,098.37	86,395.82	43,866.56
Over one year up to three years	224,450.80	231,979.13	51,394.90
Over three years up to five years	84,580.76	61,681.25	28,495.40
Over five years	116,569.99	88,074.59	0.00

Note:
(1) *Assets maturing in less than one month includes cash and liquid investments*

We cannot assure you that our businesses will generate sufficient cash flow from operations such that our anticipated revenue growth will be realised or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness or fund our expansion efforts or other liquidity needs. While we had a positive asset-liability maturity profile on a cumulative basis as at March 31, 2024, 2023 and 2022, there is no assurance that we will be able to maintain such profile.

18. ***We rely on third party contractual staff, such as third-party distributors, in addition to service providers, such as direct selling agents, two-wheeler dealers, digital aggregators and collection agents, to undertake certain activities related to our business, including credit checks, sourcing and collection related services and certain back office services. Any disruption, negligence, fraud, deficiency or inefficiency in the services provided by such third parties could adversely affect our business, reputation, results of operations, financial condition and cash flows.***

We rely on third-party distributors such as direct selling agents, two-wheeler, including those of Hero MotoCorp Limited, used car dealers and digital partners to source our customers. For further details, please see "- *Our business is sourced through different channels of disbursement including third party distributors (comprising two-wheeler dealers, digital partners and direct selling agents) that contributed to 62.07%, 65.69% and 58.02% of our disbursements in Fiscals 2024, 2023 and 2022, respectively. Any deficiency, interruption in service or lapse by such third-party service providers may have adverse consequences on our business and reputation"* on page 46. In addition, we rely on various external vendors and services providers to undertake certain operational activities related to our business, including customer verification, processing loan applications, customer relationship management, fraud control, loan collection including through online payment channels provided by such parties, external property valuations, marketing, social media, records management, technology and telecom infrastructure services and database administration. For details on our distribution network, see "*Our Business – Our Distribution Network*" on page 261. Our external vendors or service providers may fail to fulfil their contractual obligations, whether due to operational errors on the part of their respective employees or for other reasons, engage in fraudulent or misdemeanours whether directly or indirectly, fail to maintain the security of their data systems, or experience other disruptions to their business. Any such events may cause disruptions to our business operations and expose us to liability under the relevant laws, regulations or contracts.

We also rely on third party field agents for loan collections and any deficiency or failure by such third parties in performing their services or any events that affect our collection network could adversely affect our business, results of operations, financial condition and cash flows. For instance, in the first quarter of Fiscal 2024, our collections were lower than anticipated as a result of unforeseen factors not fully within our control, including disruption caused by the general elections in the deployment of agents by our collection agency partners. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after March 31, 2024 that may affect our future results of operations*" on page 466.

The table below sets out our expenditure on third party contractual staff costs and loan collection charges as an absolute sum and as a percentage of our total expenses for Fiscals 2024, 2023 and 2022.

Particulars	Fiscal					
	2024		2023		2022	
	(₹ million)	*Percentage of total expenses*	*(₹ million)*	*Percentage of total expenses*	*(₹ million)*	*Percentage of total expenses*
Third party contractual staff costs	2,989.27	4.04%	2,591.80	4.54%	1,986.28	3.93%
Loan collection charges	6,664.99	9.01%	7,177.88	12.57%	6,670.41	13.20%
Total costs (third party contractual staff costs and	9,654.26	13.05%	9,769.68	17.10%	8,656.69	17.14%

Particulars	Fiscal					
	2024		2023		2022	
	(₹ million)	*Percentage of total expenses*	*(₹ million)*	*Percentage of total expenses*	*(₹ million)*	*Percentage of total expenses*
loan collection charges)						
Total expenses	**73,991.84**		**57,123.24**		**50,515.41**	

Our arrangements with our third-party contractual staff are generally on a non-exclusive basis and they may promote our competitors' products. If our distributors fail to effectively market our products, promote our competitor's products more than ours, adversely select the wrong customers for our products, input incorrect details into our systems, or otherwise fail to comply with the regulatory, procedural and other conditions specified by us in connection with our arrangements with them, we could lose potential customers and our brand and reputation may be adversely affected, thus adversely impacting our income and results of operations. Our ability to control the way in which our third-party service providers operate is limited and we may be held liable for any deficiency of services, disruption, fraud, misconduct, negligence, inefficiency or misdemeanours on the part of such service providers, which could adversely impact the quality of service provided to customers, and in turn, our reputation and business.

While we have not experienced instances of the aforementioned risks having a material adverse impact on our business and results of operations in Fiscals 2024, 2023 or 2022, if any such risks were to materialise in the future, it could result in losses to our Company which we may not be able to recover from such third-party service providers in full or at all. Our operations are dependent on our ability to continue our relationships with our third party service providers on commercially reasonable terms and identify suitable third party service providers to partner with in the future as we expand our business. We cannot assure you that we will be successful in continuing to receive uninterrupted services from these channel partners, and any breakdown in our relationship or disruption, negligence, fraud or inefficiency in the services provided by the channel partners could adversely affect our business, results of operation, financial condition and cash flows.

19. ***We may experience difficulties in expanding our business into new regions and markets in India.***

As part of our growth strategy, we continue to evaluate opportunities to expand our business into new markets in India and deepening our penetration within each finance vertical. The following table shows our active customer base in terms of number of pin-codes, branch count, number of branches opened, number of branches closed and number of Indian states in which we were present as at March 31, 2024, 2023 and 2022, respectively. See "*Business – Our Strategies*".

Particulars	As at March 31,		
	2024	2023	2022
Pin-codes	18,603	18,539	18,415
Number of branches	140	81	82
Number of branches opened	65	10	33
Number of branches closed	6	11	6
Number of states in which our Company's branches are present	15	13	13

The following table provides details of the metro, urban, semi-urban and rural distribution, grouped according to pin-code, of our loan disbursements as a percentage of our total loans disbursed in Fiscals 2024, 2023 and 2022:

Particulars	Fiscal(1)					
	2024		2023		2022	
	(₹ million)	*Percentage of total loans*	*(₹ million)*	*Percentage of total loans*	*(₹ million)*	*Percentage of total loans*
Metro(2)	125,064.18	36.29%	95,934.44	34.62%	68,045.97	34.54%
Urban(3)	51,485.80	14.94%	43,540.57	15.71%	24,964.30	12.67%
Semi-urban(4)	84,838.56	24.62%	64,958.89	23.44%	54,270.59	27.55%
Rural(5)	83,243.93	24.15%	72,699.42	26.23%	49,718.09	25.24%

Notes:

(1) Calculated as the number of pin-codes where at least one customer has availed of a loan as a percentage of the total pin-codes covered in a given loan category.
(2) Metro comprises cities in India with a population over one million.
(3) Urban comprises cities with a population between 0.1 million and one million.
(4) Semi-urban comprises cities with a population between 10,000 and 0.1 million.
(5) Rural comprises areas with a population below 10,000.

A significant portion of the loans disbursed were concentrated within metro areas in Fiscals 2024, 2023 and 2022. While we have not faced any material challenges in expanding our business into new regions and markets in India in Fiscals 2024, 2023 and 2022, if we grow our distribution network too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. As we expand our geographic footprint and vertical penetration, our business may be exposed to additional challenges, including effectively allocating management time, technology and other resources across our operations as our business expands and increases in its complexity and geographical diversity; effectively attracting and retaining employees and managing our increased number of employees; identifying and collaborating with local business partners; managing third-party service providers; obtaining necessary governmental approvals; attracting customers in a market in which we do not have significant experience or visibility; maintaining our customer service levels; assessing the value, strengths and weaknesses of our future investments; launching new products with attractive value propositions; exposure to additional local taxes; keeping up with evolving technology; maintaining standardised systems and procedures and adapting them to local requirements; and adapting our marketing strategy and operations to different regions in India, especially those which follow different business practices and where customers and speak different languages.

To address these challenges, we may have to make significant investments in people and resources that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations or pursue new business opportunities may adversely affect our business, results of operations, cash flows and financial condition.

20. ***Our business is sourced through different channels of disbursement including third party distributors (comprising two-wheeler dealers, digital partners and direct selling agents) that contributed to 62.07%, 65.69% and 58.02% of our disbursements in Fiscals 2024, 2023 and 2022, respectively. Any deficiency, interruption in service or lapse by such third-party service providers may have adverse consequences on our business and reputation.***

We rely on an external distribution network of partners such as two-wheeler and used car dealers, digital partners and DSAs. These third party distribution network partners provide services such as sourcing potential customers, collecting loan applications, marketing our financial product to offer suitable options to potential customers based on their financial needs.

The following table provides a breakdown of total disbursements by distribution channel.

Particulars	**Fiscals**					
	2024		**2023**		**2022**	
	(₹ million)	*Percentage of total disbursements*	*(₹ million)*	*Percentage of total disbursements*	*(₹ million)*	*Percentage of total disbursements*
Two-wheeler dealers	73,057.47	21.20%	70,778.39	25.54%	57,698.83	29.29%
Digital partners	77,153.08	22.39%	51,755.53	18.68%	22,196.95	11.27%
DSAs[(1)]	63,672.19	18.48%	59,505.08	21.47%	34,393.10	17.46%
Direct sourcing	110,180.48	31.97%	86,199.79	31.10%	82,701.13	41.98%
Website/mobile app/digital marketing	2,205.53	0.64%	80.87	0.03%	0.00	0.00%
Cross-sell/Top-up	18,363.73	5.33%	8,813.66	3.18%	8.95	0.00%
Total disbursements	**344,632.47**	**100.00%**	**277,133.32**	**100.00%**	**196,998.95**	**100.00%**

Note:

(1) Includes loans sourced through used car dealers.

The contracts with these intermediaries are typically non-exclusive. This exposes us to the risk that the dealers and other channels we engage may work for our competitors, which may adversely affect our ability to increase our borrower base. While we have not faced any deficiency, interruption in service or lapse by third-party service providers that had a material impact on our business and operations in Fiscals 2024, 2023 and 2022, we cannot assure you that we will be successful in continuing to receive uninterrupted services from these third-party service providers. Any breakdown in our relationship or disruption, negligence, fraud or inefficiency in the services provided by the third-party service providers could adversely affect our business, results of operation, financial condition and cash flows.

21. ***If our Subsidiary, Hero Housing Finance Limited, into which we have invested ₹8,000.00 million, or 32.88% of our total investments as at March 31, 2024, becomes loss-making in future, we may lose some or all of our investments in our mortgage loans business.***

Our Company incorporated our Subsidiary, HHFL in 2017. Since then, our Company has invested ₹8,000.00 million, or 32.88% of our total investments into HHFL as at March 31, 2024 to leverage certain inherent advantages available to registered housing finance companies offering mortgage loans, such as lower risk weights for certain classes of loans. We may need to invest additional equity into HHFL to grow our mortgage loan business. The table below shows the amount of revenue and profit generated by HHFL in Fiscals 2024, 2023 and 2022.

Particulars	Fiscals		
	2024	2023	2022
	(in ₹ million, except percentages)		
Total Income generated by HHFL	5,690.39	4,205.50	3,115.71
Total income	83,597.31	64,475.45	47,975.13
Revenue generated by HHFL as a percentage of consolidated total income *(%)*	6.81%	6.52%	6.49%
Profit/(loss) after tax of HHFL	361.04	226.26	20.91

If this business becomes loss-making, we may lose some or all of the investments and our reputation, business, results of operations, cash flows and financial condition could be adversely affected. HHFL is exposed to fluctuations in real estate prices and any negative events affecting the real estate sector. Developments in the real estate sector can have a significant effect on HHFL's business, with movements in real estate prices, in particular, influencing both demand for housing finance loans and the value of customer's residential or commercial properties, on which the majority of loans extended by HHFL are secured. In recent times, real estate has been adversely impacted by frequent project delays, which has resulted in inventory overhang. Any developments or events that adversely affect the real estate sector, including the introduction of any stringent construction or floor space index norms, as well as any adverse market conditions, including an economic downturn or a downward trend in property prices, may diminish the value of HHFL's security interests. In the event of a default, HHFL may face challenges in enforcing its security, including if the projects which form part of HHFL's collateral are delayed.

22. ***We have experienced a ratings downgrade in the past. Any future downgrade in our credit ratings could increase our borrowing costs and adversely affect our ability to obtain financing.***

The cost and availability of capital depends in part on our short-term and long-term credit ratings. For details of our credit ratings for our various facilities, as at the date of this Draft Red Herring Prospectus please see "*Our Business – Credit Ratings*" on page 270. In April 2020, we experienced a ratings downgrade from BBB-/Stable/A-3 to BB+/Stable/B and a further downgrade to BB/Stable/B in June 2022 by Standard and Poor's due to the adverse impacts of the COVID-19 pandemic. Subsequently, in June 2023, Standard and Poor's raised our rating to BB+/Stable/B owing to improvements in economic conditions and our performance. In addition, in July 2020, we experienced a ratings downgrade from Baa3/Stable to Ba1/Negative by Moody's due to the adverse impacts of the COVID-19 pandemic. In October 2020, Moody's withdrew our issuer rating and assigned us a corporate family rating of Ba1/Negative. While our Company did not witness any material impact in loans sanctions as a result of our ratings downgrade, there can be no assurance that we will not experience any material impact in borrowings sanctions as a result of future ratings downgrades. Further, our ratings could be adversely impacted if our listed Promoter, Hero MotoCorp Limited, reduces their equity stake in our Company.

Credit ratings provided by credit rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. Any future downgrade in our credit ratings could increase our existing and new borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, cash flows and financial condition. A downgrade in our credit ratings could result in our lenders imposing additional terms and conditions to financing arrangements we enter into in the future. A downgrade of our credit ratings could also result in revising the interest rate spread of certain of our borrowings in accordance with the terms and conditions of such borrowing arrangements. Any such adverse development could adversely affect our business, results of operations, cash flows and financial condition.

23. ***We may not be successful in implementing our growth strategies or sustain our growth and financial performance at similar rates as experienced in recent years.***

There is no assurance that we will be successful in executing our business growth strategies. Even if we are able to grow our business in the future, our growth rate may not continue at a rate similar to what we have experienced in the past. The table below shows our Total Gross Loans, total loans disbursed and Interest Income for Fiscals 2024, 2023 and 2022, and the year-on-year growth in our Total Gross Loans, total loans disbursed and Interest Income from Fiscal 2022 to Fiscal 2024.

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
	(in ₹ million, except percentages)		
Total Gross Loans[(1)]	514,870.94	414,972.68	329,508.05
Year-on-year growth in Total Gross Loans[(2)] (%)	24.07%	25.94%	-
Disbursements[(3)]	344,632.47	277,133.32	196,998.95
Year-on-year growth in disbursements[(4)] (%)	24.36%	40.68%	33.31%

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
	(in ₹ million, except percentages)		
Interest income	74,793.81	57,196.00	42,418.66
Year-on-year growth in interest income[(5)] (%)	30.77%	34.84%	-

Notes:

(1) Total Gross Loans: aggregate amount of loan receivables from customers, including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as of the last day of the relevant Fiscal.

(2) Year-on-year growth in Total Gross Loans: percentage growth in Total Gross Loans as of the last day of the relevant Fiscal over the Total Gross Loans as of the last day of the preceding Fiscal.

(3) Disbursements: total amount of new loans disbursed to customers during the relevant Fiscal.

(4) Year-on-year growth in disbursements: percentage growth in disbursement for the relevant Fiscal over the disbursement for the preceding Fiscal.

(5) Year-on-year growth in interest income: percentage growth in interest income for the relevant Fiscal over interest income in the preceding Fiscal.

Our ability to grow our business and loan portfolio depends on a number of factors, including the timely and cost-effective allocation of our employees and other resources, as well as our ability to select, retain and train personnel, manage and improve our operations and operational, information, collections and recoveries and technology systems, and maintain strict risk management policies to minimise credit risks. We must also be able to identify key target markets correctly, diversify and differentiate our product offering and pricing to compete effectively, and anticipate and satisfy the changing needs of our target customers. While we have not, in the past, failed to develop and launch such products and services successfully, there is no assurance that such instances will not occur in the future, and any such occurrence may result in us losing a part or all of the costs incurred in the development and marketing of such offerings and fail to capture the growth opportunities associated with them, which could in turn adversely affect our business, results of operations, cash flows, financial condition and prospects. We will also need to manage relationships with more customers, third-party marketing associates and service providers, lenders and other parties as we expand. A number of external factors beyond our control could also impact our ability to continue to grow our business and loan portfolio, such as demand for loans in India, domestic economic growth, the RBI's monetary and regulatory policies, NHB regulations, inflation, competition and availability of cost-effective debt and equity capital.

24. *We are unable to trace some of our corporate records relating to allotments made by our Company, transfers, transmission and acquisitions of Equity Shares made by our Promoters, and appointment of directors in our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.*

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

Sr. No.	Type of document	Date of the corporate action	Particular of the missing documents
1.	Form 2 along with the list of allotees and challan	March 30, 1992	Form 2 for the allotment of 1,000,000 equity shares of face value of ₹10 each pursuant to private placement, along with the complete list of allottees and the challan.
		May 19, 1992	Form 2 for the allotment of 1,000,000 equity shares of face value of ₹10 each pursuant to private placement, along with the complete list of allottees and the challan.
		May 22, 1992	Form 2 for the allotment of 1,316,800 equity shares of face value of ₹10 each pursuant to private placement, along with the complete list of allottees and the challan.
		June 10, 1992	Form 2 for the allotment of 440,800 equity shares of face value of ₹10 each pursuant to private placement, along with the complete list of allottees and the challan.
		December 22, 1992	Form 2 for the allotment of 458,400 equity shares of face value of ₹10 each pursuant to private

Sr. No.	Type of document	Date of the corporate action	Particular of the missing documents
			placement, along with the complete list of allottees and the challan.
		February 26, 1993	Form 2 for the allotment of 46,200 equity shares of face value of ₹10 each pursuant to private placement, along with the complete list of allottees and the challan.
		March 29, 1993	Form 2 for the allotment of 136,400 equity shares of face value of ₹10 each pursuant to private placement, along with the complete list of allottees and the challan.
		September 29, 1994	Form 2 for the allotment of 601,300 equity shares of face value of ₹10 each pursuant to private placement, along with the complete list of allottees and the challan.
		March 31, 1996	Form 2 for the allotment of 4,050,030 equity shares of face value of ₹10 each pursuant to rights issue, along with the complete list of allottees and the challan.
2.	Form 32 along with challan	July 11, 1992	Form 32 for the appointment of Renu Munjal as director of our Company, along with the challan.

Further, certain documents pertaining to renunciation made in the rights issues in the fiscal years 1996, 2014 and 2015, transfers made by our Promoters and transmission of shares to our promoters are also not traceable. Further, in relation to the record date shareholders, these details are not available with the depositories. Additionally, from incorporation until the year 2006, we have been unable to trace the complete set of secretarial records, corporate resolutions and filings with the RoC. The relevant documents are also not available at RoC, as certified by DPV & Associates LLP, Company Secretaries, independent practicing company secretary, and VKC & Associates LLP, Company Secretaries, independent practicing company secretary, respectively in their RoC Search Reports. While certain information in relation to these missing documents has been disclosed in the sections "*Capital Structure*" and "*Our Management*" beginning on pages 98 and 303, respectively, in this Draft Red Herring Prospectus, based on the corporate records of our Company and the certificate dated July 31, 2024 prepared by DPV & Associates LLP, Company Secretaries, independent practicing company secretary, and VKC & Associates LLP, Company Secretaries, practising company secretary, we may not be able to furnish any further information other than as already disclosed in "*Capital Structure*" and "*Our Management*" beginning on pages 98 and 303, respectively, or confirm that the records mentioned above will be available in the future. Accordingly, reliance has been placed on the allotment letters, application forms, annual reports, annual returns, approval dated February 6, 1992 received from Controller of Capital Issues, register of members and minutes of the meeting of the Board and Shareholders, wherever available, for the details of certain allotments, transfers and transmission. Further, for certain transfers made by our Promoters, the details of price at which such transfers were made is unavailable and accordingly, such transfers have been excluded for the calculation of the weighted average cost of acquisition by our Promoters. For details of such allotments and transfers, see "*Capital Structure*" beginning on page 98. We also cannot assure you that we will not be subject to any adverse action by any authority in relation to such untraceable records.

Our Company has made allotments to 50 or more individuals prior to the year 2000, in compliance with Section 67(3) of the Companies Act, 1956. These allotments were made prior to the enactment of the Companies (Amendment) Act, 2000, which introduced the limit of 50 persons for private placements. Further, the limits of 50 persons and 200 persons, as provided in the Companies Act, 1956 and the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, respectively, do not apply to our company, as we are a non-banking financial company registered with the RBI. According to the list of shareholders as annexed to the annual return, our Company had 2,669 shareholders as on July 29, 2006. As of the date of this Draft Red Herring Prospectus, our Shareholder has increased to 7,483. This increase can be attributed due to rights issues transactions undertaken by our Company wherein shareholders of our Company had the corresponding right to renounce the Equity Shares offered to them, and freely transferable of our Equity Shares. Our Company being a public limited company, and in accordance with Section 111 of the Companies Act, 1956 and Section 58 of the Companies Act, 2013, unable to impose restrictions on the transfer of Equity Shares by our Shareholders.

We cannot assure you that, in future, we will not be subjected to any liability on account of such non-compliances. Although no legal proceeding or regulatory actions have been initiated or pending against us in relation to such untraceable secretarial and other corporate records and documents, if we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition, cash flows and results of operations.

25. ***We depend on the accuracy and completeness of information provided by our customers or employees and our reliance on any misleading or misrepresented information may affect our judgment of their credit worthiness, as well as the value of and title to the collateral.***

While evaluating the credit profiles of customers and deciding whether to extend credit to customers, we rely, to a significant extent, on the information furnished to us by our customers, such as their financial transactions, collateral related information, credit history and the purpose of their loan to generate their scorecard. We may fail to detect inaccuracies or incompleteness in information submitted by customers. We may not receive updated information regarding any change in the financial condition of our customers. As a result, our assessments of a customer's creditworthiness and the value of and title to their collateral may not be accurate. Our NTC customers have limited or no credit histories that further hinder us from making an accurate assessment on their creditworthiness. See "*–Our Company's retail finance business depends on new-to-credit borrowers who constituted 26.55%, 34.06% and 46.33% of our total retail assets under management as at March 31, 2024, 2023 and 2022, respectively. We may not be able to properly assess the credit of new-to-credit borrowers, and loans extended to such new-to-credit borrowers may accordingly have a higher risk of non-performance or default.*" on page 33. While we have not experienced material instances of the aforementioned risks in Fiscals 2024, 2023 or 2022 that had a material adverse impact on our business and operations, our risk management measures may not be adequate to detect, prevent or deter such occurrences. Difficulties or inaccuracies in assessing credit risks associated with our day-to-day lending operations may lead to, among others, an increase in the level of our non-performing assets or the RBI initiating proceedings against us, which could adversely affect our business, results of operations, cash flows and financial condition.

26. ***We rely on credit bureaus in verifying customers' creditworthiness. Any inaccurate or incomplete information received could increase our credit risks.***

We depend on credit bureaus for checking the creditworthiness of our customers. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation and our risk management measures may not be adequate to detect or prevent such activities in all cases. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets. While we have not experienced any material instances with credit reports obtained from the credit bureau in Fiscal 2024, 2023 or 2022, any inaccurate or incomplete information received from the agency in the future could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows.

27. ***If customers transfer their loans from us to other banks or financial institutions, our Total Gross Loans and assets under management may decrease or fail to increase.***

Some of our customers may seek to refinance their loans through balance transfer to other banks and financial institutions. For example, customers whose loans with equated monthly instalments ("**EMIs**") that increase over time typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs. The table below shows the amount of balance transfers in the last three Fiscals as a percentage of our total AUM:

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(in ₹ million, except percentages)		
Total amount of balance transfers	6,193.57	7,486.64	7,813.74
Total amount of balance transfers as a percentage of total AUM (%)	1.20%	1.79%	2.36%

Our competitors may offer more attractive interest rates on loans and a loss of customers to our competitors would result in a loss of interest income from such loans. As our loan origination costs, including any commission paid to our third-party distribution channel partners, are amortised over the tenure of the loans, loan transfers or pre-payments result higher expenses on account of the unrecoverable cost of loan acquisition, which in turn have an adverse effect on our financial performance and profitability. Further, any inability or failure on our part to refinance our customers' existing loans from other banks or financial institutions could adversely affect our business and prospects.

28. ***The Indian financial services industry in which we operate is highly competitive and the growth of our business depends on our ability to compete effectively.***

The success of our business depends on our ability to compete against other NBFCs, Indian and foreign commercial banks, HFCs, small finance banks, microfinance companies and private unorganised and informal financiers in India. According to the CRISIL Report, we face competition in each of our verticals as follows:

1. **Retail Finance**

   (i) Vehicle Loans**:** NBFCs face fierce competition from banks, particularly in the new car loan category as the lending rates offered are lower as compared to NBFCs.

   (ii) Personal Loans**:** with its attractive risk-reward potential, the personal loans segment has become highly competitive over the past few years with aggressive competition from both banks and NBFCs.

   (iii) Mortgage Loans: banks have access to borrowers' banking behaviour and repayment history, based on which they approach their regular customers by offering lower interest rates (as compared to housing finance companies) and zero or lower processing fee.

2. **MSME Finance**: more players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business, intensifying competition.

3. **CIF:** with respect to the overall wholesale credit industry, banks have the lions share of approximately 93.00% of the market share. The emergence of alternate investment funds and private credit in the wholesale credit space is helping corporations and mid-market companies with their financing requirements, and they are experiencing a strong demand from companies for bespoke or tailored financing options according to the CRISIL Report.

For further details on the competitive landscape, please see "*Our Business – Competition*" on page 274.

Some of our competitors may have greater financial resources, greater brand recognition among customers, better customer loyalty, better institutional distribution platforms, more attractive financial products or lower cost of funds. Our competitors may make more significant and effective investments in innovation, growth of their businesses and enhancing their customer reach and engagement and may outcompete us in any of these areas. Our competitors may offer loans at lower rates, owing to access to lower cost of capital, to retain market share. As a result of increased competition in the finance sector in India, our products are becoming increasingly standardised and variable interest rate and payment terms and lower processing fees are becoming increasingly common. This competition is likely to further intensify as players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business and as more international and domestic players enter the Indian financial services industry. Technological innovation such as digital wallets, mobile operator banking, payment banks, internet banking through smart phones, could disrupt the financial services industry and increase competition as a whole. If we fail to adapt to such technological advances quickly and effectively it could affect the performance and features of our product offerings and services and reduce our attractiveness to existing and potential customers hereby adversely affecting our business, results of operations, cash flows and financial condition. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financing industry. Increasing competition may have an adverse effect on our net interest margin and other income, and if we are unable to compete successfully, our market share may decline.

29. ***Priority sector lending requirements adhered to by scheduled commercial banks may increase our cost of funding and adversely affect our business, results of operations, financial condition and cash flows.***

Pursuant to the RBI master circular dated July 1, 2015, as amended, and master directions dated July 7, 2016 on priority sector lending-targets and classification, scheduled commercial banks operating in India are required to maintain 40% of their adjusted net bank credit or the credit equivalent amount of their off balance sheet exposure, whichever is higher, as priority sector advances. Foreign banks with 20 or more branches in India were required to achieve such 40.00% priority sector lending within a maximum period of five years commencing from April 1, 2013 and ending on March 31, 2018, while foreign banks with less than 20 branches are required to achieve such 40.00% priority sector lending in a phased manner i.e. 32.00% by Fiscal 2016, 34.00% by the Fiscal 2017, 36.00% by Fiscal 2018, 38.00% by Fiscal 2019 and 40.00% by Fiscal 2020. Further, as per RBI circular dated August 13, 2019, lending by banks to NBFCs for the following sectors will be eligible for classification as priority sector lending: (i) agriculture – on-lending by NBFCs for 'term lending' component under agriculture is permissible up to ₹ 1 million per borrower, (ii) MSME – on-lending by NBFC is permissible up to ₹ 2 million per borrower, and (iii) housing - existing limits for on-lending by HFCs has been increased from ₹ 1 million per borrower to ₹ 2 million per borrower. Further, bank credit to NBFCs for on-lending will be permitted to up to a limit of 5% of the individual bank's total priority sector lending on an ongoing basis.

Commercial banks in the past have relied on specialised institutions, including NBFCs, to provide them with access to qualifying advances through lending programs and loan assignments, which may lead to more competition for us and may adversely affect our business and results of operations. Any such changes in priority sector guidelines by RBI may adversely affect our business and operations. While scheduled commercial banks may still choose to lend to NBFCs they may charge higher rates to do so because these loans no longer count towards their priority sector lending requirements. This may lead to an increase in the rates at which such loans have historically been offered to us, thus increasing our borrowing costs and adversely affecting our financial condition and results of operation. As a result of these developments, our access to funds and the cost of our capital may be adversely affected and to the extent we are unable to secure replacement funding at similar cost or at all, our results of operations and cash flows could be adversely affected.

30. ***We have incurred negative cash flows from operations in recent years and may continue to do so in the near term as we invest in further expanding our distribution network across India.***

The table below shows our Restated Consolidated Financial Information on cash flows for Fiscals 2024, 2023 and 2022:

Particulars	Fiscals		
	2024	2023	2022
	(₹ million)		
Net cash (used in) operating activities	(92,388.27)	(69,185.22)	(54,117.67)
Net cash generated from/(used in) investing activities	(1,297.93)	(4,741.34)	8,152.10
Net cash generated from financing activities	87,172.64	72,683.02	43,641.87
Net increase/(decrease) in cash and cash equivalents	**(6,513.56)**	**(1,243.54)**	**(2,323.70)**

Our net cash used in operating activities in Fiscals 2024, 2023 and 2022 was primarily due to an increase in loans disbursed. Our net cash used in investing activities in Fiscals 2024 and 2023 was primarily due to our purchase of investments. For further details on our cash flows, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 461. We may continue to incur negative cash flows as we continue investing in our distribution network.

31. ***We have substantial total borrowings of ₹439,178.63 million as at June 30, 2024 and our financing arrangements impose certain conditions and restrictions. Any failure to meet such conditions and restrictions could result in the termination of our credit facilities or acceleration of our debt payment obligations.***

As at June 30, 2024, we had Total Borrowings of ₹439,178.63 million (including NCDs), on a consolidated basis. Our financing agreements include various conditions and covenants that require us to obtain lender consents or serve intimation notices on such lenders prior to carrying out certain activities and entering into certain transactions. Specifically, under some of our financing agreements, we are required to obtain prior written consents from, or are required to serve a prior notice of intimation on the relevant lenders for, among others, effecting any adverse changes to or a major change in our capital structure; including any dilution in the shareholding of our Promoter, Hero MotoCorp Limited; changing the constitution of our Company; and effecting any drastic change in management which would be detrimental to the Company and our Subsidiary's repayment capacity. Certain lenders also require us to maintain certain financial ratios such as asset coverage ratio, security cover ratio and interest coverage ratio. Our future borrowings may also contain similar restrictive provisions. While we have not experienced instances of the aforementioned risks in Fiscals 2024, 2023 or 2022 that had a material adverse impact on our business and operations, any failure to meet such obligations in the future could cause us to be in default of our agreements and result in the termination of our credit facilities or acceleration of our debt payment obligations. Furthermore, during any period in which we are in default, we may be unable to raise or face difficulties raising additional capital. Any of the foregoing events could adversely affect our business, credit rating, results of operations, cash flows and financial condition. For further detail, please see "- *Our Company has availed loans from banks and other financial institutions, which may be recalled on demand*" on page 57.

Further, our NCDs include restrictive conditions that require us to obtain the consent of the debenture trustee before undertaking certain corporate actions including, among others:

- alteration in the provisions of our constitutional documents which may adversely affect the terms and obligations of our Company as stipulated under the debenture trust deeds;
- undertaking or permitting any amalgamations, demergers, mergers or corporate restructuring or reconstruction schemes that are prejudicial to the interests of the NCD holders
- making any change in the general nature of the business or operations of our Company; and
- declaring dividend to Shareholders in any year until our Company has paid or made satisfactory provision towards payment of principal and interest due on the NCDs.

32. ***Our business may be adversely affected by seasonal trends in the Indian economy.***

Our results of operations may be affected by seasonal trends in the Indian economy. In particular, demand for two-wheelers generally peaks during the festive season between September and November, according to the CRISIL Report. Set out below is a table showing our disbursements in respect of two-wheeler loans by the quarter of the fiscal year in which such disbursements are made, showing an increase in disbursements in respect of two-wheeler loans in the third quarter for each of Fiscals 2024, 2023 and 2022 as compared to other quarters in such years.

Particulars	Quarter 1 (April 1 – June 30)		Quarter 2 (July 1 – September 30)		Quarter 3 (October 1 – December 31)		Quarter 4 (January 1 – March 31)	
	Disbursements *(in ₹ million)*	Percentage of total two-wheeler disbursements	Disbursements *(in ₹ million)*	Percentage of total two-wheeler disbursements	Disbursements *(in ₹ million)*	Percentage of total two-wheeler disbursements	Disbursements *(in ₹ million)*	Percentage of total two-wheeler disbursements
Fiscal 2024	1,933.59	25.77%	1,430.41	19.06%	2,544.81	33.91%	1,595.46	21.26%
Fiscal 2023	1,795.75	25.20%	1,295.95	18.19%	2,432.01	34.13%	1,601.75	22.48%
Fiscal 2022	1,169.56	20.25%	1,187.50	20.56%	2,051.07	35.51%	1,368.11	23.69%

We may be unable to judge or predict the exact nature or extent of the seasonality of our business. During seasonal periods when demand for our products is low, we may continue to incur operating expenses while our income from operations may be delayed or reduced.

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

The Hero Group which comprises certain of our Promoter entities (in addition to our Company) are considered to be related parties of our Company in terms of the Companies Act, 2013 and the applicable Indian accounting standards. We have engaged and expect to continue to engage in significant transactions with such related parties in the ordinary course of business and on an arm’s length basis. Our related party transactions include financial facilities such as loans, purchase of goods and services and engagement for sales and distribution of our loans. The transactions entered into with related parties, including our Promoters, our Directors and Key Managerial Personnel during Fiscals 2024, 2023 and 2022 were undertaken by our Company in compliance with the applicable provisions of the Companies Act and all other applicable laws. Details of our related party transactions in Fiscals 2024, 2023 and 2022 are set out below.

Name of related party	Nature of transactions	Fiscals					
		2024		2023		2022	
		Amount (in ₹ million)	*Percentage of total income*	*Amount (in ₹ million)*	*Percentage of total income*	*Amount (in ₹ million)*	*Percentage of total income*
Hero MotoCorp Limited	Dividend received	0.18	0.00%	0.10	0.00%	0.13	0.00%
	Dividend paid	424.70	-	-	-	52.43	-
	Dividend paid on compulsorily convertible preference shares	166.27		-	-	-	-
	Lease rental received	-	-	1.10	0.00%	17.28	0.04%
	Subvention income	28.83	0.03%	30.60	0.05%	87.41	0.18%
	Reimbursement for sale of operating lease vehicles	-	-	2.10	0.00%	7.50	0.02%
	Issuance of compulsorily convertible preference shares	-	-	7,000.00	-	-	-
Bahadur Chand Investment Private Limited - Core Investment Company	Dividend paid	209.76	-	-	-	25.90	-
Cosmic Kitchen Private Limited	Staff welfare expense and others	22.22	-	9.30	-	2.17	-

Name of related party	Nature of transactions	Fiscals					
		2024		2023		2022	
		Amount (in ₹ million)	*Percentage of total income*	*Amount (in ₹ million)*	*Percentage of total income*	*Amount (in ₹ million)*	*Percentage of total income*
	Business Promotion Expense	1.17	-	4.20	-	-	-
Brijmohan Lal Om Parkash (Partnership firm)	Dividend paid	98.19	-	-	-	12.12	-
	Dividend paid on compulsorily convertible preference shares	19.00	-	-	-	-	-
	Issuance of compulsorily convertible preference shares	-	-	800.00	-	-	-
Hero InvestCorp Private Limited	Dividend paid	27.81	-	-	-	3.43	-
Munjal Acme Packaging Systems Private Limited	Dividend paid	15.57	-	-	-	1.92	-
Ather Energy Private Limited	Loan given (including interest capitalisation)	-	-	1,500.00	-	1,300.00	-
	Loan repaid	1,067.47	-	1,338.00	-	444.66	-
	Processing fees received	-	-	18.80	0.03%	26.00	0.05%
	Interest received/accrued	216.55	0.26%	171.60	0.27%	249.74	0.52%
	Subvention income	5.53	0.01%	-	-	-	-
	Margin money paid	30.44	-	-	-	-	-
	Other charges					0.22	
Hero Solar Energy Private Limited	Loan given (including interest capitalisation)	-	-	-	-	2,500.00	-
	Loan repaid	502.15	-	1,760.80	-	250.00	-
	Processing fees received	-		-		25.00	0.05%
	Interest received/accrued	5.80	0.01%	182.30	0.28%	163.79	0.34%
	Interest waiver	3.80	-	-	-	-	-
Motherson Lease Solution Limited$^{\$}$	Loan given	-	-	-	-	425.00	-
	Interest received/accrued	-	-	33.50	-	0.28	-
	Loan repaid	-	-	425.80	-	-	-
	Dividend paid	0.39	-	-	-	-	-
Hero Wind Energy Private Limited	Loan repaid	-	-	-	-	2,507.65	-
	Interest received/accrued	-	-	-	-	201.96	-

Name of related party	Nature of transactions	Fiscals					
		2024		2023		2022	
		Amount (in ₹ million)	*Percentage of total income*	*Amount (in ₹ million)*	*Percentage of total income*	*Amount (in ₹ million)*	*Percentage of total income*
Motherson Auto Limited[$]	Loan repaid	-	-	-	-	676.28	-
	Interest received/accrued					40.17	-
Hero Mind Mine Institute Private limited	Employee's training expense	0.95	-	2.20	-	4.80	-
SR Dinodia & Co. LLP	Professional Fee	-	-	-	-	0.21	-
BML Munjal University	Employee's training expense	4.36	-	-	-	2.18	-
Hamari Asha Foundation	Induction Expense	0.19	-	-	-	-	-
	Business Promotion Expense	2.71	-	-	-	-	-
Elvy Lifestyle Private Limited	General Office Expense	0.34	-	-	-	-	-
Key management personnel and their relatives	Short term employee benefits[#**]	457.44	-	318.00	-	223.84	-
	Post– employment benefits[#]	-	-	-	-	-	-
	Other long-term benefits[#]	-	-	-	-	-	-
	Dividend paid	29.49	-	-	-	3.04	-
	Director sitting fee/commission	12.70	-	2.40	-	3.37	-
	Loan given	-	-	-	-	38.32	-
	Loan repaid	-	-	-	-	168.87	-
	Interest received/accrued	-	-	-	-	7.98	0.02%
	Reimbursement of expenses	0.51	-	-	-	-	-
	# Does not include gratuity and compensated absences as these are provided based on the Group as a whole.						
	** Includes variable pay/ commission on payment basis since accruals are made at the Group level and are subject to requisite approvals.						

[$]*Ceased to be a related party from February 5, 2024.*

Our related party transactions may potentially involve conflicts of interest and may require significant capital outlay and there can be no assurance that we will be able to make a return on these investments. It is likely that we may enter into related party transactions in the future. Although all related-party transactions that we may enter into will be subject to our Audit Committee, Board or Shareholder approval, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, and are conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations, cash flows and financial condition, will be in the best interests of our minority shareholders, or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

34. ***We may be adversely affected by changes in policy initiatives or tax incentives offered by the Government or the Reserve Bank of India or the National Housing Bank.***

The Government of India currently provides support to encourage the availability of credit to the housing industry and has implemented various policies and initiatives, particularly in relation to affordable housing, which are aimed at providing low-cost, long-term credit to the low- and middle-income segments in rural and urban parts of India.

Pursuant to these initiatives, the NHB provides refinancing for certain qualifying loans at reduced rates to certain qualifying HFCs through its schemes. In addition, the RBI has provided certain incentives to the housing finance industry by extending priority sector status to housing loans. Certain key measures taken by the RBI to assist in fulfilling the Government's objectives include the reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR and allowing HFCs to raise long-term external commercial borrowings for on-lending towards affordable housing, which the RBI defines as housing loans with a size of up to ₹2.50 million. For further details in relation to these Government affordable housing schemes and initiatives, see "*Industry Overview—Housing finance sector in India – Growth drivers for affordable housing finance*" on page 217. There can be no assurance that the RBI and the NHB will continue to provide incentives to the housing finance industry in the future. Any significant change by the Government in its various policy initiatives facilitating provision of housing and housing finance or any change in the tax incentives that it currently provides to HFCs may have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, pursuant to Section 36(1)(viii) of the (Indian) Income Tax Act, 1961 (the "**Income Tax Act**"), up to 20.00% of profits derived by HFCs from eligible business computed under the heading titled "Profits and Gains from Business and Profession" may be carried to a special reserve and the same is allowed to be deducted from income.

While HHFL is eligible to utilise this tax benefit in Fiscal 2024, no such allowance had been utilised by HHFL up to Fiscal 2023 as there was no profit under the heading "Profits and Gains of Business and Profession".

The table below provides an overview of profits computed under the heading titled "Profits and Gains from Business and Profession" carried to a special reserve in the last three Fiscals.

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(*in ₹ million*)		
Profits from housing activities transferred to special reserve	72.21	45.27	4.17

There can be no assurance that the Government will continue to make this fiscal benefit available to HFCs and we might be subject to increased taxes if such benefit ceases to become available, which may in turn have an adverse effect on our business, results of operations, cash flows and financial condition.

35. ***Our non-convertible debentures and commercial papers are listed on the NSE, and we are subject to strict regulatory requirements with respect to such listed non-convertible debentures. Our inability to comply with or any delay in compliance with such laws and regulations may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our NCDs and commercial papers are listed on the debt segment of NSE. For details of such listed NCDs, see "*Financial Indebtedness – Details of listed non-convertible debentures issued by our Company*" on page 476. See also "*–We have experienced a ratings downgrade in the past. Any future downgrade in our credit ratings could increase our borrowing costs and adversely affect our ability to obtain financing*." on page 47.

We are required to comply with various applicable rules and regulations including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI Listing Regulations in terms of our listed NCDs and commercial papers. In the event of non-compliance with such rules and regulations, we may be subject to certain penal actions, inter alia, including restrictions on further issuance of securities and freezing of transfer of securities. For instance, our Company filed an application for a settlement order which was passed on October 31, 2017 in relation to the non-compliance of certain clauses of the Debt Listing Agreement dated November 24, 2012 and the SEBI Listing Regulations and paid the settlement charges of ₹1.89 million. Our inability to comply with or any delay in compliance with such rules and regulations may have an adverse effect on our business, results of operations, financial condition and cash flows. While we have, as at the date of this Draft Red Herring Prospectus, been compliant in all material respects with all relevant rules and regulations, there can be no assurance that we will not, in future, be found to be in non-compliance with such rules and regulations, and any non-compliance could subject us to legal liability and consequently adversely affect our business, financial position and results of operations.

Further, we are qualified as a 'high value debt listed entity' as per the thresholds set out under the SEBI Listing Regulations. As a 'high value debt listed entity', Chapter IV of the SEBI Listing Regulations are applicable to us on a 'comply or explain' basis until March 31, 2025 and on a mandatory basis thereafter. Accordingly, the required compliance with Chapter IV of the SEBI Listing Regulations may cause additional compliance and legal costs for us and any non-compliance in relation to this may attract penalties, which may have an adverse effect on our business, results of operations, financial condition.

36. ***Our business depends substantially on the continued efforts of our Key Managerial Personnel, Senior Management Personnel and other qualified personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, cash flows and financial condition.***

The success of our business operations is dependent in part on our ability to attract and retain our Key Managerial Personnel and Senior Management Personnel, in particular, the Managing Director and Chief Executive Officer of our Company, Abhimanyu Munjal, as well as other personnel qualified and experienced in credit-appraisal and asset valuation. Our growth is in part dependent on the ability of our personnel to address emerging business and operating challenges and ensure a high standard of customer service, including in areas such as sales, product development, credit, collections and technology. We cannot assure you that our Key Managerial Personnel, Senior Management Personnel or any other personnel will not leave us or join a competitor or form a competing company, which may result in a loss of customers or know-how, or that we will be able to retain such personnel or find and train adequate replacements, including in internal controls and risk management procedures, in a timely manner, or at all. The table below provides an overview of our attrition rates in Fiscals 2024, 2023 and 2022.

Particulars	Fiscal		
	2024	2023	2022
Number of on-roll employees	4,469	3,589	2,617
Average number of on-roll employees[(1)]	4,029	3,103	2,415
Number of employee that resigned	1,156	959	747
Employee attrition rate[(2)] (%)	28.69%	30.91%	30.94%
Number of Key Managerial Personnel	19	21	19
Average number of Key Managerial Personnel and Senior Management Personnel[(3)]	20	20	19
Key Managerial Personnel and Senior Management Personnel exits	1	3	0
Attrition rate of Key Managerial Personnel and Senior Management Personnel[(4)] (%)	5.00%	15.00%	0.00%

Notes:

(1) Average number of on-roll employees: simple average of number of active employees as at the end of the relevant Fiscal and the end of the preceding Fiscal.

(2) Employee attrition rate: Number of employees that resigned as a percentage of the average number of employees in the relevant Fiscal.

(3) Average number of Key Managerial Personnel and Senior Management Personnel: simple average of number of active Key Managerial Personnel as at the end of the relevant Fiscal and the end of the preceding Fiscal.

(4) Number of Key Managerial Personnel that resigned as a percentage of the average number of Key Managerial Personnel in the relevant Fiscal.

Any loss of the services of such persons, or failure to train and motivate our employees may erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us and consequently have an adverse effect on our business, results of operations, cash flows and financial condition. While each of our Key Managerial Personnel and Senior Management Personnel who joined our Company have entered into an employment agreement containing a non-compete provision with us, we cannot assure you that the non-compete provisions will be enforceable. In addition, a high turnover in employees may also adversely affect our reputation and our ability to attract talent, and 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.

37. *Our Company has availed loans from banks and other financial institutions, which may be recalled on demand.*

For Fiscals 2024, 2023 and 2022 we have availed working capital demand loans on which are repayable on demand to the relevant lenders.

	As of March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Borrowings*	*(in ₹ million)*	*Percentage of Total Borrowings*	*(in ₹ million)*	*Percentage of Total Borrowings*
Working capital demand loans	25,150.11	5.45%	16,700.72	4.56%	21,463.20	7.48%

These loans are repayable in accordance with agreed repayment schedule (applicable in case of WCDL) and may be recalled by the relevant lender at any time. In such cases, we may be required to repay the entirety of such loans together with accrued interest. We may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay such loans in a timely manner may have a material adverse effect on the business, results of operation financial condition and cash flow of our Company. For further details of such loans, please refer the section titled "*Financial Indebtedness*" beginning on page 475.

38. *Our Company, Promoters, Directors and Subsidiary are involved in certain legal proceedings and any adverse outcomes in such proceedings may have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition*.

In the ordinary course of business, our Company, Promoters, Directors and our Subsidiary are involved in certain legal proceedings, which are pending at varying levels of adjudication at different forum. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Promoters, Subsidiary and our Directors.

Further, we have initiated certain recovery proceedings against our borrowers, for the dishonour of cheques and for dishonour of electronic funds transfer and filed applications under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 challenging proceedings adopted by us towards enforcement of security interests. We have, in the ordinary course of our business, filed certain complaints with respect to offences such as fraudulent activities committed by certain borrowers. While these proceedings are pending at various stages of adjudication before various courts, we cannot ensure that they will get resolved in our Favor and may have an adverse effect on our business, results of operations, financial condition and cash flows.

Any adverse decision may have a significant effect on our business, results of operations, financial condition and cash flows of our Company. There can be no assurance that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that we will be able to recover any losses incurred from third parties, regardless of whether we are at fault. Even if we are successful in defending such cases, we may be subject to legal and other costs incurred pursuant to defending such litigation, and such costs may be substantial and not recoverable. There can be no assurance that losses relating to litigation or arbitration will be covered by insurance or that any such losses would not have a material adverse effect on our business, results of operations, financial condition and cash flows.

A summary of the nature and number of outstanding material litigation as on the date of this Draft Red Herring Prospectus, as decided by our Board and further detailed in "*Outstanding Litigation and Material Developments*" on page 479, involving our Company, Promoters, Subsidiary and certain of our Directors, along with the amount involved, to the extent quantifiable, has been set out below:

Name of entity	**Criminal proceedings**	**Tax proceedings**	**Statutory or regulatory proceedings**	**Disciplinary actions by the SEBI or Stock Exchanges against our Promoter**	**Material civil litigations**	**Aggregate amount involved (in ₹ million)^**
Company						
By the Company	14*	N.A.	N.A.	N.A.	14	14,690.90
Against the Company	14	11	2	Nil	1	3,925.21
Directors						
By our Directors$	Nil	N.A	N.A.	N.A.	Nil	Nil
Against the Directors$	3	7	Nil	N.A.	1	5,003.76
Promoters						
By our Promoters	2	N.A.	N.A.	N.A.	Nil	Nil
Against our Promoters	14	66	1	Nil	Nil	104,984.66
Subsidiary						
By Subsidiary	1	Nil	N.A.	N.A.	Nil	Nil
Against Subsidiary	4	1	Nil	N.A.	Nil	0.17

^ *To the extent quantifiable.*

$ *Excludes litigations involving our Individual Promoters.*

* *This does not include the consolidated disclosure for recovery cases under Negotiable Instruments Act, 1881 and Payment and Settlement Systems Act, 2007 disclosed in "Outstanding Litigation and Material Developments – Litigations involving our Company – Recovery Proceedings" on page 486, since these are not material civil litigation.*

For further details, see *"Outstanding Litigation and Material Developments and "– Certain Promoters have been and are currently subject to certain regulatory proceedings initiated by authorities. Any adverse outcome in such proceedings may lead to reputational risks"* on pages 479 and 35, respectively.

We cannot assure you that any of the outstanding material litigation matters will be settled in our favour or in favour of our Company, Subsidiary, Promoters or Directors, as applicable, or that no additional liability will arise out of these proceedings.

39. ***We may not be able to identify, monitor and manage risks and effectively implement our risk management policies, which could expose us to legal and regulatory liability, cause us to take inappropriate risks in our operations, or otherwise have an adverse effect on our business, financial condition and results of operations.***

While we have risk management policies and procedures in place, the effectiveness of our risk management is limited by the quality and timeliness of available data. Some of our risk management systems are not automated and are subject to human error. Management of our risks in some cases depends upon the use of analytical and/or forecasting models. Our models may prove in practice to be less predictive than we expect for a variety of reasons, including as a result of errors in constructing, interpreting or using the models or the use of inaccurate assumptions (including failures to update assumptions appropriately or in a timely manner). Our assumptions may be inaccurate for many reasons, such as certain matters being inherently difficult to predict and beyond our control. In addition, as we seek to expand the scope of our operations, we may not be able to develop commensurate risk management policies and procedures that affect the risks associated with our business growth. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding the markets in which we operate, the customers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated. Our investment and interest rate risk are also determined by our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon our ability to manage changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our provision for loan losses. While we have not experienced instances of the aforementioned risks in Fiscals 2024, 2023 or 2022 that had a material adverse impact on our business and operations, to the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses in the future.

40. ***The degree certificates of the educational qualifications of certain Directors and Individual Promoters are not traceable.***

Our Directors, who are also our Individual Promoters, Renu Munjal and Abhimanyu Munjal and two of our other Individual Promoters, Suman Kant Munjal and Renuka Munjal have been unable to trace copies of documents pertaining to their educational qualifications, namely, bachelor's degree in home science from South Delhi Polytechnic College for Women, Delhi, international foundation programme in business management from University of Warwick, United Kingdom, bachelor's degree in commerce from Government College for Boys, Ludhiana, and master's degree in arts (English) from Morris College, Nagpur, respectively. While Abhimanyu Munjal has written to the concerned university requesting for a copy of his degree certificate, the university has been unable to retrieve it. There has been no further correspondence thereafter. For Renu Munjal, Suman Kant Munjal and Renuka Munjal, while they have written letters to the concerned universities requesting for a copy of their degree certificates, a response from the universities is awaited and there is no assurance that the universities will respond to such letters in a timely manner or at all. Accordingly, reliance has been placed on certificates furnished by them to us and the BRLMs to disclose details of their educational qualifications in this Draft Red Herring Prospectus. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their educational qualifications in future or at all.

41. ***Our failure to comply with counter-terrorism financing, anti-bribery and corruption and anti-money laundering laws or detect money-laundering and other illegal activities fully and on a timely basis may expose us to additional liability and adversely affect our business and reputation.***

In accordance with the requirements applicable to our Company, we are mandated to comply with anti-money laundering, counter-terrorism financing ("**CTF**"), anti-bribery and corruption ("**ABC**") and KYC regulations in India. Our policies and procedures aimed at collecting and maintaining relevant AML, CTF, ABC and KYC related information from our customers may prove to be ineffective, and there may be instances where our collected information may be used by other parties in attempts to engage in money-laundering, terrorism financing, bribery, corruption and other illegal or improper activities.

We are required to undertake customer due diligence procedures, including by means of Aadhaar where the customer submits such Aadhaar number voluntarily, in accordance with the Master Direction – KYC Direction, 2024, as amended, issued by the RBI, as updated from time to time. In cases where a customer submits their Aadhaar number to an NBFC, NBFCs are required to carry out authentication of the customer's Aadhaar number using the e-KYC authentication facility provided by the Unique Identification Authority of India. In instances where authentication of Aadhaar is not required, NBFCs are required to ensure that the Aadhaar number is redacted.

While we have not experienced instances of the aforementioned risks in Fiscals 2024, 2023 or 2022 that had a material adverse impact on our business and operations, there can be no assurance that we will be able to fully control instances of any potential or attempted AML or KYC violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report to, including the Financial Intelligence Unit – India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering, terrorism financing or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

42. ***We operate in a highly regulated industry and as such changing laws, rules and regulations as well as legal uncertainties in India may adversely affect our business, prospects, results of operations, cash flows and financial condition.***

We operate in a highly regulated industry, and we have to adhere to various laws, rules and regulations. As an NBFC, we are regulated principally by and have reporting obligations to the RBI. We are subject to RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. Pursuant to its notification dated November 16, 2023 ("**The November 16 Notification**"), the RBI has increased the risk weight in relation to certain retail loans from 100.00% to 125.00%. Further, as per the November 16 Notification, NBFCs are now required to implement a board approved limit for all unsecured retails loans and such limit is subsequently required to be monitored by the risk management committee of such NBFC on an ongoing basis. In addition, HHFL is subject to a number of requirements pursuant to the NHB Act and various regulations, circulars and guidelines issued by the NHB, such as limits on borrowings, investments, investments and interest rates and non-acceptance of public deposits, prudential norms for income recognition, asset classification and provisioning for standard and non-performing assets, norms for creation of special reserves and provision for deferred tax liability as well as minimum capital adequacy and liquidity requirements. For a description of the material laws, rules and regulations applicable to us, see "*Key Regulations and Policies*" on page 278.

Additionally, our premises, books of accounts, documents and records are subject to inspection by the RBI and the premises, books of accounts, documents and records of HHFL are subject to inspection by the NHB under the relevant laws and regulations. In light of these inspections, the RBI or NHB, as applicable, may identify instances of non-compliance and deficiencies in our operations and issue warning letters, show cause notices or penalties for violations. See *"– We are subject to regulations and periodic inspections by regulatory authorities in India. Non-compliance with regulations and observations made during their inspections could expose us to penalties, suspension and restrictions as well as cancellation of our license*" on page 38.

The regulatory and legal framework governing us may change as India's economy and commercial and financial markets evolve. The Government of India may implement new laws or other regulations and policies, including in relation to privacy, protection and the transfer of data as per the Digital Personal Data Protection Act 2023, which received President of India assent on August 11, 2023 and which will come into force on such date as the Central Government may, by notification in the Official Gazette. that could affect us or the finance industry 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. The Data Protection Act, when notified, would require data fiduciaries (persons who alone or in conjunction with other persons determine purpose and means of processing of personal data), such as us, to implement organizational and technical measures to ensure compliance under the Data Protection Act, protect personal data and impose reasonable security safeguards to prevent reach of personal data and establish mechanism for redressal of grievances of data principles. In case we are notified as a significant data fiduciary under the Data Protection Act, we may have additional obligations imposed on us. As such, the Data Protection Act restricts our ability to collect, use, disclose and transfer information with respect to our counterparties and may result in increased costs, significant management time and other resources and other burdens relating to compliance with such new requirements. The RBI and NHB have, and may in the future, amend the regulatory framework governing our Company and our Subsidiary, respectively. Such amendments may require us to follow additional procedures, modify or restructure our activities, obtain new and additional licenses or incur additional costs or otherwise adversely affect our business and our financial performance. We have yet to determine the impact of all or some new or amended laws on our business and operations which may restrict our ability to grow our business in the future. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our business, results of operations, cash flows and financial condition.

We may incur increased costs and other burdens relating to compliance with 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. Uncertainty in the applicability, interpretation, implementation or compliance costs of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and impact the viability of our current businesses, adversely affect our reputation and restrict our ability to grow our businesses in the future. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws and stamp duty laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, financial condition, results of operations and cash flows.

43. ***Our inability to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business may adversely impact our business, results of operation and cash flows.***

We are required to obtain, renew and maintain certain statutory and regulatory permits and approvals required to operate our business. For further details of the approvals we have received and those which we have applied for, see "*Government and Other Approvals*" on page 495. While we have obtained the required licenses, registrations, permits and approvals for our existing business operations, there can be no assurance that we will be able to maintain or renew such licenses, registrations, permits or approvals nor that we will not be subject to new licensing requirements, particularly in relation to new business operations. There can be no assurance that the relevant authorities will grant the required permissions or renew the expired licenses and approvals in the anticipated timeframe, or at all. In addition, any non-compliance with the terms and conditions of such licenses, registrations, permits or approvals could result in the suspension or revocation of such licenses, registrations, permits or approvals. This could result in disruptions to our business and adversely affect our business, results of operations, cash flows and financial condition.

44. ***The value of our investments may fluctuate and a decline in the value of our investments could have an adverse effect on our business, results of operations, cash flows and financial condition.***

As part of our treasury management, we have formulated a board-approved investment policy in accordance with the NBFC Scale Based Regulations. Pursuant to our investment policy, we invest in commercial papers, certificates of deposit, fixed deposits, debt schemes of mutual funds and treasury bills, government securities, corporate bonds and other prescribed securities. The table below shows our treasury investment portfolio in absolute amounts and as a percentage of our total assets as at March 31, 2024, 2023 and 2022.

Particulars	As at March 31,		
	2024	2023	2022
	(*in ₹ million, except percentages*)		
Treasury investment portfolio(1)	19,737.05	22,557.90	20,846.79
Total assets	532,046.63	434,512.31	343,990.39
Treasury investment portfolio as a percentage of total assets(2) (%)	3.71%	5.19%	6.06%

Notes:

(1) Treasury investment portfolio represents sum of investments in commercial papers, certificates of deposits, mutual funds and treasury bills, government securities, corporate bonds, deposits with banks (original maturity less than three months) and deposits with banks (original maturity more than three months).

(2) *Treasury investment portfolio as a percentage of total assets represents ratio of treasury investment portfolio to total assets.*

The value of these investments depends on several factors beyond our control, such as fluctuations in the global stock markets, interest rates and currency exchange rates and negative economic outlooks. See "*–We extend fixed rate and floating rate loans to customers, and any adverse change in interest rates could cause our net interest income to decline and adversely affect our business, results of operations, cash flows and financial condition.*" on page 37. While we have not faced any material declines in the value of our investments in Fiscal 2024, 2023 or 2022, there is no assurance that we will not experience a decline in the value of our investments which could have an adverse effect on our business, results of operations, cash flows and financial condition.

45. ***Any failure or significant weakness of our internal control systems could result in operational errors or incidents of fraud, which would adversely affect our profitability and reputation.***

We have established internal control systems and processes that our internal audit team scrutinises and periodically tests and updates as necessary. Our internal audit plan aims to make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our business verticals adhere to our policies, compliance requirements and internal guidelines. While we believe that our risk management, compliance, audit and operational risk management functions are commensurate with the size and complexity of our operations, we are still exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal controls in all circumstances. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified.

Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such weakness. Failures or material errors in our internal systems may lead to deal errors, pricing errors, deficiencies in the credit sanction process, settlement problems, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business, results of operations, cash flows and financial condition. Although we have not encountered any material lapses in our internal control systems and practices, we cannot assure you that that such internal control systems and practices that we have put in place will be sufficient in monitoring or detecting any fraud that occurs. In addition, while we use and operate various technology systems for various products, certain processes are not fully automated which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result of the foregoing, we may suffer material monetary losses. Such instances may also adversely affect our reputation.

46. ***Our Promoters and Promoter Group together hold 79.55% of our pre-Offer Equity Share capital and will continue to exert substantial voting control over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our Shareholders.***

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group together hold 79.55% of our pre- Offer Equity Share capital. Following the completion of the Offer, our Promoters and Promoter Group, will continue to hold a majority of our post-Offer Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring Shareholders' approval, including the ability to appoint Directors on our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issuance of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. If they invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, results of operations, cash flows and financial condition. We cannot assure you that our existing Shareholders will not have conflicts of interest with other Shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

47. ***We have certain contingent liabilities as per Ind AS 37 that have not been provided for in our financial statements, which if they materialise, may adversely affect our business, results of operations, cash flows and financial condition.***

The details pertaining to our contingent liabilities as per Ind AS 37 derived from our Restated Consolidated Financial Information are set forth in the table below:

Particulars	**As at March 31,**		
	2024	**2023**	**2022**
	(in ₹ million)		
VAT matters under appeal	2.00	2.00	5.31
Income tax matters			
Appeals/ Writ by the Group	1,126.17	3,121.07	2,986.33
Appeals by the Income tax dept	3.30	3.30	3.28
Bank Guarantee(1)	5.00	5.00	5.00

Note:

(1) We have provided a bank guarantee to the National Stock Exchange to comply with the requirements of the Recovery Expense Fund as per SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future. In the event that any of these contingent liabilities materialise, our business, results of operations, cash flows and financial condition could be materially and adversely affected. For details regarding our contingent liabilities, please see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 38: Contingent liabilities, commitments and leasing arrangements*" on page 410, and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Commitments*" on page 463.

48. ***Future hedging arrangements that we enter into in respect of fluctuations in interest rates or currency exchange rates may be inadequate and are subject to default risk.***

The table below sets out our foreign currency borrowings in absolute amounts and as a percentage of our Adjusted Total Borrowings as at March 31, 2024, 2023 and 2022.

Particulars	**As at March 31,**		
	2024	**2023**	**2022**
	(*in ₹ million, except percentages*)		
Total foreign currency borrowings(1)	48,105.78	40,121.45	9,659.22
Total foreign currency borrowings as a percentage of Adjusted Total Borrowings(2) (%)	11.04%	11.69%	3.37%

Notes:

(1) Total foreign currency borrowings represent the aggregate amount of term loans from banks in the form of foreign currency secured loans and secured ECBs.

(2) Ratio of total foreign currency borrowings to adjusted total borrowings. Adjusted Total Borrowings represents the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (excluding CCPS) as of the last day of the relevant Fiscal .

We have entered into various hedging arrangements to hedge the entire balance sheet risk on our exposure to foreign exchange fluctuations. We also entered into interest rate swaps to reduce our risk of exposure to interest rate fluctuations. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Market Risks – Foreign currency risk management*" on page 464. There can be no assurance that our hedging arrangements will continue to adequately reduce our foreign currency risk or interest rate risk, or that such hedging arrangements will protect us against any unfavourable fluctuations in exchange rates or interest rates. Further, the relevant counterparty may fail to perform its obligations under the hedging arrangement. If we are unable to pass on any increase in our costs due to fluctuations in interest rates or exchange rates to our customers, it could reduce our profitability and result in a material and adverse effect on our business, results of operations, cash flows and financial condition.

49. ***We face the threat of fraud and cyber-attacks targeted at disrupting our services and/or stealing sensitive internal data or customer information. Such attacks may adversely impact our business, operations and financial results.***

Our hardware and software systems are subject to potential internal and external disruptions such as cyber-attacks, phishing and trojan attacks, hacking attempts, data theft, advanced persistent system threats, incapacitation by human error, natural disasters, power loss, nation/region-wide interruptions in the infrastructure, sabotage, computer viruses, and similar events or the loss of support services from third parties such as internet backbone providers. Our systems are also potentially vulnerable to data security breaches, whether by employees, who may lack experience with our newer IT systems, or others, that may expose sensitive data to unauthorised persons. We undertake a high volume of transactions, including through internet and mobile banking, and cannot assure you that we will be able to prevent occurrence of any disruption or successfully contain the consequences of such failures. Data security breaches could lead to the loss of trade secrets or other intellectual property or public exposure of personal information (including sensitive financial and personal information) of our customers and employees. We are especially exposed to security breaches and infringements during zero-day vulnerabilities. For instance, in April, 2024, cyber attackers attempted to gain access to our systems by exploiting our zero-day vulnerabilities, which are vulnerabilities where the security flaw is unknown to the vendor and the vendor has no known fix when it is discovered. While we managed to fix the vulnerability and the incident did not result in any data breaches or disruption and although we intend to continue implementing security measures and establishing operational procedures to prevent break-ins, damage and failures, we cannot assure you that our security measures will be adequate or successful in preventing future security breaches or infringements. Any such security breaches or compromises of technology systems in the future could result in the institution of legal proceedings against us and the potential imposition of penalties. Any of the foregoing could have a material adverse effect on our business, our future financial performance and the trading price of the Equity Shares.

50. ***Our insurance coverage of ₹2,810.48 million as at March 31, 2024 may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition.***

We maintain insurance coverage of the type and in the amounts that our internal insurance specialist team believe are commensurate with our operations. The following table sets forth details of our insurance coverage as at the dates indicated:

Particulars	**As at March 31,**		
	2024	**2023**	**2022**
	(*in ₹ million, except percentages*)		
Total insurance coverage	2,810.48	1,210.15	1,040.23
Net carrying amount of property, plant and equipment[(1)]	1,810.04	675.90	495.24
Total insurance coverage as a percentage of property, plant and equipment *(%)*	155.27%	179.04%	210.05%

Note:
(1) PPE Cost minus PPE accumulated depreciation.

There can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future, or that we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. Even if such losses are insured, we may be subject to certain deductibles, exclusions and limits on coverage, and our insurance claims may not be successful. While such instances have not materialised in Fiscals 2024, 2023 and 2022, the occurrence of a serious uninsured loss or a successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations, cash flows and financial condition. If we are unable to pass the effects of increased insurance costs on to our customers, the costs of higher insurance premiums could have a material adverse effect on our costs and profitability.

Further, we do not have insurance coverage for losses that we incur from our loan portfolio or investments due to non-payment and delinquency.

51. ***We may not be able to prevent others from unauthorised use of our intellectual property and may in the future become subject to patent, trademark and/or other intellectual property infringement claims.***

We rely on a combination of trademarks, domain names, proprietary technologies, and similar intellectual property to establish and protect our rights in our technology and intellectual property. Apart from being registered owner of the mark Hero FinCorp, we have also applied for registration of our new logo under class 16, 25, 35, 36 and 42. For further details see "*Our Business – Intellectual Property*" on page 274. While we have applied for registration, there is no assurance that such applications will be granted. An intellectual property registration granted to us may not be sufficient to protect our intellectual property rights. Hero InvestCorp Private Limited, the registered owner of the trademark and trade name "Hero", pursuant to their letter dated September 2016, has granted our Company rights to use the trademark and trade name "Hero". The rights provided to the Company to use the trademark and trade name "Hero" may be subject to payment of Royalty in future. This may result in additional payout for the company. Further, as we are not the owner of trade name "Hero", we have limited ability to prevent any infringement of such intellectual property and a passing off action may not provide sufficient protection or may not provide us with a cause of action to file a suit before the relevant authorities. Further, as the "Hero" trademark, name or logo is not registered in our Company's name, we cannot assure you that we will continue to have the rights to use the same in the future.

We may also be susceptible to claims from third parties asserting infringement and other related claims. While we have not been subject to any intellectual property claims, we have in the past encountered unauthorised use of our intellectual property by third parties. Although all unauthorised usage has been remedied following the service of necessary notices, monitoring unauthorised use of our intellectual property is difficult and costly, and the steps we will take to prevent misappropriation in the future may not be successful. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources. Failure to defend, maintain or protect these rights could harm our business. Any unauthorised use of our intellectual property by third parties may adversely affect our current and future revenues and our reputation.

We may in the future become party to additional intellectual property infringement proceedings, including as a result of allegations that we have or are infringing, misappropriating, diluting or otherwise violating the intellectual property rights of third parties. Litigation or other legal proceedings relating to intellectual property claims, regardless of merit, may cause us to incur significant expenses and divert the attention and resources of our management and key personnel. If we are determined to have infringed upon a third party's intellectual property rights, we may be required to cease the use of the intellectual property right under dispute, incur additional costs in redesigning our systems, pay royalties, licensing fees or other damages or obtain a license, which may be non-exclusive, from the holder of the infringed intellectual property which may not be available on reasonable terms or at all. Any of the foregoing events would adversely affect our business, prospects, results of operations, cash flows and financial condition.

52. ***Any adverse publicity affecting "Hero" brand may also negatively impact our business and reputation.***

Our revenue, results of operation, business and prospects are, to a certain extent, dependent on the strength of our brand and reputation, as well as the "*Hero*" brand. While we have a well-recognised brand, we may be vulnerable to adverse market and customer perception, particularly in an industry where integrity, trust and customer confidence are paramount. We are exposed to the risk that litigation, misconduct, operational failure, adverse publicity (including through social media) or press speculation could adversely affect our brand and reputation.

While we have adopted our own logo, there can be no assurance that the "*Hero*" brand, which we believe is a well-recognized brand in India due to its long presence in the Indian market, will not be adversely affected in the future by events or actions that are beyond our control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source. Any damage to this brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business, financial condition and results of operations. Any damage to the "*Hero*" brand name, could substantially impair our ability to maintain or grow our business. In addition, any action on the part of any of the companies in the Hero group that negatively impacts the "*Hero*" brand could have a material adverse effect on our business, financial condition and results of operations.

53. ***The grant of options under our employee stock option plan (stock settled) may result in a charge to our profit and loss account and may adversely impact our net income.***

Our Company, pursuant to the resolution passed by our Board on May 29, 2017 and our Shareholders on June 9, 2017 adopted the ESOP 2017. ESOP 2017 was further amended pursuant to the resolution passed by our Board on May 3, 2024 and the resolution passed by our Shareholders on June 30, 2024. As on the date of this Draft Red Herring Prospectus, under ESOP 2017, an aggregate of 3,526,179 options have been granted (including an aggregate of 975,645 lapsed options), an aggregate of 1,045,587 options have been vested and no options have been exercised. Further, on September 21, 2018, the board of our subsidiary, HHFL, approved the ESOP Scheme 2018 in respect of HHFL, as further amended on June 30, 2022. As at March 31, 2024, 15,138,292 stock options have been granted under

HHFL's ESOP Scheme 2018, of which 10,115,000 options have vested and 4,808,000 options have been exercised as at March 31, 2024. For further details on the grants, see "*Capital Structure – ESOP 2017*" on page 119. Under Ind AS, the grant of stock options under employee stock option schemes will result in a charge to our profit and loss over the vesting period, based on the fair value of options determined on the date of grant.

The table below shows the impact of ESOP expenses on our Restated Consolidated Statement of profit and loss in Fiscals 2024, 2023 and 2022:

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(*in ₹ million*)		
HFCL	157.89	(7.35)	42.14
HHFL	12.65	18.84	22.84
Consolidated ESOP expenditure	**170.54**	**11.50**	**64.98**

Our Company and HHFL may continue to introduce employee stock option schemes in the future, where options may be issued to our employees at a discount to the market price of the Equity Shares, which may have an adverse impact on our business, results of operations, cash flows and financial condition. The holders of our Equity Shares may also experience dilution of their shareholding to the extent that we issue any Equity Shares pursuant to any options issued under our employee stock option schemes.

54. ***We have included data derived from the CRISIL Report titled "Report on loans and financial services industry in India" which has been prepared by CRISIL Limited exclusively for the Offer and commissioned and paid for by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

We have commissioned the services of an independent third-party research agency, CRISIL MI&A, a division of CRISIL, and have relied on the CRISIL Report titled "Report on loans and financial services industry in India", exclusively prepared and issued by CRISIL for the purposes of the Offer, for certain industry-related data in this Draft Red Herring Prospectus and for the purpose of confirming our understanding of the industry in connection with the Offer, pursuant to a technical proposal dated July 2024. A copy of the CRISIL Report is available on the website of our Company at https://www.herofincorp.com/investor-relations. This report uses certain methodologies for market sizing and forecasting. Except for Amar Raj Singh Bindra, one of our Independent Directors, who is also an independent director on the board of CRISIL Limited, our Company, Directors, Key Managerial Personnel and the book-running lead managers ("**BRLMs**") are not related to CRISIL. We have no direct or indirect association with CRISIL other than as a consequence of such an engagement and by virtue of the common directorship held by Amar Raj Singh Bindra. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by CRISIL that may prove to be incorrect. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document. 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, investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. 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 further details, see "*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data*" on page 27.

55. ***Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilise certain portions of the Net Proceeds of the Offer.***

We propose to utilise the Net Proceeds towards augmentation of our Company's Tier – I capital base to meet our Company's future capital requirements towards onward lending. For further information of the proposed objects of the Offer, see "*Objects of the Offer*" on page 123. The Objects of the Offer have not been appraised by any bank or financial institution, and our funding requirement is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to changes in external factors, such as financial and market conditions, market feedback and demand of our products, competition, business strategy and interest/exchange rate fluctuations, which 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. Such internal estimates may differ from the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in our Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds.

Further, pursuant to with Sections 13(8) and Section 27 of the Companies Act and other applicable law, any variation in the Objects of the Offer would require a special resolution of the Shareholders and the Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Our Company, in accordance with the applicable law and to attain the Objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Gross Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. We will appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

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

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, cash requirements, capital expenditure, business prospects and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our board of directors in accordance with the dividend distribution policy adopted by our Board on January 28, 2022 and an amendment to the policy was approved by our Board on June 27, 2024. Further, our Subsidiary is a separate and distinct legal entity, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiary will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

57. *Our Promoter is a listed entity and any violation of rules and regulations applicable to listed companies by our Promoter may adversely impact our business, reputation, results of operation, cash flows and financial condition. There may also be differences in the trading price of our Company's Equity Shares and the equity shares of our Promoter.*

Our Promoter is a listed entity with its own widely distributed investor base and any violations in the future may adversely impact our business, reputation, results of operation, cash flows and financial condition. Further, we cannot assure you that the interest of our Promoter will not conflict with ours. Any present and future conflicts with our Promoter could have a material adverse effect on our business, reputation, results of operation, cash flows and financial condition. Further, our trading price may differ from the trading price of the equity shares of our Promoter, and investors should not rely on the trading price of the equity shares of our Promoter.

58. *Our Joint Statutory Auditors' examination report on the Restated Consolidated Financial Information includes an observation related to the Management's assessment of the impact of the COVID-19 outbreak on our business operations under "Other Matters". If such observations are included in future audit reports or examination reports, the trading price of the Equity Shares may be adversely affected.*

Joint Statutory Auditors' report issued on April 29, 2022, on the Consolidated Financial Statements as at and for the year ended March 31, 2022 included the following emphasis of matter paragraph, which has been reproduced below:

"We draw attention to Note 44.2.4 to the consolidated financial statements, which describes the Management's assessment of the impact of the outbreak of COVID-19 on the business operations of the Holding Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter."

There can be no assurance the audit reports or examination reports for any future Fiscals will not contain such observations. Investors should consider these observations in evaluating our financial condition, results of operations and cash flows. Please see the "*Restated Consolidated Financial Information*" for more information on page 361.

59. *Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel have interests in our Company in addition to their remuneration and benefits and reimbursement of expenses.*

Our Promoters, certain of our Directors, Key Managerial Personnel and Senior Management Personnel may be regarded as having an interest in our Company or having benefits other than the reimbursement of expenses incurred and normal remuneration or benefits. They may be deemed to be interested to the extent of Equity Shares held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares. Additionally, certain of our Directors, Key Managerial Personnel and Senior Management Personnel may also be interested to the extent of employee stock options granted by our Company under ESOP 2017 and which may be granted to them from time to time pursuant to ESOP 2017. Further, our Key Managerial Personnel and Senior Management Personnel may also be interested to the extent of cash rewards granted by our Company under the Company's long term cash reward plan ("**Cash Reward Plan**"). One of our Corporate Promoters, Hero InvestCorp Private Limited, is the registered owner of the trademark and trade name "Hero", which is used by the Company. We cannot assure you that our promoter, directors, our Key Managerial Personnel and Senior Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company under all circumstances. For further details, see "*Capital Structure*", "*Our Management – Interests of directors", "Our Management - Payment or benefit to Key Managerial Personnel and Senior Management Personnel"* "*Our Promoter and Promoter Group – Interests of our Promoters*" beginning on pages 98, 311, 320 and 328 respectively.

60. ***We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance that may vary from any standard methodology in our industry, and such measures are not verified.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. For details on the various non-GAAP financial measures and the reconciliation of non-GAAP measures, please see "*Selected Statistical Information – Non-GAAP measures*" on page 354. These Non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit and loss for the respective Fiscals 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. These Non-GAAP measures and such other industry related statistical and operational 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 and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other similar 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 its usefulness as a comparative measure. 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 Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus.

61. ***Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.***

Certain of our operational metrics are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. There are inherent challenges in measuring how our platform is used across large populations. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition and results of operations would be adversely affected. 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 Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus.

62. ***A portion of the proceeds from this Offer will not be available to us.***

This Offer includes an offer for sale of up to [●] Equity Shares aggregating to ₹ 15,681.34 million by the Selling Shareholders who may have acquired such Equity Shares at a price lower than the expected Offer Price. The proceeds from the Offer for Sale will be transferred to each of the Selling Shareholders, in proportion to their respective portion of the Offered Shares transferred by Selling Shareholder in the Offer for Sale. Our Company will not receive any of the proceeds from the sale of Equity Shares by the Selling Shareholders. For details, see "*Objects of the Offer*" beginning on page 123.

63. ***We conduct all our business operations on leased premises and our inability to renew such leases may adversely affect our operations.***

As at March 31, 2024, all of our and HHFL's premises, including our 140 branches, registered office and corporate offices are located on leased premises. For further details see "*Our Business – Properties*" on page 276. Any adverse impact on the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements could adversely affect our business, financial condition and results of operations. Additionally, although we have not, in Fiscals 2024, 2023 and 2022, encountered instances where the owners of our leased premises refuse to or are unable to renew the agreements under which we occupy the premises, nor have we encountered instance where such owners have sought to renew such agreements on terms and conditions unfavourable to us, or terminate our agreements, there can be no assurance that such instances will not occur in the future, as a result of which we may suffer a disruption in our operations and will have to look for alternate premises. We may be unable to relocate our premises in a timely manner or at an acceptable cost, which may adversely affect our business, results of operations, cash flows and financial condition.

Further, some of our lease agreements and leave and license agreements may not have been duly stamped as per applicable law or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, is not admitted as evidence in any Indian court, which could adversely affect our business, results of operations, cash flows and financial condition.

64. ***If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations.***

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (1) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (2) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of those sections of the 1940 Act. We also believe that we meet the requirements to rely on the exclusion from the definition of "investment company" in Section 3(c)(5) of the 1940 Act, and that other exclusions or exemptions also may be available to the Company.

We intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations.

65. ***The bankruptcy code in India may affect our right to recover loans from our customers.***

If insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**"), upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. For instance, our Company has under Regulation 18 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as a financial creditor in respect of the CIRP initiated against multiple borrowers of the Company who have failed to repay their contractual dues under the loan facilities granted by us. The matter is currently pending. For further details see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company- Material Civil Litigation*" on page 479.

In the case of a liquidation process, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. The claims of secured creditors, workmen and other employee dues and unsecured financial creditors have priority over dues owed to the Central and State Governments. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

53.68% and 46.32% of our retail customers are salaried and self-employed individuals as at March 31, 2024, respectively. While the applicable provisions of the IBC in relation to insolvency resolution and bankruptcy for individuals, i.e., Part III of the IBC, are currently not notified, when these provisions of the IBC are notified in the future, it may affect how we recover our loans and enforce our rights in compliance with the IBC with respect to these salaried and self-employed individuals.

Accordingly, if the provisions of the Bankruptcy Code are invoked against or by any of our customers, it may affect our ability to recover our loans from customers as the enforcement of our rights will be subject to the Bankruptcy Code.

66. ***There have been certain instances of delays in payment of employee related statutory dues by our Company. Any further delays in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have a material adverse impact on our financial position and cash flows.***

The table below sets forth the details of the statutory dues paid by us in relation to our employees for the years indicated below:

Fiscal	Number of employees	Employee provident fund amount
	(₹ million)	
2022	3,207	297.26
2023	4,339	402.54
2024	5,380	518.81
Total		**1,218.61**

Further, the table below sets out details of the delays in payments of employee provident fund dues by us for the aforesaid periods:

Fiscal	Number of employees	Amount Involved *(₹ million)*	Reason	Current status
2022	2	0.84	For 1 Assam employee Aadhar creation was stopped. For another 1 employee we were unable to create new UAN or link the existing UAN due details mismatch between Aadhar and UAN	No outstanding as on date
2023	51	0.89	For 1 Assam employee Aadhar creation was stopped. For rest of 50 employees we were unable to create new UAN or link the existing UAN due details mismatch between Aadhar and UAN.	No outstanding as on date
2024	3	0.02	For 3 employees we were unable to create new UAN or link the existing UAN due details mismatch between Aadhar and UAN	No outstanding as on date
Grand Total	**56**	**1.75**		

While no penalty or fine has been levied by the appropriate authorities against us for the aforementioned delays, we cannot assure you that we will not be subject to such penalties and fines in the future which may have a material adverse impact on our financial condition and cash flows.

67. ***Our statutory auditors have included certain remarks in connection with the Companies (Auditor's Report) Order ("CARO") in their audit reports in the audited standalone financial statements for Fiscals 2022, 2023 and 2024.***

Our statutory auditors have commented upon certain matters included in the CARO Report in the standalone audited financial statements of our Company for Fiscals 2024, 2023 and 2022 in relation to the following:

<table>
<tr><th>Period</th><th>Details of Observation</th></tr>
<tr><td>Fiscal 2024</td><td>According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, which have not been deposited on account of a dispute, are as follows:
<table>
<tr><th>Name of the statute</th><th>Nature of dues</th><th>Amount (Rs. in crores)</th><th>Period to which the amount relates</th><th>Forum where the dispute is pending</th><th>Remarks, if any</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>9.11</td><td>2013-14
2014-15</td><td>Commissioner (Appeals) of Income Tax</td><td>Amount paid under protest is Rs. 3.69 crore</td></tr>
<tr><td>Income</td><td>Income tax</td><td>0.33</td><td>2006-07</td><td>The High Court</td><td>Amount paid</td></tr>
</table></td></tr>
</table>

Period	Details of Observation

Tax Act, 1961			2009-10	of Delhi	under protest is Rs. 0.14 crore
Income Tax Act, 1961	Income tax	82.98	2017-18	Commissioner (Appeals) of Income Tax	Amount paid under protest is Rs. 24.33 crore
Income Tax Act, 1961	Income tax	198.95	2016-17	Commissioner (Appeals) of Income Tax	Amount paid under protest is Rs. 25.73 crore
Income Tax Act, 1961	Income tax	0.40	2019-20	Commissioner (Appeals) of Income Tax	
Income Tax Act, 1961	Income tax	16.72	2020-21	Commissioner (Appeals) of Income Tax	Amount paid under protest is Rs. 11.35 crore
Delhi Value added Tax Act	Value added tax	0.20	2013-14 2014-15	Objection hearing Authority (Trade & Tax department)	

Fiscal 2024

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employee' state insurance, income tax, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of undisputed statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Employees' Provident Fund Organization	Provident fund dues	0.03 Crores	April 2022 to August 2022	May 2022 to August 2022	Not yet paid	Due to non linking of of Aadhar number with employee's PF account as required by notification dated June 15th, 2021, issued by Provident Fund authorities. Amount of 0.005 crores deposited subsequently.

Fiscal 2023

According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	9.11	2013-14 2014-15	Commissioner (Appeals) of Income Tax	Amount paid under protest is 3.69 crore
Income Tax Act, 1961	Income tax	0.33	2006-07 2009-10	The High Court of Delhi	Amount paid under protest is 0.14 crore
Income Tax Act, 1961	Income tax	82.98	2017-18	Commissioner (Appeals) of Income Tax	Amount paid under protest is 24.33 crore

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<tr><td></td><td>
<table>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>202.87</td><td>2016-17</td><td>Commissioner (Appeals) of Income Tax</td><td>Amount paid under protest is 25.73 crore</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>0.40</td><td>2019-20</td><td>Commissioner (Appeals) of Income Tax</td><td>-</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>16.72</td><td>2020-21</td><td>Commissioner (Appeals) of Income Tax</td><td>Amount paid under protest is 11.35 crore</td></tr>
<tr><td>Delhi Value added Tax Act</td><td>Value added tax</td><td>0.20</td><td>2013-14
2014-15
2015-16
2016-17
2017-18</td><td>Objection hearing authority (Trade & Tax department)</td><td>-</td></tr>
</table>
</td></tr>
<tr><td>Fiscal 2022</td><td>According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including, income tax, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.</td></tr>
<tr><td>Fiscal 2022</td><td>According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:
<table>
<tr><th>Name of the statute</th><th>Nature of dues</th><th>Amount (Rs. in crores)</th><th>Period to which the amount relates</th><th>Forum where the dispute is pending</th><th>Remarks, if any</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>9.11</td><td>2013-14
2014-15</td><td>Commissioner (Appeals) of Income Tax</td><td>Amount paid under protest is 3.69 crore</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>0.33</td><td>2006-07
2009-10</td><td>The High Court of Delhi</td><td>Amount paid under protest is 0.14 crore</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>86.63</td><td>2017-18</td><td>Commissioner (Appeals) of Income Tax</td><td>Amount paid under protest is 24.33 crore</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>202.87</td><td>2016-17</td><td>Commissioner (Appeals) of Income Tax</td><td>Amount paid under protest is 25.73 crore</td></tr>
<tr><td>Delhi Value Added Tax</td><td>Value Added Tax</td><td>0.53</td><td>2013-14
2014-15
2015-16
2016-17
2017-18</td><td>Objection hearing authority (Trade & Tax department)</td><td>-</td></tr>
<tr><td colspan="2">Total</td><td colspan="4">299.48</td></tr>
</table>
</td></tr>
</table>

EXTERNAL RISKS

Risks Related to India

1. ***Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India could impact our operations and profitability.***

Our Company is incorporated in India and derives all its revenue from operations in India and all of our assets are located in India. Consequently, our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the GDP growth rate and the economic cycle in India. A slowdown in the Indian economy could adversely affect our business and that of our customers and contractual counterparties, as well as their ability to borrow and repay loans, especially if such a slowdown were to be continued and prolonged. India's economy could be adversely affected by an increase in trade deficits, a downgrading in India's sovereign debt rating, a decline in India's foreign exchange reserves that negatively impacts interest rates and liquidity or a general rise in interest rates, among others. In periods of high rates of inflation, our operating expenses may increase which could have an adverse effect on our cash flows and results of operations. A slowdown in the Indian economy could adversely affect the Government's policy towards the banking industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. Thus, any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition and the trading price of the Equity Shares.

In light of the increasing linkage of the Indian economy to other global economies, the Indian economy is increasingly influenced by economic developments and volatility in securities markets in other countries. Global slowdown of the financial markets and economies has in the past contributed to weakness in the Indian financial and economic environment. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any protracted instability in the Indian and international credit markets or other macro-economic factors that impact the overall liquidity available in the Indian and international credit markets (in general or the amount of credit available to NBFCs in particular) could adversely impact our ability to raise funds in a timely manner and at commercially acceptable terms. The non-availability of credit may lead to a disruption in our business, including asset-liability mismatches and an inability to grow our business, and may require us to seek alternate sources of funding, which may not be available on commercially acceptable terms or at all. A global economic downturn can also lead to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally. A recession in the United States and other countries in the developed world and a slowdown in economic growth in markets such as China could also have an adverse impact on economic growth in India. Any slowdown in these economies could adversely affect the borrowing ability of our customers, which in turn would adversely impact our business and financial performance and the price of the Equity Shares. A slowdown in the pace of growth in the Indian economy could result in lower demand for financing and higher defaults among MSME and corporate customers, which could result in an adverse effect on our business, results of operations, cash flows and financial condition.

2. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business, cash flows and results of operations.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Our results of operations are significantly affected by many factors that influence the Indian economy. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

3. ***Adverse changes in government policies or government actions may adversely affect our business, results of operations and prospects.***

While NBFCs are currently regulated by the RBI, the respective state government of the states where we operate may pass laws that impact the business of NBFCs. We cannot assure you that any such actions taken by the state governments in these states will not adversely impact our business, financial condition and results of operations. For example, certain states, including those in which we have operations, have in the past instituted farm loan waiver schemes, pursuant to which farmers are afforded relief from eligible loans. Such large-scale government enforcement of loan write-offs may result in a rise in farmers wilfully defaulting on their loans. While we have not been subject to any such adverse government policies in Fiscal 2024, 2023 or 2022, if such event were to occur, we would face heightened credit risks and costs in relation to loans made to the farming sector in the relevant states. In the event that the government of any state in India requires us to comply with the their respective state moneylending laws and require us to waive certain loans, or imposes any penalty against us, our Directors or our officers, including for non-compliance with such laws, our business and results of operations may be adversely affected.

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

Natural disasters, such as typhoons, droughts, flooding and earthquakes, as well as fires, epidemics, pandemics such as COVID-19 and man-made disasters such as acts of war, terrorist attacks, civil unrest, geopolitical uncertainty, such as the Russia-Ukraine war and the Israel-Gaza conflict, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, results of operations, cash flows and financial condition. All of our operations and employees are located in India and there can be no assurance that we will not be affected by natural disasters in India in the future. Certain of our offices and dealers as well as the properties provided as collateral in relation to our loans may be located in areas that may be impacted by such natural disasters. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property and may require us to evacuate personnel and suspend operations. The threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

5. 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 customers and our profits might decline.

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. High inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries and other operating expenses relevant to our business. We might not be able to reduce our costs or pass the increase in costs on to our customers. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

6. Financial difficulty and other problems in certain financial and other non-banking financial institutions in India could materially adversely affect our business and the price of our Equity Shares.

We are exposed to the risks of the Indian financial system. The financial difficulties faced by certain Indian financial and non-banking financial institutions could materially adversely affect our business because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such “systemic risk”, may materially adversely affect financial intermediaries, such as clearing agencies, banks, NBFCs, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and materially adversely affect our business. Our transactions with these financial institutions and other non-banking financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

7. India’s existing credit information infrastructure may cause increased risks of loan defaults.

All of our business is located in India. India’s existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our customers. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies. Any inability to undertake a comprehensive due diligence or credit check might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, results of operations, cash flows and financial condition.

8. Significant differences exist between Indian accounting standard and other accounting principles, such as international financial reporting standards and United States generally accepted accounting principles, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our historical financial statements are prepared and presented in conformity with Indian accounting standard (“**Ind AS**”) and our Restated Consolidated Financial Information is prepared and presented in conformity with the requirement of Section 26 of the Companies Act, 2013, SEBI ICDR Regulations and the guidance Note on reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Ind AS differs in certain significant respects from international financial reporting standards (“**IFRS**”), United States generally accepted accounting principles (“**U.S GAAP**”) and other accounting principles that 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. Accordingly, the degree to which the Restated Consolidated Financial Information, which are restated as per the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company’s Prospectuses

(Revised 2019) issued by the Institute of Chartered Accountants of India, included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly. 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.

9. Any downgrading of India's debt rating by a domestic or an international rating agency could adversely affect our business.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and improved from BBB- with a "negative" outlook to BBB- with a "stable" outlook by Fitch in June 2022; and decreased from BBB to BBB "low" by DBRS in May 2021. India's sovereign rating from S&P is BBB- with a "positive" outlook. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of our Equity Shares.

10. Non-resident investors are subject to investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under foreign exchange regulations currently in force in India, the transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries and/or departments are responsible for granting approval for foreign investment. 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. Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the government approval route as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 557.

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

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

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time 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.

12. Investors may have difficulty enforcing foreign judgments against us or our management.

We are a limited liability company incorporated under the laws of India. all of our Directors, Key Managerial Personnel and Senior Management Personnel are residents of India. Our assets are located in India. As a result, you may be unable to:

- effect service of process in jurisdictions outside of India, including in the U.S, upon us and these other persons or entities;

- enforce in the Indian courts, judgments obtained in courts of jurisdictions outside of India against us and these other persons or entities, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India; and

- enforce judgements obtained in U.S courts against us and these other persons or entities, including judgments predicated upon the civil liability provisions of the federal securities laws of the U.S.

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, the UAE, Singapore and Hong Kong. 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. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the U.S, 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.

The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. 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. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

13. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business and activities.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), prohibits any anti-competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India ("**AAEC**"). The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI in future, any enforcement proceedings initiated by the CCI or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, results of operations, cash flows and financial condition. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act.

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

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

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

Risks Related to the Offer

15. The Offer Price of our Equity Shares, our price-to-earnings ratio and market capitalisation-to-total income ratio may not be indicative of the trading price of our Equity Shares upon listing on the Stock Exchanges subsequent to the Offer or thereafter.

While our market capitalisation is subject to the determination of the Offer Price, which will be determined by our Company, in consultation with the BRLMs through the book building process, price-to-earnings ratio and market capitalisation-to-total income ratio for Fiscal 2024 based on floor price and cap price are set out below.

Particulars	Ratio vis-à-vis Floor Price	Ratio vis-à-vis Cap Price
	(*In multiples, unless otherwise specified*)	
Price-to-earnings ratio	[●]	[●]
Market capitalisation-to-total income ratio	[●]	[●]

Further, our Offer Price, the multiples and ratios specified above may not be comparable to the market price, market capitalisation and price-to-earnings ratios of our peers and would be dependent on the various factors included under "*Basis for Offer Price*" beginning on page 129 and may not be indicative of the market price for the Equity Shares after the Offer.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company, in consultation with the BRLMs, would not be based on a benchmark with our industry peers. The relevant financial parameters on the basis of which Price Band will be determined, have been disclosed under "*Basis for Offer Price*" on page 129 and shall be disclosed in the price band advertisement. For details of comparison with listed peers, see "*Basis for Offer Price*" on page 129.

Prior to this Offer, there has been no public trading market for our Equity Shares. It is possible that, after this Offer, an active trading market will not develop or continue. Listing and quotation do not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. If an active trading market does not develop, you may have difficulty selling any of our Equity Shares that you buy.

This Offer Price is based on certain factors, as described under "*Basis for Offer Price*" beginning on page 129 of this Draft Red Herring Prospectus and may not be indicative of the trading price of our Equity Shares, upon listing on the Stock Exchanges subsequent to the Offer. The trading price of our Equity Shares could be subject to significant fluctuations and may decline below the Offer Price. Consequently, you may not be able to sell our Equity Shares at prices equal to or greater than the price you paid in this offering. Further, there can be no assurance that our key performance indicators ("**KPIs**") will improve or become higher than our listed comparable industry peers in the future or whether we will be able to successfully compete against the listed comparable industry peers in these KPIs in the future. An inability to improve, maintain or compete, or any reduction in such KPIs in comparison with the listed comparable industry peers may adversely affect the market price of our Equity Shares. Moreover, there are no standard methodologies in the industry for the calculations of such KPIs and as a result, the listed comparable industry peers may calculate and present such financial ratios in a different manner. There can be no assurance that our methodologies are correct or will not change and accordingly, our position in the market may differ from that presented in this context.

We may be required to finance our growth through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding. The disposal of Equity Shares by our Promoters or any of our Company's other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Further, we cannot assure you that our Promoters and other major shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

16. Our Equity Shares have never been publicly traded and after this offering, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop.

Prior to this Offer, there has been no public market for our Equity Shares. We cannot assure you that an active trading market for our Equity Shares will develop or be sustained after this Offer. Further, the market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the stock exchanges and securities markets elsewhere in the world. For further information, see "*Basis for Offer Price*" on page 129. These broad market fluctuations and industry factors may materially reduce the market price of our Equity Shares, regardless of our Company's performance. In addition, following the expiry of the six-month locked-in period on certain portions of the pre-Offer Equity Share capital, the pre-Offer shareholders may sell their shareholding in our Company, depending on market conditions and their investment horizon. Any perception by investors that such sales might occur could additionally affect the trading price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to sell your Equity Shares at or above the Offer Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

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

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months is subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on a stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). A securities transaction tax ("**STT**") will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short-term capital gains tax at a higher rate compared to the transaction where STT has been paid in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

As a result, subject to any relief available under an applicable tax treaty or under the laws of their own jurisdictions, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, inter alia, amended the tax regime, including a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, and that such dividends are likely to be subject to tax deduction at source. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

The Government of India has recently announced the Union Budget for Financial Year 2025 ("**Budget**"). Pursuant to the Budget, the Finance Bill, 2024, *inter alia*, proposes to amend the capital gains tax rates and amounts mentioned above, with effect from the date of announcement of the Budget. However, since the Finance Bill, 2024 have not yet been enacted into law, the Bidders are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares.

18. Qualified institutional buyers and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, qualified institutional buyers ("**QIBs**") and Non-Institutional Bidders 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 Bidders 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 our 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 or such other timeline as may be prescribed under applicable law, events affecting the Bidders' decision to invest in our Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of our Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or cause the trading price of our Equity Shares to decline on listing.

19. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

Certain provisions in Indian law may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors or shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of our Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations. Further, in accordance with the Master Directions, any takeover or acquisition of control, could also require prior permission of RBI.

20. The current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.

The current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue prices. For further information, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)*" on page 509. The factors that could affect the market price of our Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or that sustained trading will take place in our Equity Shares, or provide any assurance regarding the price at which our Equity Shares will be traded after listing.

21. We cannot assure you that prospective investors will be able to sell any of our Equity Shares they purchase in the Offer immediately on an Indian stock exchange.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorising the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares. There can be no assurance that our Equity Shares will be credited to investors' dematerialised accounts, or that trading in our Equity Shares will commence, within the prescribed time periods or at all. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or dematerialised credits are not made to investors within the prescribed time periods.

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

Under the Companies Act, 2013, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

23. The ability of investors to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Draft Red Herring Prospectus.

No actions have been taken to permit a public offering of our Equity Shares in any jurisdiction, other than India. As such, our Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, our Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. Please see "*Other Regulatory and Statutory Disclosures – Disclaimer in Respect of Jurisdiction*" on page 504. We, our representatives and our agents will not be obligated to recognise any acquisition, transfer or resale of our Equity Shares made other than in compliance with the restrictions set forth herein.

24. Any future issuance of Equity Shares or securities linked to Equity Shares may dilute prospective investors' shareholding, and sale of our Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering or an issuance of Equity Shares to employees upon exercise of vested options held by them under the employee stock ownership plan scheme, may lead to the dilution of investors' shareholdings in us. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of our Equity Shares. Any future issuances could also dilute the value of your investment in our 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.

Any sales (or pledge or encumbrance) of substantial amounts of our Equity Shares in the public market after the completion of the Offer by our major shareholders, including our promoters (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and materially impair our future ability to raise capital through offerings of our Equity Shares.

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

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

26. Due to the nature of our business, we expect to be classified as a passive foreign investment company for U.S. federal income tax purposes. Assuming we are so classified, U.S. investors in the Equity Shares would generally be subject to material adverse U.S. federal income tax consequences.

A non-U.S. corporation will be classified as a passive foreign investment company (a "**PFIC**") for any taxable year if either: (a) at least 75% of its gross income for such year is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes interest, dividends and other investment income, with certain exceptions. We mainly engage in business of making loans to customers and our revenue mostly consists of interest income. We are not licensed as a bank in any jurisdiction and do not accept deposits. Under the Internal Revenue Code (as defined below) and U.S. Treasury regulations proposed in 2021 (the "**2021 Proposed Regulations**"), interest income is generally considered "passive income" for purposes of the PFIC test unless such interest income is derived in bona fide banking activities conducted by a U.S. licensed bank or a foreign corporation engaged in the banking business that is licensed as a bank in the country in which it is chartered or incorporated and accepts deposits from and lends to unrelated customers as part of its banking business. Alternatively, U.S. taxpayers are permitted to rely on certain previously published proposed U.S. Treasury regulations and certain administrative guidance defining active banking income until such time that the 2021 Proposed Regulations become finalised. We do not expect that we will satisfy the requirements under any potentially applicable authority to treat interest income earned by us as other than "passive income" for purposes of the PFIC active banking income rules. In addition, while there are other exceptions from the passive income treatment, we also do not expect our interest income will satisfy any other exception under the PFIC rules. As a result, we expect to be a PFIC for the current taxable year and in the foreseeable future. However, the application of the PFIC definition is subject to ambiguities and whether a non-U.S. corporation is classified as a PFIC in any year under either the income or asset test discussed above depends on the actual financial results and operations for each year in question. Accordingly, it is possible that we may cease to be a PFIC in any future taxable year due to changes in our asset or income composition. If we are treated as a PFIC for any taxable year during which a U.S. investor held Equity Shares, such U.S. investor would generally be subject to material adverse U.S. federal income tax consequences. Certain elections that may alleviate such material adverse U.S. federal income tax consequences may be available.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

The Offer(1)(2)(7)		Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 36,681.34 million
of which:		
(i)	Fresh Issue(1)(7)	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 21,000.00 million
(ii)	Offer for Sale(2)	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 15,681.34 million
The Offer consists of:		
(i)	Employee Reservation Portion(3)	Up to [●] Equity Shares, of face value of ₹ 10 each aggregating up to ₹ [●] million
(ii)	Shareholder Reservation Portion(3)(4)	Up to [●] Equity Shares, of face value of ₹ 10 each aggregating up to ₹ [●] million
(iii)	Net Offer	Up to [●] Equity Shares, of face value of ₹ 10 each aggregating up to ₹ [●] million
The Net Offer consists of:		
A)	QIB Portion(5)(6)	Not more than [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million
	of which:	
	Anchor Investor Portion(6)	Up to [●] Equity Shares of face value of ₹ 10 each
	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹ 10 each
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(7)	Up to [●] Equity Shares of face value of ₹ 10 each
	Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹ 10 each
B)	Non-Institutional Portion(5)	Not less than [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹[●] million
	of which:	
	One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	Up to [●] Equity Shares of face value of ₹ 10 each
	Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	Up to [●] Equity Shares of face value of ₹ 10 each
C)	Retail Portion(5)	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 and prior to conversion of CCPS(as on the date of this Draft Red Herring Prospectus)		127,306,674 Equity Shares of face value of ₹ 10 each
Equity Shares outstanding prior to the Offer (assuming conversion of CCPS)^		163,670,310 Equity Shares of face value of ₹ 10 each
Equity Shares outstanding after the Offer		[●] Equity Shares of face value of ₹ 10 each
Utilisation of Net Proceeds		See "*Objects of the Offer*" beginning on page 123 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

^ *Prior to filing of the Red Herring Prospectus, 17,036,363 Class A CCPS of face value ₹ 550 each will convert to a maximum of up to 17,036,363 Equity Shares of face value ₹10 each; and 19,327,273 Class B CCPS of face value ₹ 550 each will convert to a maximum of up to 19,327,273 Equity Shares of face value ₹10 each in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(1) *The Offer has been authorized by the resolution of our Board of Directors at their meeting held on May 29, 2024, and the Fresh Issue has been authorised by a special resolution passed by our Shareholders through postal ballot declared on June 30, 2024.*

(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. For details on the authorisations and consent of the Selling Shareholders, see "Other Regulatory and Statutory Disclosures" beginning on page 501. Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares has been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations and are eligible for being offered for sale pursuant to the Offer in accordance with the provisions of the SEBI ICDR Regulations.*

(3) *Subject to valid bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in*

the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. The unsubscribed portion, if any, in the Shareholder Reservation Portion, shall be added to the Net Issue. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Retail Portion in the Net Offer and such Bids will not be treated as multiple Bids. For further details, see "Offer Structure" beginning on page 531.

(4) *The Shareholder Reservation Portion shall not exceed 10 % of the Issue size. For further details, see "Offer Structure" beginning on page 531.*

(5) *Subject to valid bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "Terms of the Offer" beginning on page 525.*

(6) *Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the 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 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 536.*

(7) *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the 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 RHP and Prospectus.*

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each of the RIB and the NIB, shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹1,000,000 and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis.

For further details, see "*Offer Procedure*" and "*Terms of the Offer*" beginning on pages 536 and 525, respectively.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information and as at and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.

The Restated Consolidated Financial Information referred to above are presented under "Financial Information" beginning on page 361. The summary of financial information presented below should be read in conjunction with the "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 361 and 446, respectively.

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RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets			
Financial assets			
Cash and cash equivalents	987.84	7,501.40	8,744.94
Bank balance other than cash and cash equivalents	590.68	412.17	1,645.17
Derivative financial instruments	1,337.17	1,158.16	21.40
Trade receivables	49.21	13.02	19.56
Loans	498,804.70	398,712.69	313,410.39
Investments	18,959.56	17,474.94	11,729.80
Other financial assets	1,920.09	1,896.29	1,100.21
Non-financial assets			
Current tax assets (net)	1,555.44	1,474.14	1,166.46
Deferred tax assets (net)	3,690.19	3,761.54	4,336.78
Property, plant and equipment	1,810.04	675.90	495.24
Right-of-use assets	1,182.72	455.54	430.70
Intangible assets under development	7.50	27.60	7.92
Intangible assets	271.74	191.54	214.15
Other non-financial assets	879.75	757.38	667.67
Total assets	**532,046.63**	**434,512.31**	**343,990.39**
Liabilities and equity			
Liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues to micro enterprises and small enterprises	7.31	24.75	28.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,382.72	4,960.24	3,019.71
Debt securities	67,037.15	67,470.79	59,810.44
Borrowings (other than debt securities)	358,403.90	266,129.87	220,306.69
Subordinated liabilities	36,253.71	32,677.94	6,680.17
Lease liabilities	1,272.39	523.99	484.82
Other financial liabilities	5,113.34	9,027.24	4,912.42
Non-financial liabilities			
Current tax liabilities (Net)	408.54	10.34	-
Provisions	698.60	548.74	480.56
Other non-financial liabilities	748.67	660.14	567.44
Total Liabilities	**474,326.33**	**382,034.04**	**296,290.61**
Equity			
Equity share capital	1,273.06	1,273.06	1,273.06
Other equity	56,386.64	51,161.34	46,402.14
Non-controlling interests	60.60	43.87	24.58
Total Equity	**57,720.30**	**52,478.27**	**47,699.78**
Total liabilities and equity	**532,046.63**	**434,512.31**	**343,990.39**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations			
Interest income	74,793.81	57,196.00	42,418 .66
Dividend income	7.12	7.43	7.42
Profit on sale investments (net)	647.01	856.25	434.39
Rental income	-	1.07	17.28
Gain on derecognition of financial instruments under amortised cost category	212.80	231.30	158.40
Net gain on fair value changes	-	-	210.41
Insurance commission	1,139.91	212.19	153.64
Other charges	6,108.39	5,511.69	3,986.34
Total revenue from operations	**82,909.04**	**64,015.93**	**47,386.54**
Other income	688.27	459.52	588.59
Total income	**83,597.31**	**64,475.45**	**47,975.13**
Expenses			
Finance costs	30,973.64	21,739.50	16,785.23
Net loss on fair value changes	3,385.24	2,997.05	-
Impairment on financial instruments	17,223.90	12,122.30	18,408.11
Employees benefits expenses	6,927.15	5,421.45	3,563.05
Depreciation and amortization	659.64	379.31	331.90
Other expenses	14,822.27	14,463.63	11,427.12
Total expenses	**73,991.84**	**57,123.24**	**50,515.41**
Restated Profit/ (loss) before tax	**9,605.47**	**7,352.21**	**(2,540.28)**
Tax expense:			
(i) Current tax	3,074.62	1,977.01	270.34
(ii) Deferred tax/ (credit) (net)	160.37	575.73	(891.64)
Total tax expense	**3,234.99**	**2,552.74**	**(621.30)**
Restated Profit/ (loss) after tax	**6,370.48**	**4,799.47**	**(1,918.98)**
Other comprehensive income/ (loss)			
a)Items that will not be reclassified to profit or loss			
i. Remeasurements of gains/(losses) on defined benefit plans	(14.32)	16.30	0.08
ii. Income tax relating to items that will not be reclassified to profit or loss	4.44	(2.57)	0.41
Sub-total (a)	**(9.88)**	**13.73**	**0.49**
b)Items that may be reclassified to profit or loss:			
i. Cash flow hedge reserve	(333.77)	(7.56)	(20.19)
ii. Income relating to items that may be reclassified to profit or loss	84.58	3.06	2.82
Sub-total (b)	**(249.19)**	**(4.50)**	**(17.37)**
Restated other comprehensive income/ (loss) for the year, net of tax	**(259.07)**	**9.23**	**(16.88)**
Restated total comprehensive income/ (loss) for the year, net of tax	**6,111.41**	**4,808.70**	**(1,935.86)**
Restated profit/ (loss) for the year attributable to			
Owners of the Company	6,367.83	4,798.01	(1,919.10)
Non-controlling interest	2.65	1.46	0.12
Restated other comprehensive income/(loss) for the year, net of tax, attributable to			
Owners of the Company	(259.11)	9.14	(16.82)
Non-controlling interest	0.04	0.09	(0.06)
Restated Total comprehensive income/ (loss) for the year, net of tax, attributable to			

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Owners of the Company	6,108.61	4,807.11	(1,935.95)
Non-controlling interest	2.80	1.59	0.09
Restated Earnings per equity share			
Equity shareholder of parent for the year:			
(Face value per share ₹ 10)			
Basic (in ₹)	50.04	37.70	(15.07)
Diluted (in ₹)	49.94	37.67	(15.07)

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(₹ in million, unless otherwise stated)

	Particulars	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
A.	**Cash flow from operating activities**			
	Restated Profit/ (loss) before tax	**9,605.47**	**7,352.21**	**(2,540.28)**
	Adjustments for:			
	Interest Income	(74,776.60)	(57,178.90)	(42,394.10)
	Finance Costs	30,973.60	21,739.60	16,785.40
	Depreciation and amortization	659.60	379.40	331.90
	Impairment on financial instruments	17,224.00	12,122.30	18,408.10
	Dividend income from investments	(7.10)	(7.40)	(7.40)
	Discount on commercial paper	111.50	49.10	31.00
	Employee share based payment expense	192.80	9.40	62.00
	Net loss on sale of property, plant, and equipment	7.40	16.00	21.50
	Gain on derecognition of financial instruments underamortised cost category	(212.80)	(231.30)	(158.40)
	Net loss on fair value changes	3,385.20	2,997.10	(197.20)
	Profit on sale of investments	(647.00)	(856.40)	(447.60)
	Cash inflow from interest on loans	72,189.10	53,790.30	41,859.20
	Cash inflow from interest on fixed deposits	89.30	212.40	76.80
	Cash outflow towards finance costs	(27,586.80)	(18,050.90)	(15,854.80)
	Operating profit before working capital changes	**31,207.67**	**22,342.91**	**15,976.12**
	Working capital adjustments			
	(Increase)/Decrease in trade receivables	(87.68)	6.71	58.60
	Increase in loans	(115,806.76)	(94,723.20)	(69,707.69)
	(Increase)/Decrease in bank balance other than cash and cash equivalents	(184.60)	1,188.40	(433.50)
	(Increase)/Decrease in other financial assets	189.20	(553.40)	200.50
	Increase in derivative financial instruments	(515.10)	(1,151.30)	(30.40)
	Increase in other non-financial assets	(165.40)	(62.70)	(315.40)
	(Increase)/Decrease in other financial liabilities	(3,950.60)	3,933.00	587.10
	(Increase)/Decrease in trade payables	(543.80)	1,937.40	471.30
	Increase in other non-financial liabilities	88.80	98.96	121.50
	Increase in provisions	137.80	72.20	52.70
	Net cash used in operating activities before income tax	**(89,630.47)**	**(66,911.02)**	**(53,019.17)**
	Income tax paid (net of refund)	(2,757.80)	(2,274.20)	(1,098.50)
	Net cash used in operating activities [A]	**(92,388.27)**	**(69,185.22)**	**(54,117.67)**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment and intangible assets	(1,606.50)	(509.80)	(239.30)
	Proceeds from sale of property, plant and equipment	42.81	27.00	52.70
	Dividend received	7.10	7.40	7.40
	Interest received on investments	1,141.40	519.40	243.90
	Purchase of investments	(148,323.14)	(175,902.64)	(187,134.30)
	Sale of investments	147,440.40	171,117.30	195,221.70
	Net cash generated from / (used in) investing activities [B]	**(1,297.93)**	**(4,741.34)**	**8,152.10**
C.	**Cash flow from financing activities**			
	Proceeds from conversion of partly paid up equity shares to fully paid	0.20	-	-
	Proceeds from issue of equity shares of subsidiary to Non-controlling interest	6.10	18.10	24.60
	Proceeds from issue of compulsorily convertible preference shares	-	20,000.00	-
	Share issue expenses paid	(2.50)	(60.00)	-
	Proceeds from issue of debt securities	53,490.00	51,059.00	55,811.30
	Repayment of debt securities	(56,237.60)	(45,481.50)	(40,548.60)
	Proceeds from issue of borrowings (other than debt securities)	239,073.70	190,051.00	168,286.60
	Repayment of borrowings (other than debt securities)	147,857.40)	(145,552.00)	(139,677.00)
	Proceeds from issue of subordinated liabilities	550.74	2,799.10	7.60
	Repayment of lease liabilities	(346.10)	(150.68)	(135.60)
	Dividend paid on equity shares	(1,029.40)	-	(127.03)
	Dividend paid on compulsorily convertible preference shares	(475.10)	-	-
	Net cash generated from financing activities [C]	**87,172.64**	**72,683.02**	**43,641.87**
D	**Net increase /(decrease) in cash and cash equivalents [A+B+C]**	**(6,513.56)**	**(1,243.54)**	**(2,323.70)**
	Cash and cash equivalents at the beginning of the year	7,501.40	8,744.94	11,068.64
	Cash and cash equivalents at the end of the year*	**987.84**	**7,501.40**	**8,744.94**
	*Components of cash and cash equivalents			
	Balances with banks (current accounts)	285.01	2,226.84	634.90
	Deposit with banks (original maturity less than three months)	702.83	5,274.56	8,110.04

Particulars		For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
		987.84	**7,501.40**	**8,744.94**

GENERAL INFORMATION

Registered Office of our Company

Hero FinCorp Limited
34, Community Centre, Basant Lok
Vasant Vihar
New Delhi 110057
Delhi, India

Corporate Office of our Company

Hero FinCorp Limited
09, Community Centre, Basant Lok
Vasant Vihar
New Delhi 110 057
Delhi, India

Corporate Identity Number: U74899DL1991PLC046774

Company Registration Number: 046774

RBI Registration Number: 14.00266

For details of our incorporation and changes to our name and our registered office address, see "*History and Certain Corporate Matters*" beginning on page 295.

Address of the RoC

Our Company is registered with the RoC, situated at the following address:

Registrar of Companies, Delhi

4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
Delhi, India

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
Dr. Pawan Munjal	Chairman and Non-Executive Director	00004223	N-87, Near Panchsheel Club, Panchsheel Park, South Delhi 110 017, Delhi, India
Renu Munjal	Whole-time Director	00012870	B-109, Greater Kailash – I, New Delhi 110 048, Delhi, India
Abhimanyu Munjal	Managing Director and Chief Executive Officer	02822641	B-109, Greater Kailash – I, New Delhi 110 048, Delhi, India
Pradeep Dinodia	Non-Executive Director	00027995	House No. A-9A, Maharani Bagh, Sriniwaspuri, South Delhi 110 065, Delhi, India
Sanjay Kukreja	Non-Executive Director	00175427	A-362, Defence Colony, Lajpat Nagar, South Delhi, 110 024, Delhi, India
Amar Raj Singh Bindra	Independent Director	09415766	3/F, Eva Court, 36 MacDonnel Road, Hong Kong
Paramdeep Singh	Independent Director	03579758	7 Roads End, Brookville, New York 11545, United States
Anuranjita Kumar	Independent Director	05283847	W30074, Wellington Estate, DLF Phase 5, Gurugram 122 009, Haryana, India
Aparna Popat Ved	Independent Director	08661466	21, Valentina, N. Gamadia Road, Mahalaxmi, Cumballa Hill, Mumbai 400 026, Maharashtra, India
Kaushik Dutta	Independent Director	03328890	843, Lavy Pinto Block, Asiad Games Village, Khel Gaon, New Delhi 110 049, Delhi, India

For further details of our Directors, see "*Our Management*" beginning on page 303.

Company Secretary and Compliance Officer

Shivendra Kumar Suman is our Company Secretary and Compliance Officer. His contact details are as set forth below:

Shivendra Kumar Suman
34, Community Centre, Basant Lok
Vasant Vihar
New Delhi 110 057
Delhi, India
Tel: 011 4946 7150
E-mail: investors@herofincorp.com

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6632 8000
E-mail: herofincorpipo.ipo@jmfl.com
Investor Grievance ID: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration Number: INM000010361

BofA Securities India Limited
18th Floor, "A" Wing, One BKC
"G" Block Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 66328 000
E-mail: dg.hero_fincorp_ipo@bofa.com
Investor Grievance ID: dg.india_merchantbanking@bofa.com
Website: https://business.bofa.com/bofas-india
Contact Person: Ayush Khandelwal
SEBI Registration No.: INM000011625

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadebi, Mumbai 400051
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: herofincorp.ipo@icicisecurities.com
Investor Grievance ID: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Sumit Singh / Gaurav Mittal
SEBI Registration No.: INM000011179

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road
Kala Ghoda Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6864 1289
E-mail: herfincorpipo@hsbc.co.in
Investor Grievance ID: investorgrievance@hsbc.co.in
Website: https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market
Contact Person: Rachit Rajgaria / Sumant Sharma
SEBI Registration No.: INM000010353

SBI Capital Markets Limited
1501, 15th Floor, A & B Wing
Parinee Crescenzo Building

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Center
Pandurang Budhkar Marg, Worli
Mumbai – 400 025, Maharashtra, India
Telephone: +91 22 4325 2183
E-mail: herofincorp.ipo@axiscap.in
Investor grievance email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Jigar Jain
SEBI Registration No: INM000012029

HDFC Bank Limited
Unit no. 701, 702 and 702-A
7th floor, Tower 2 and 3, One International Centre
Senapati Bapat Marg, Prabhadevi
Mumbai 400 013
Maharashtra, India
Tel: +91 22 3395 8233
E-mail: herofincorp.ipo@hdfcbank.com
Investor Grievance ID:
investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Dhruv Bhavsar/Sanjay Chudasama
SEBI Registration No.: INM000011252

Jefferies India Private Limited
Level 16, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 4356 6000
E-mail: herofincorp.ipo@jefferies.com
Investor Grievance ID: jipl.grievance@jefferies.com
Website: www.jefferies.com
Contact Person: Suhani Bhareja
SEBI Registration No.: INM000011443

G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: 22 4006 9807
E-mail: herofincorp.ipo@sbicaps.com
Investor Grievance ID: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Karan Savardekar / Sambit Rath
SEBI Registration No.: INM0000035531

Indian 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

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor
247 Park, L.B.S. Marg
Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6000
Email: shantigopalkrishnan@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: herofincorp.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Joint Statutory Auditors to our Company*

B.R. Maheshwari & Co. LLP
M-118, Block M,
Connaught Place,
Delhi 110 001
New Delhi, India
Tel: +91 11 4340 2222
E-mail: brmc@brmco.com / sudhir@brmco.com
Firm registration number: 001035N/ N500050
Peer review number: 014282

Price Waterhouse LLP
252, Veer Savarkar Marg,
Shivaji Park, Dadar West,
Mumbai 400 028
Maharashtra, India
Tel: +91 22 6669 1500
E-mail: sharad.vasant@pwc.com
Firm registration no.: 301112E/E300264
Peer review number: 015949

**The Board of Directors, pursuant to the resolution dated May 29, 2024, have appointed M.M. Nissim & Co. LLP and Deloitte Haskins & Sells LLP as Joint Statutory Auditors of our Company with effect from the commencement of the 33rd AGM of the Company until the conclusion of the 36th AGM of the Company to conduct the audit of our standalone and consolidated financial statements of our Company for the financial years ending March 31, 2025, March 31, 2026 and March 31, 2027.*

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

Particulars	Date of Change	Reasons for Change
BSR & Co. LLP 5th Floor, Lodha Excelus, Apolio Mills Compound, N.M. Joshi Marg, Mahalakshmi Mumbai 400 011 Maharashtra, India **Tel**: +91 12 4719 1000 **E-mail**: mgupta2@bsraffiliates.com **Firm registration number**: 101248W/W-1000022 **Peer review number**: 014196	December 16, 2021	Ineligibility for reappointment under the Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021
B.R. Maheshwari & Co. LLP M-118, Block M, Connaught Place, Delhi 110 001 New Delhi, India **Tel**: +91 11 4340 2222 **E-mail**: brmc@brmco.com / sudhir@brmco.com **Firm registration number**: 001035N/ N500050 **Peer review number**: 014282	December 16, 2021	Appointment as Joint Statutory Auditor of our Company under the Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.
Price Waterhouse LLP 252, Veer Savarkar Marg, Shivaji Park, Dadar West, Mumbai 400 028 Maharashtra, India **Tel**: +91 33 2357 9100 **E-mail**: sharad.vasant@pwc.com **Firm registration no.**: 301112E/E300264 **Peer review number**: 015949	December 16, 2021	Appointment as Joint Statutory Auditor of our Company Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

CTBC Bank Co. Ltd
Ground Floor & 2nd Floor,
Aria Tower, JW Marriot Hotel Delhi Aerocity,
Asset Area -4,
New Delhi 110 037,
Delhi, India
Contact Person: Gurbir Singh
Tel: +91 11 4368 8802
E-mail: gurbir.singh@ctbcbank.com
Website: www.ctbcbank.com

Emirates NBD Bank (PJSC)
Ground & 1st Floor, 5 North Avenue, Maker Maxity,
Bandra Kurla Complex, Bandra (East), Mumbai– 400055,
Maharashtra, India
Contact Person: Amit Surve
Tel: +91 9867348048
E-mail: amitsu@emiratesnvb.com
Website: https://www.emiratesnbd.co.in/en

ICICI Bank Limited
ICICI Bank Limited, Office Number 11,
Times Tower,

Indian Bank
Large Corporate Brnach, 17,
Ground Floor, Parliament Street,

Gurugram 122001,
Haryana, India
Contact Person: Venkatesh Ramakrishnan
Tel: +91 440 4514 6118
E-mail: Ramakrishnan.venkatesh@icicibank.com
Website: www.icicibank.com

New Delhi, 110001, Delhi, India
Contact Person: Deputy General Manager/ Branch Head
Tel: +91 11 2374 4621, +91 11 2336 6832
E-mail: corporatebranch.delhi@indianbank.co.in
Website: www.indianbank.in

Mizuho Bank Ltd
5th floor, Oberoi Corporate Tower Building No.11,
DLF Cyber City Phase-II,
Gurugram 122 002,
Haryana, India
Contact Person: Anurag Pandey / Shaurav Kumar
Tel: +91 12 4485 1900
E-mail: Anurag.pandey@mizuho-cb.com; Shaurav.kumar@mizuho-cb.com
Website: www.mizuhobank.com/India

MUFG Bank Ltd.
5th floor, Worldmark 2,
Asset 8, Aerocity,
New Delhi 110 037,
Delhi, India
Contact Person: Vipin Pruthi
Tel: +91 11 4364 1251
E-mail: vipin_pruthi@in.mufg.jp
Website: www.mujf.jp/english

RBL Bank Limited
1st Lane, Shahupuri Kolhapur,
Mumbai, 400055,
Maharashtra, India
Contact Person: Renu Ahuja
Tel: 011-49365509
E-mail: Rajat.Verma1@rblbank.com
Website: www.rblbank.com

Standard Chartered Bank
Bandra East, G-Block,
Bandra Kurla Complex, Crescenzo,
Mumbai 400 051
Maharashtra, India
Contact Person: Arpit Singhal
Tel: +91 12 4487 6447
E-mail: arpit.singhal@sc.in
Website: www.sc.com/in/

State Bank of India
Overseas Branch, New Delhi,
Delhi, India
Contact Person: Iqbal Mahmood
Tel: 011-23374916
E-mail: rm2.04803@sbi.co.in
Website: www.sbi.co.in

Yes Bank Limited
Yes Bank House, Off Western Express Highway,
Santacruz East,
Mumbai Suburban 400 055,
Maharashtra, India
Contact Person: Amit Kumar Agarwalla
Tel: +91 95 6079 0105
E-mail: amit.agarwalla@yesbank.in
Website: www.yesbank.in

Syndicate Members

[●]

Filing

A copy of this Draft Red Herring 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 pursuant to the SEBI ICDR Master Circular. It will be filed at:

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, would be filed with the RoC at its office at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi, 110 019, Delhi, India and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act through the electronic portal at www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

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

Sr. No	Activities	Responsibility	Coordination
1.	Capital structuring, due diligence of the Company including its operations/ management/legal Drafting and design of the DRHP, RHP, Prospectus ensuring compliance with Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	JM Financial Limited
2.	Drafting and approval of statutory advertisements and application form, abridged prospectus	BRLMs	JM Financial Limited
3.	Appointment of intermediaries - Registrar to the Offer and advertising agency, including coordination of all agreements to be entered into with such intermediaries	BRLMs	SBI Capital Markets Limited
4.	Appointment of intermediaries - Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Axis Capital Limited
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	ICICI Securities Limited
6.	Preparation of road show marketing presentation, analyst presentation	BRLMs	Jefferies India Private Limited
7.	Preparation of FAQs	BRLMs	BoFA
8.	International Institutional marketing of the Offer, which will cover, inter alia Marketing strategy; Finalizing list and division of investors for one to one meetings and Finalizing road show and investor meeting schedule	BRLMs	Jefferies India Private Limited and BoFA
9.	Domestic Institutional marketing of the Offer, which will cover, inter alia Marketing strategy; Finalizing list and division of investors for one to one meetings and Finalizing road show and investor meeting schedule	BRLMs	JM Financial Limited
10.	Retail marketing of the Offer, which will cover, inter alia: Finalizing Media, marketing, public relations strategy and publicity; FAQs for retail road shows, finalizing collection centres, finalising centres for holding conferences for brokers, followup on distribution of publicity, Issue material including form, RHP/Prospectus and deciding quantum	BRLMs	ICICI Securities Limited
11.	Non institutional marketing - media, marketing & public relations strategy & marketing for non institutional investors	BRLMs	HDFC Bank Limited
12.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Jefferies India Private Limited
13.	Coordination with Stock Exchanges for anchor coordination, anchor CAN and intimation of anchor allocation, book building software, bidding terminals and mock trading	BRLMs	HSBC Securities and Capital Markets (India) Private Limited
14.	**Post bidding activities**- Management of escrow accounts, coordinate non institutional allocation, coordination with registrar, SCSBs and Bank to the Offer, intimation of allocation and dispatch of refund to bidders, etc. **Post Offer activities** -Follow up steps including allocation to Anchor Investors, follow up with Bankers to the Offer and SCSBs, Finalisation of the basis of allotment or weeding out of multiple applications, Listing of Shares, Dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post issue activity such as registrar to the Offer, Bankers to the Offer, SCSBs **Co-ordination with SEBI and Stock Exchanges** for Submission of all post Offer reports including the Initial and final Post Offer report to SEBI	BRLMs	ICICI Securities Limited

IPO Grading

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

Monitoring Agency

Our Company will appoint the monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations.

Appraising Entity

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

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI, for the ASBA process is available at (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time or at such other websites as may be prescribed by SEBI from time to time, (ii) A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through Registered Broker, RTA or CDP may submit the Bid cum Application Forms, 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 updated from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is provided in the 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.

Syndicate SCSB Branches

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

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker 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 Stock Exchanges at https://www.bseindia.com and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts to the Offer

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

Our Company has received a written consent dated July 31, 2024 from our Joint Statutory Auditors, namely, Price Waterhouse LLP and B.R. Maheshwari & Co. LLP, Chartered Accountants, respectively, to include their names as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 (and not under the U.S. Securities Act) to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their examination report dated July 29, 2024 on the Restated Consolidated Financial Information, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated July 31, 2024, from B.R. Maheshwari & Co. LLP, 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 in respect to their report dated July 31, 2024 on the statement of special tax benefits as included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company in consultation with the Book Running Lead Managers, and which will either be included in the Red Herring Prospectus or will be notified in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading 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 details, see "*Offer Procedure*" beginning on page 536.

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 RIB 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. Non-Institutional Investors with an application size of up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism.

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. RIBs and Eligible Employees Bidding in the Employee Reservation Portion and Eligible HMCL Shareholders Bidding in the Shareholder Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period. 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.

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

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" beginning on pages 525, 531 and 536, respectively.

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

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 of the Stock Exchanges, which our Company shall apply for after Allotment.

Underwriting Agreement

Our Company and each of the Selling Shareholder intends to, prior to the filing of the Prospectus with the RoC, enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares which they shall subscribe to on account of rejection of bids, either by themselves or by procuring subscription, at a price which shall not be less than the Offer Price, pursuant to the Underwriting Agreement:

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

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 determination of the Offer Price and finalization of the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, 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/ 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. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed in accordance with applicable laws, after the determination of the Offer Price and allocation of Equity Shares, prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer 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)

		Aggregate nominal value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**[(1)]		
	Equity Shares comprising		
	300,000,020 Equity Shares of face value of ₹ 10 each	3,000,000,200	-
	Preference Shares comprising		
	17,036,363 Class A CCPS of face value of ₹ 550 each	9,369,999,650	-
	19,327,273 Class B CCPS of face value of ₹ 550 each	10,630,000,150	-
	100,000 NCRPS of face value ₹ 100,000 each	10,000,000,000	-
	Total	**33,000,000,000**	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER AND PRIOR TO CONVERSION OF PREFERENCE SHARES)**		
	Equity Shares comprising		
	127,306,674 Equity Shares of face value ₹ 10 each	1,273,066,740	-
	Preference Shares comprising		
	17,036,363 Class A CCPS of face value of ₹ 550 each [(2)]	9,369,999,650	-
	19,327,273 Class B CCPS of face value of ₹ 550 each [(2)]	10,630,000,150	-
	Total	**21,273,066,540**	-
	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER POST CONVERSION OF PREFERENCE SHARES)		
	163,670,310 Equity Shares of face value of ₹ 10 each [(2)]	1,636,703,100	
D	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**[(2)(3)]		
	Offer of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 36,681.34 million[(3)(4)]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 21,000.00 million [(3)(7)]	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 15,681.34 million[(4)]	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹[●] million[(5)]		
	Shareholders Reservation Portion of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million[(5)(6)]		
	Net Offer of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million	[●]	[●]
E	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
F	**SECURITIES PREMIUM**		
	Before the Offer (in ₹ million)		39,425.05
	After the Offer***** (in ₹ million)		[●]

* *To be included upon finalization of the Offer Price.*

(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 296.*

(2) *Prior to filing of the Red Herring Prospectus, 17,036,363 Class A CCPS will convert to a maximum of up to 17,036,363 Equity Shares of face value ₹ 10 each ; and 19,327,273 Class B CCPS will convert to a maximum of up to 19,327,273 Equity Shares of face value ₹ 10 each in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(3) *The Offer has been authorized by resolution of our Board of Directors at their meetings held on May 29, 2024 and the Fresh Issue has been authorised by a special resolution passed by our Shareholders by way of postal ballot declared on June 30, 2024. For further details, see "Other Regulatory and Statutory Disclosures" on page 501.*

(4) *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 and are eligible for being offered for sale pursuant to the Offer in accordance with the provisions, including Regulation 8 and 8A, of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "The Offer" and "Other Regulatory and Statutory Disclosures" beginning on pages 81 and 501, respectively.*

(5) *Subject to valid bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in*

excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. The unsubscribed portion, if any, in the Shareholder Reservation Portion, shall be added to the Net Issue. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Retail Portion in the Net Offer and such Bids will not be treated as multiple Bids. For further details, see "Offer Structure" beginning on page 531.

(6) The Shareholders Reservation Portion shall not exceed 10% of the size of the Offer. For further details, see "Offer Structure" beginning on page 531.

(7) Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the 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 RHP and Prospectus.

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 forth 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	Name of allottees/ shareholders	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
December 16, 1991	70	10	10	Allotment pursuant to initial subscription to the Memorandum of Association	Cash	10 Equity Shares each to Hero Honda Motors Limited, O.P Munjal, Pawan Kant Munjal, Renu Munjal, Yogesh Munjal, Ashok Kumar Munjal and Karna Singh Mehta.	70	700
March 30, 1992	1,000,000[$]	10	10[$]	Private placement	Cash	In respect of this allotment, the complete details of the names of the allottees were not available in the RoC Search Report (as defined below, in footnote (@)). For a partial list of allottees, please refer to Annexure A.[@]	1,000,070	10,000,700
May 19, 1992	1,000,000[$]	10	10[$]	Private placement	Cash	In respect of this allotment, the complete details of the names of the allottees were not available in the RoC Search Report. For a partial list of allottees, please refer to Annexure A. [@]	2,000,070	20,000,700
May 22, 1992	1,316,800[$]	10	10[$]	Private placement	Cash	In respect of this allotment, the complete details of the names of the allottees were not available in the RoC Search Report. For a partial list of allottees, please refer to Annexure A. [@]	3,316,870	33,168,700
June 10, 1992	440,800[$]	10	10[$]	Private placement	Cash	In respect of this allotment, the complete details of the names of the allottees were not available in the RoC Search Report. For a partial list of allottees, please refer to Annexure A. [@]	3,757,670	37,576,700
December 22, 1992	458,400[$]	10	10[$]	Private placement	Cash	In respect of this allotment, details of the names of the allottees were not available in the RoC Search Report.[@]	4,216,070	42,160,700
February 26, 1993	46,200[$]	10	10[$]	Private placement	Cash	In respect of this allotment, details of the names of the allottees were not available in the RoC Search Report.[@]	4,262,270	42,622,700

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	Name of allottees/ shareholders	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
March 29, 1993	136,400$	10	10$	Private placement	Cash	In respect of this allotment, details of the names of the allottees were not available in the RoC Search Report.@	4,398,670	43,986,700
September 29, 1994	601,300$	10	10$	Private placement	Cash	In respect of this allotment, details of the names of the allottees of the Equity Shares were not available in the RoC Search Report.@	4,999,970	49,999,700
March 31, 1996	4,050,030$ (1)	10	15$	Rights issue	Cash	In respect of this allotment, details of the names of the allottees of the Equity Shares were not available in the RoC Search Report.@	9,050,000	90,500,000
February 5, 2013	9,050,000	10	115	Rights issue	Cash	In respect of this allotment, for the complete list of allottees and the number of Equity Shares allotted to them, please refer to Annexure B.	18,100,000	181,000,000
June 26, 2014	27,150,000	10	115	Rights issue	Cash	In respect of this allotment, for the complete list of allottees and the number of Equity Shares allotted to them, please refer to Annexure B.	45,250,000	452,500,000
August 7, 2015	33,937,500	10	120	Rights issue	Cash	In respect of this allotment, for the complete list of allottees and the number of Equity Shares allotted to them, please refer to Annexure B.	79,187,500	791,875,000
September 15, 2016	13,492,216 (2)	10	520.30	Private placement	Cash	Allotment of 10,955,218 Equity Shares to Otter Limited, and 2,536,998 Equity Shares to Credit Suisse (Singapore) Limited.	92,679,716	926,797,160
February 22, 2018	5,765,905 (3)	10	520.30	Conversion of share warrants allotted on September 15, 2016 into Equity Shares	Cash	2,045,551 Equity Shares to Hero MotoCorp Limited, 599,462 Equity Shares to Dr. Pawan Munjal (on behalf of BMOP), 599,462 Equity Shares to Renu Munjal (on behalf of BMOP), 599,462 Equity Shares to Suman Kant Munjal (on behalf of BMOP) and 1,921,968 Equity Shares to Munjal Acme Packaging Systems Private Limited	98,445,621	984,456,210
August 23, 2018	15,751,300 (4)	10	750	Rights issue	Cash	In respect of this allotment, for the complete list of allottees and the number of Equity Shares allotted to them, please refer to Annexure B.	114,196,921	1,141,969,210
February 20, 2020	12,272,794 (5)	10	820	Preferential issue	Cash	Allotment of 2,048,781 Equity Shares to Apis Growth II (Hibiscus) Pte. Ltd., 5,399,319 Equity Shares to Hero MotoCorp Limited, 146,342	126,469,715	1,264,697,150

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	Name of allottees/ shareholders	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
						Equity Shares to Hero InvestCorp Private Limited, 2,682,927 Equity Shares to Bahadur Chand Investments Private Limited, 790,394 Equity Shares to RK Munjal and Sons Trust (through its trustee), 790,394 Equity Shares to Dr. Pawan Munjal Family Trust (through its trustee), 243,905 Equity Shares to Survam Trust (through its trustee and 170,732 Equity Shares to Credit Suisse (Singapore) Limited		
March 18, 2020	836,959 (5)	10	820	Preferential issue	Cash	Allotment of 824,405 Equity Shares to Otter Limited and 12,554 Equity Shares to Link Investment Trust.	127,306,674	1,273,066,740
June 27, 2024	548(6)	10	2,500	Issuance of forfeited shares	Cash	Allotment of 548 Equity Shares to Abhimanyu Munjal	127,306,674	1,273,066,740

1) *In relation to this rights issue, fully convertible debentures(“**FCDs**”) were issued on August 30, 1995 and such FCDs were converted into Equity Shares in the ratio of 2 Equity Shares for every FCD held on March 31, 1996.*
2) *Out of the 13,492,216 Equity Shares allotted, 7,111,282 Equity Shares of face value ₹10 each and 1,691,332 Equity Shares of face value ₹10 each were allotted to Otter Limited and Credit Suisse (Singapore Limited), respectively, on a fully paid-up basis. Further 3,843,936 Equity Shares face value ₹10 each and 845,666 Equity Shares of face value ₹10 each were allotted to Otter Limited and Credit Suisse (Singapore Limited) respectively on a partly paid-up basis with ₹ 2.50 per Equity Share towards face value and ₹ 127.58 per Equity Share towards premium amount paid at the time of allotment. These were subsequently made fully paid-up on March 1, 2017. Accordingly, these Equity Shares are fully paid-up as on the date of this Draft Red Herring Prospectus.*
3) *These share warrants were issued on a partly paid-up basis with ₹ 3.42 per Equity Share towards face value and ₹ 174.53 per Equity Share towards premium amount paid at the time of allotment on September 15, 2016, and were subsequently made fully paid-up on February 22, 2018, at the time of conversion into Equity Shares.*
4) *These Equity Shares of face value ₹10 each were allotted on a partly paid-up basis with ₹ 5 per Equity Share towards face value and ₹ 370 per Equity Share towards premium amount paid at the time of allotment and were subsequently made fully paid-up on May 3, 2024, except 548 Equity Shares which were forfeited due to non-payment of the balance on such Equity Shares. Accordingly, these Equity Shares are fully paid-up as on the date of this Draft Red Herring Prospectus*
5) *These Equity Shares of face value ₹10 each were allotted on a partly paid-up basis with ₹ 5.60 per Equity Share towards face value and ₹ 454.40 per Equity Share towards premium amount paid at the time of allotment and were subsequently made fully paid-up on February 18, 2021. Accordingly, these Equity Shares are fully paid-up as on the date of this Draft Red Herring Prospectus.*
6) *These 548 Equity Shares were forfeited due to non-payment of the balance on such Equity Shares on May 3, 2024 and subsequently allotted to Abhimanyu Munjal on June 27, 2024.*

@ *We have been unable to trace the complete set of secretarial records, corporate resolutions and filings in relation to changes in our issued, subscribed and paid-up share capital till 2006. The secretarial records for these past allotments of Equity Shares made by our Company prior to 2006 could not be traced as the relevant information was not available in our Company’s records, the Ministry of Corporate Affairs and the records maintained by the RoC. Accordingly, we have relied on the search reports dated July 31, 2024 prepared by DPV & Associates LLP, Company Secretaries, independent practicing company secretary, and VKC & Associates LLP, Company Secretaries, independent practicing company secretary, respectively (“**RoC Search Report**”). Further, we have also sent an intimation through our letter dated May 30, 2024 to the RoC informing them of the missing/untraceable secretarial records of our Company. For details of risks arising out of missing or untraceable past secretarial records of our Company, see “Risk Factors – We are unable to trace some of our corporate records relating to allotments made by our Company, transfers and acquisitions of Equity Shares made by our Promoters, and appointment of directors in our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation” on page 48 of this Draft Red Herring Prospectus.*

$ *In relation to these allotments, for the number of Equity Shares and issue price at which such Equity Shares were issued, our Company has been unable to trace the return of allotment i.e. Form 2, for such allotments as, the information could not be traced and was not available in our Company’s records. Accordingly, we have relied on the minutes of the board meeting and the meetings of the committee of directors approving such allotments. For details of risks arising out of missing or untraceable past secretarial records of our Company, see “Risk Factors – We are unable to trace some of our corporate records relating to allotments made by our Company, transfers and acquisitions of Equity Shares made by our Promoters, and appointment of directors in our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation” on page 48 of this Draft Red Herring Prospectus.*

(b) ***Preference Share capital***

The history of the Preference Share capital of our Company is set forth below:

Date of allotment of Preference shares	Number of Preference shares allotted	Face value per Preference share (in ₹)	Issue price per Preference share (in ₹)	Nature of allotment	Nature of consideration	Name of allottees/ shareholders	Cumulative number of Preference shares	Cumulative paid-up Preference share capital (in ₹)
CCPS (face value of ₹ 550 each)								
***Class A CCPS*^**								
June 16, 2022	17,036,363	550	550	Preferential issue	Cash	Allotment of 17,036,363 Class A CCPS to AHVF II Holdings Singapore II Pte Ltd.	17,036,363	9,369,999,650
***Class B CCPS*$**								
June 16, 2022	19,327,273	550	550	Preferential issue	Cash	Allotment of 600,000 Class B CCPS to JM Financial Credit Solutions Limited, 545,458 Class B CCPS to JM Financial Products Limited, 12,727,272 Class B CCPS to Hero MotoCorp Limited, 1,454,545 Class B CCPS to M/s Brijmohan Lal Om Parkash (Partnership Firm), 1,818,181 Class B CCPS to RK Munjal and Sons Trust (through its trustee), 1,818,181 Class B CCPS to Pawan Munjal Family Trust (through its trustee) 363,636 Class B CCPS to Survam Trust (through its trustee)	19,327,273	10,630,000,150

^ *As of the date of this Draft Red Herring Prospectus, AHVF II Holdings Singapore II Pte. Ltd. does not hold any Equity shares. An aggregate of 17,036,363 Class A CCPS of face value ₹ 550 each held by AHVF II Holdings Singapore II Pte. Ltd will be converted into a maximum of 17,036,363 Equity Shares of face value ₹ 10 each in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

$ *An aggregate of 19,327,273 Class B CCPS of face value ₹ 550 each held by JM Financial Credit Solutions Limited, JM Financial Products Limited, Hero MotoCorp Limited, Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal on behalf of Brijmohan Lal Om Parkash (Partnership Firm), RK Munjal and Sons Trust (through its trustee), Pawan Munjal Family Trust (through its trustee) and Survam Trust (through its trustee) will be converted into a maximum of 19,327,273 Equity Shares of face value ₹ 10 each in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(c) ***Details of CCPS***

S. No.	Name of the Shareholder	Date of Acquisition	Number of Preference Shares Acquired	Conversion Ratio (Minimum)	Number of Equity Shares to be allotted/allotted post conversion (Minimum)	Conversion Ratio (Maximum)	Number of Equity Shares to be allotted/allotted post conversion (Maximum)	Acquisition price per preference shares (in ₹)	Estimated Price per Equity Shares (based on minimum conversion)	Estimated Price per Equity Shares (based on maximum conversion)
Class A CCPS^ (of face value of ₹ 550 each)										
1.	AHVF II Holdings Singapore II Pte Ltd.	June 16, 2022	17,036,363	0.396176 Equity Share for 1 CCPS held	6,749,398	1 Equity Share for 1 CCPS held	17,036,363	550.00	1,388.27	550.00
Class B CCPS$ (of face value of ₹ 550 each)										
1.	JM Financial Credit Solutions Limited	June 16, 2022	600,000	0.396176 Equity Share for 1 CCPS held	237,706	1 Equity Share for 1 CCPS held	600,000	550.00	1,388.27	550.00
2.	JM Financial Products Limited	June 16, 2022	545,458	0.396176 Equity Share for 1 CCPS held	216,097	1 Equity Share for 1 CCPS held	545,458	550.00	1,388.27	550.00
3.	Hero MotoCorp Limited	June 16, 2022	12,727,272	0.396176 Equity Share for 1 CCPS held	5,042,240	1 Equity Share for 1 CCPS held	12,727,272	550.00	1,388.27	550.00
4.	Pawan Munjal, Renu Munjal and Suman Kant Munjal on behalf of Brijmohan Lal Om Parkash (Partnership Firm)	June 16, 2022	1,454,545	0.396176 Equity Share for 1 CCPS held	576,256	1 Equity Share for 1 CCPS held	1,454,545	550.00	1,388.27	550.00
5.	RK Munjal and Sons Trust (through its trustee)	June 16, 2022	1,818,181	0.396176 Equity Share for 1 CCPS held	720,320	1 Equity Share for 1 CCPS held	1,818,181	550.00	1,388.27	550.00
6.	Pawan Munjal Family Trust (through its trustee)	June 16, 2022	1,818,181	0.396176 Equity Share for 1 CCPS held	720,320	1 Equity Share for 1 CCPS held	1,818,181	550.00	1,388.27	550.00
7.	Survam Trust (through its trustee)	June 16, 2022	363,636	0.396176 Equity Share for 1 CCPS held	144,064	1 Equity Share for 1 CCPS held	363,636	550.00	1,388.27	550.00

^ *As of the date of this Draft Red Herring Prospectus, AHVF II Holdings Singapore II Pte. Ltd. does not hold any Equity shares. An aggregate of 17,036,363 Class A CCPS held by AHVF II Holdings Singapore II Pte. Ltd will be converted into a maximum of 17,036,363 Equity Shares of face value in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

$ *An aggregate of 1,93,27,273 Class B CCPS held by JM Financial Credit Solutions Limited, JM Financial Products Limited, Hero MotoCorp Limited, Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal on behalf of Brijmohan Lal Om Parkash (Partnership Firm), RK Munjal and Sons Trust (through its trustee), Pawan Munjal Family Trust (through its trustee) and Survam Trust (through its trustee) will be converted into a maximum of 1,93,27,273 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(d) ***Secondary transactions of Equity Shares****

Except as disclosed below and in "– *History of the equity share capital held by our Promoters – Build-up of the Equity shareholding of our Promoters in our Company*" on page 109, no other acquisition or transfer of securities through secondary transactions by our Promoters, Selling Shareholders and members of the Promoter Group, has been undertaken as on the date of this Draft Red Herring Prospectus:

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor(s)	Details of transferee(s)	Nature of Transaction	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)	Nature of consideration
Selling Shareholders							
March 1, 2017	57,659	Otter Limited	Vikas Srivastava (Link Investment Trust)	Transfer	10	130.07	-
October 7, 2016	106,669	Otter Limited	Vikas Srivastava (Link Investment Trust)	Transfer	10	520.30	-

**As certified by B R Maheswari & Co LLP pursuant to their certificate dated July 31, 2024.*

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

Our Company has not issued equity shares or preference shares through bonus issue or for consideration other than cash since its incorporation. Our Company has not issued any equity Shares or preference shares out of revaluation reserves since its incorporation.

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

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.

3. **Issue of Equity Shares under employee stock option schemes**

As on date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares pursuant to exercise of stock options granted pursuant to the ESOP 2017. For details of outstanding options granted pursuant to the ESOP 2017, see "-*ESOP 2017*" on page 119.

4. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

Except as disclosed below, our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price.

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	Name of allottees/ shareholders	Reason for allotment
June 27, 2024	548	10	2,500	Issuance of forfeited shares	Cash	Allotment of 548 Equity Shares to Abhimanyu Munjal	Issuance of shares which were forfeited due to non-payment of the balance on such Equity Shares

5. Shareholding pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — Number of Voting Rights — Class eg: Equity Shares	Class eg: Others	Total	Total as a % of (A+B+ C)	Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) — Number (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — Number (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)
(A)	Promoters and Promoter Group	31*	101,267,505	-	-	101,267,505	79.55	101,267,505	-	101,267,505	79.55	18,181,815	72.98		-	-	-	101,260,301
(B)	Public	7,452	26,000,425	-	-	26,000,425	20.42	26,000,425	-	26,000,425	20.42	18,181,821	26.99		-	N.A.	N.A.	24,784,732
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
(C1)	Shares underlying DRs	1	38,744	-	-	38,744	0.03	-	-	38,744	0.03	-	0.02		-	-	-	38,744
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
	Total	**7,483**	**127,306,674**	**-**	**-**	**127,306,674**	**100.00**	**127,267,930**	**-**	**127,306,674**	**100**	**36,363,636**	**100.00**		**-**	**-**	**-**	**126,083,777**

* *This includes 2,088 Equity Shares of Late Raj Kumari Khosla which are subject to transmission.*

6. ***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:

Sr. 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.	Hero MotoCorp Limited	52,431,893	12,727,272	39.56
2.	Bahadur Chand Investments Private Limited	25,896,764	Nil	15.72
3.	BMOP (Through Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal)*	12,121,886	1,454,545	8.24
4.	Otter Limited	12,882,170	Nil	7.82
5.	Hero InvestCorp Private Limited	3,433,008	Nil	2.08
6.	LC Hercules (Cayman) Limited	2,930,985	Nil	1.78
7.	Apis Growth II (Hibiscus) Pte Ltd	2,048,781	Nil	1.24
8.	Munjal Acme Packaging Systems Private Limited	1,921,968	Nil	1.17
	Total	**113,667,455**	**14,181,817**	**77.62**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable.*

* *323,600 Equity shares held by Late Mrs. Santosh Munjal are currently under transmission to BMOP.*

(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:

Sr. 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.	Hero MotoCorp Limited	52,431,893	12,727,272	39.56
2.	Bahadur Chand Investments Private Limited	25,896,764	Nil	15.72
3.	BMOP (Through Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal)*	12,121,886	1,454,545	8.24
4.	Otter Limited	12,882,170	Nil	7.82
5.	Hero InvestCorp Private Limited	3,433,008	Nil	2.08
6.	LC Hercules (Cayman) Limited	2,930,985	Nil	1.78
7.	Apis Growth II (Hibiscus) Pte Ltd	2,048,781	Nil	1.24
8.	Munjal Acme Packaging Systems Private Limited	1,921,968	Nil	1.17
	Total	**113,667,455**	**14,181,817**	**77.62**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable.*

* *. 323,600 Equity shares held by Late Mrs. Santosh Munjal are currently under transmission to BMOP.*

(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:

Sr. 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.	Hero MotoCorp Limited	52,431,893	12,727,272	39.61
2.	Bahadur Chand Investments Private Limited	25,896,764	Nil	15.74
3.	BMOP (Through Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal)*	12,121,886	1,454,545	8.25
4.	Otter Limited	12,882,170	Nil	7.83
5.	Hero InvestCorp Private Limited	3,433,008	Nil	2.09
6.	Credit Suisse (Singapore) Limited	2,930,985	Nil	1.78
7.	Apis Growth II (Hibiscus) Pte Ltd	2,048,781	Nil	1.25

Sr. 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 ^ (%)
8.	Munjal Acme Packaging Systems Private Limited	1,921,968	Nil	1.17
	Total	**113,667,455**	**14,181,817**	**77.72**

^ The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable.

** 323,600 Equity shares held by Late Mrs. Santosh Munjal are currently under transmission to BMOP.*

(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:

Sr. 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.	Hero MotoCorp Limited	52,431,893	12,727,272	39.62
2.	Bahadur Chand Investments Private Limited	25,896,764	Nil	15.75
3.	BMOP (Through Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal)*	12,121,886	1,454,545	8.26
4.	Otter Limited	12,882,170	Nil	7.83
5.	Hero InvestCorp Private Limited	3,433,008	Nil	2.09
6.	Credit Suisse (Singapore) Limited	2,930,985	Nil	1.78
7.	Apis Growth II (Hibiscus) Pte Ltd	2,048,781	Nil	1.25
8.	Munjal Acme Packaging Systems Private Limited	1,921,968	Nil	1.17
	Total	**113,667,455**	**14,181,817**	**77.74**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable.*

* *323,600 Equity shares held by Late Mrs. Santosh Munjal are currently under transmission to BMOP.*

7. **History of the equity share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 109,420,503 Equity Shares of face value ₹10 each equivalent to 66.43 % 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*

The details regarding the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below. From incorporation until the year 2006, we have been unable to trace the complete set of secretarial records, corporate resolutions and filings with the RoC in relation to changes in our issued, subscribed and paid-up share capital. The relevant documents are also not available at RoC, as certified by DPV & Associates LLP, Company Secretaries, independent practicing company secretary, and VKC & Associates LLP, Company Secretaries, independent practicing company secretary, respectively in their search reports, each dated July 31, 2024. For details of risks arising out of missing or untraceable past secretarial records of our Company, see *"Risk Factors – We are unable to trace some of our corporate records relating to allotments made by our Company, transfers and acquisitions of Equity Shares made by our Promoters, and appointment of directors in our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation"* on page 48 of this Draft Red Herring Prospectus.

Consequently, the disclosures in relation to the history of the Equity Share capital held by the relevant Promoters, namely Dr. Pawan Munjal, Renu Munjal, Renuka Munjal, Abhimanyu Munjal, Hero InvestCorp Private Limited and Hero MotoCorp Limited have been made in reliance of initial subscribers to the MoA, partial list of allotees available for allotments prior to 2006 and the list of shareholders attached with annual return filed with the RoC for the Fiscal 2006, as certified by DPV & Associates LLP, Company Secretaries, independent practicing company secretary, and VKC & Associates LLP, Company Secretaries, independent practicing company secretary, respectively in their search reports, each dated July 31, 2024 and there is no other data for issuance or transfer of Equity Shares available between 1992 and 2006.

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 fully diluted post-Offer capital (%)
Dr. Pawan Munjal							
December 16, 1991	Initial subscription to MoA	10	Cash	10	10	Negligible	[●]
As at July 29, 2006, Dr. Pawan Munjal was holding 9,100 Equity Shares of our Company*							
February 5, 2013	Rights issue	9,100	Cash	10	115	0.01	[●]
June 26, 2014	Rights issue	27,300	Cash	10	115	0.02	[●]
August 7, 2015	Rights issue	34,125	Cash	10	120	0.02	[●]
December 13, 2016	Transmission from late Brijmohan Lall Munjal(1)	146,466	N.A.	10	N.A.	0.09	[●]
December 26, 2016	Transmission from late Brijmohan Lall Munjal(1)	12,000	N.A.	10	N.A.	0.01	[●]
August 23, 2018	Rights issue	39,168	Cash	10	750	0.02	[●]
February 1, 2022	Transmission from Late Santosh Munjal	315,000	N.A	10	N.A.	0.19	[●]
Total (A)		**592,259**				**0.36**	**[●]**
Renu Munjal							
December 16, 1991	Initial subscription to MoA	10	Cash	10	10	Negligible	[●]
As at July 29, 2006, Renu Munjal was holding 9,100 Equity Shares of our Company*							
February 5, 2013	Rights issue	13,900	Cash	10	115	0.01	[●]
June 26, 2014	Rights issue	69,000	Cash	10	115	0.04	[●]
August 7, 2015	Rights issue	102,250	Cash	10	120	0.06	[●]
December 13, 2016	Transmission from late Brijmohan Lall Munjal(1)	146,468	N.A.	10	N.A.	0.09	[●]
December 16, 2016	Transmission from late Brijmohan Lall Munjal(1)	12,000	N.A.	10	N.A.	0.01	[●]
August 23, 2018	Rights issue	58,022	Cash	10	750	0.04	[●]
Total (B)		**410,740**				**0.25**	**[●]**
Suman Kant Munjal							
December 13, 2016	Transmission from late Brijmohan Lall Munjal(1)	146,466	N.A	10	N.A.	0.09	[●]
December 26, 2016	Transmission from late Brijmohan Lall Munjal(1)	12,000	N.A.	10	N.A.	0.01	[●]
August 23, 2018	Rights issue	26,068	Cash	10	750	0.02	[●]
Total (C)		**184,534**				**0.12**	**[●]**
Renuka Munjal							
As at July 29, 2006, Renuka Munjal was holding 10,800 Equity Shares of our Company*							
June 18, 2010	Transfer to Hero InvestCorp Private Limited (formerly known as Puja	(800)	Cash	10	13.24	Neglible	[●]

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 fully diluted post-Offer capital (%)
	Investments Private Limited)(2)						
June 18, 2010	Transfer from Hero InvestCorp Private Limited (formerly known as Puja Investments Private Limited) (2)	800	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Hero InvestCorp Private Limited (formerly known as Puja Investments Private Limited) (2)	(1,800)	Cash	10	13.24	Negligible	[●]
February 5, 2013	Rights issue	13,750	Cash	10	115	0.01	[●]
June 26, 2014	Rights issue	34,125	Cash	10	115	0.02	[●]
August 7, 2015	Rights issue	42,656	Cash	10	120	0.03	[●]
August 23, 2018	Rights issue	16,373	Cash	10	750	0.01	[●]
May 21, 2019	Transfer to Vidur Munjal by way of gift	(99,531)	N.A	10	N.A	(0.06)	[●]
Total (D)		**16,373**				**0.01**	**[●]**
Abhimanyu Munjal							
As at July 29, 2006, Abhimanyu Munjal was holding 9,000 Equity Shares of our Company*							
February 5, 2013	Rights issue	13,750	Cash	10	115	0.01	[●]
June 26, 2014	Rights issue	68,250	Cash	10	115	0.04	[●]
August 7, 2015	Rights issue	118,500	Cash	10	120	0.07	[●]
August 23, 2018	Rights issue	91,863	Cash	10	750	0.06	[●]
August 28, 2023	Transfer to Munjal Family Trust by way of gift	(150,682)	N.A.	10	Nil	(0.09)	[●]
June 27, 2024	Issuance of forfeited shares	548	Cash	10	2,500	Negligible	[●]
Total (E)		**151,229**				**0.09**	**[●]**
Hero MotoCorp Limited							
December 16, 1991	Initial subscription to the MoA	10	Cash	10	10	Negligible	[●]
March 30, 1992	Private Placement	240,000	Cash	10	10	0.15	[●]
As at July 29, 2006, Hero MotoCorp Limited was holding 2,715,000 Equity Shares of our Company*							
December 5, 2012	Transfer from 101# public shareholders (3)	142,150	Not available	10	Not available	0.09	[●]
December 13, 2012	Transfer from 16^ public shareholders(4)	16,500	Not available	10	Not available	0.01	[●]
February 1, 2013	Transfer from 15& public shareholders (5)	13,400	Not available	10	Not available	0.01	[●]
February 5,	Rights issue	4,423,250	Cash	10	115	2.69	[●]

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 fully diluted post-Offer capital (%)
2013							
June 26, 2014	Rights issue	14,600,000	Cash	10	115	8.86	[●]
August 7, 2015	Rights issue	16,432,725	Cash	10	120	9.98	[●]
February 22, 2018	Conversion of share warrants into Equity Shares	2,045,551	Cash	10	520.30	1.24	[●]
August 23, 2018	Rights issue	6,643,998	Cash	10	750	4.03	[●]
February 20, 2020	Preferential issue	5,399,319	Cash	10	820	3.27	[●]
Total (F)		**52,431,893**				**31.83**	**[●]**
Bahadur Chand Investments Private Limited							
February 5, 2013	Rights issue	2,523,600	Cash	10	115	1.53	[●]
August 7, 2015	Rights issue	15,238,314	Cash	10	120	9.25	[●]
August 23, 2018	Rights issue	5,451,923	Cash	10	750	3.31	[●]
February 20, 2020	Preferential issue	2,682,927	Cash	10	820	1.63	[●]
Total (G)		**25,896,764**				**15.72**	
Brijmohan Lal Om Parkash (Partnership Firm)							
March 31, 1996	Conversion of fully convertible debentures into Equity Shares(6)	160,000	Cash	10	15	0.10	[●]
As at July 29, 2006, Brijmohan Lal Om Parkash (Partnership Firm) was holding 161,800 Equity Shares of our Company.*							
February 5, 2013	Rights issue	161,800	Cash	10	115	0.10	[●]
June 26, 2014	Rights issue	9,999,900	Cash	10	115	6.07	[●]
February 22, 2018	Conversion of share warrants into Equity Shares	1,798,386	Cash	10	520.30	1.09	[●]
Total (H)		**12,121,886**				**7.36**	
Hero InvestCorp Private Limited							
As at July 29, 2006, Hero InvestCorp Private Limited was holding 180,000 Equity Shares of our Company.*							
June 18, 2010	Transfer from 33@ public shareholders(7)	2,333,600	Cash	10	13.24	1.42	[●]
June 18, 2010	Transfer from Yogesh Munjal(8)	90	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Yogesh Munjal(8)	(90)	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Ashok Kumar Munjal(8)	90	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Ashok Kumar Munjal(8)	(90)	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Harash Munjal(8)	800	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Harash Munjal(8)	(800)	Cash	10	13.24	Negligible	[●]
June 18,	Transfer from Urmil	4,000	Cash	10	13.24	Negligible	[●]

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 fully diluted post-Offer capital (%)
2010	Munjal[(8)]						
June 18, 2010	Transfer to Urmil Munjal[(8)]	(4,000)	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Rama Munjal[(8)]	1,600	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Rama Munjal[(8)]	(1,600)	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Renuka Munjal[(8)]	800	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Renuka Munjal[(8)]	(800)	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Suresh C Munjal [(8)]	5,200	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Suresh C Munjal[(8)]	(5,200)	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Mahesh Munjal[(8)]	800	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Mahesh Munjal[(8)]	(800)	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer from Umesh Munjal[(8)]	4,000	Cash	10	13.24	Negligible	[●]
June 18, 2010	Transfer to Umesh Munjal[(8)]	(4,000)	Cash	10	13.24	Negligible	[●]
August 6, 2010	Transfer from Anju Munjal[(9)]	10,000	Cash	10	13.24	0.01	[●]
August 23, 2018	Rights issue	763,066	Cash	10	750	0.46	[●]
February 20, 2020	Preferential issue	146,342	Cash	10	820	0.09	[●]
Total (I)		**3,433,008**				**2.08**	
Total (A+B+C+D+E+F+G+H + I)		**95,238,686**				**57.82**	**[●]**

* *We have been unable to trace the complete set of secretarial records, corporate resolutions and filings in relation to changes in our issued, subscribed and paid-up share capital from incorporation till 2006 and have relied on the list of shareholders attached with annual return filed with the RoC for the Fiscal 2006, as certified by DPV & Associates LLP, Company Secretaries, independent practicing company secretary, and VKC & Associates LLP, Company Secretaries, independent practicing company secretary, respectively in their search reports, each dated July 31, 2024. The relevant documents are also not available at RoC, as certified by DPV & Associates LLP, Company Secretaries, independent practicing company secretary, and VKC & Associates LLP, Company Secretaries, independent practicing company secretary, respectively in their search report. For more details, please see "Risk Factors – We are unable to trace some of our corporate records relating to allotments made by our Company, transfers and acquisitions of Equity Shares made by our Promoters, and appointment of directors in our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation." on page 48.*

$ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable. For details of the CCPS, see "Capital Structure – Preference Share Capital-Details of CCPS" on page 104.*

(1) *In relation to the transmission of Equity Shares, we have been unable to trace the relevant share transmission forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC for Fiscal Year 2017.*

(2) *In relation to the transfer of Equity Shares, we have been unable to trace the relevant share transfer forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC for Fiscal Year 2011 and in relation to the transfer price, we have relied on the audited financial statements of Hero InvestCorp Private Limited (earlier known as Puja Investments Private Limited) for Fiscal 2011.*

(3) *In relation to the transfer of Equity Shares, we have been unable to trace the relevant share transfer forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC for Fiscal Year 2013. Additionally the information in relation to the transfer price is not traceable and hence we have mentioned the same as not available.*

(4) *In relation to the transfer of Equity Shares, we have been unable to trace the relevant share transfer forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC for Fiscal Year 2013. Additionally the information in relation to the transfer price is not traceable and hence we have mentioned the same as not available.*

(5) *In relation to the transfer of Equity Shares, we have been unable to trace the relevant share transfer forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC for Fiscal Year 2013.*

Additionally the information in relation to the transfer price is not traceable and hence we have mentioned the same as not available.

(6) *In relation to this allotment, we have been unable to trace the relevant form filings i.e. Form-2 and list of allottees that are available in our Company's records and have relied on audited financial statements of BMOP (Partnership firm) for the Fiscal Year 1996.*

(7) *In relation to this transfer of Equity Shares, we have been unable to trace the relevant share transfer forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC, for Fiscal Year 2011.*

(8) *In relation to this transfer of Equity Shares, we have been unable to trace the relevant share transfer forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC, for Fiscal Year 2011 and in relation to the transfer price, we have relied on the audited financial statements of Hero InvestCorp Private Limited (earlier known as Puja Investments Private Limited) for Fiscal 2011.*

(9) *In relation to this transfer of Equity Shares, we have been unable to trace the relevant share transfer forms and Board resolutions and have relied on the list of share transfers annexed to the Company's annual returns filed with the RoC, for Fiscal Year 2011 and in relation to the transfer price, we have relied on the audited financial statements of Hero InvestCorp Private Limited (earlier known as Puja Investments Private Limited) for Fiscal 2011.*

\# *Transfer of 1,100 Equity Shares from Emerging Securities to Hero MotoCorp Limited, Transfer of 14,900 Equity Shares from Suresh Shetty to Hero MotoCorp Limited, Transfer of 1,500 Equity Shares from Akhilesh Mathur to Hero MotoCorp Limited, Transfer of 1,600 Equity Shares from Ranjit Bhatia to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Veena Bhatia to Hero MotoCorp Limited, Transfer of 1,000 Equity Shares from Sudesh Kumari Kalra to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Chandhok Sudhir to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Atul Tyagi to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Renu Tyagi to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Subhash Chand Kondal to Hero MotoCorp Limited, Transfer of 1,100 Equity Shares from Subraw Arawkar to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Suman Jaggi to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Ajay Dikshit to Hero MotoCorp Limited, Transfer of 250 Equity Shares from Purnima to Hero MotoCorp Limited, Transfer of 700 Equity Shares from Vineet Luthra to Hero MotoCorp Limited, Transfer of 1,500 Equity Shares from Palvinder Kaur to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Simon K. Paul to Hero MotoCorp Limited, Transfer of 1,300 Equity Shares from Savita Goel to Hero MotoCorp Limited, Transfer of 300 Equity Shares from M. G. Securities Pvt. to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Mayank Goel to Hero MotoCorp Limited, Transfer of 550 Equity Shares from Ramesh Kapoor to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Kiran Kapoor to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Anil Kumar Surolia to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Raj Munjal to Hero MotoCorp Limited, Transfer of 150 Equity Shares from Shyam Lal to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Hema Devi to Hero MotoCorp Limited, Transfer of 1000 Equity Shares from Rakesh Nagpal to Hero MotoCorp Limited, Transfer of 1800 Equity Shares from Ravi Sud to Hero MotoCorp Limited, Transfer of 5,200 Equity Shares from Ravi Sud & Son HUF to Hero MotoCorp Limited, Transfer of 1,100 Equity Shares from Nandita Sud to Hero MotoCorp Limited, Transfer of 11,900 Equity Shares from Karan Sud to Hero MotoCorp Limited, Transfer of 400 Equity Shares from M. P. Agrawal to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Lalit Munjal to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Anand Singh Rawat to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Lata Dogra to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Praka Chandra Tiwari to Hero MotoCorp Limited, Transfer of 600 Equity Shares from Veena Sharma to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Vimal Kathuria to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Madhu Sharma to Hero MotoCorp Limited, Transfer of 600 Equity Shares from Sanjeev Dhingra to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Rohit Sharma to Hero MotoCorp Limited, Transfer of 1,300 Equity Shares from Verinder Kumar Puri to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Jyoti Jayaram to Hero MotoCorp Limited, Transfer of 1,200 Equity Shares from H. Panduranga Pai to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Chan Sekhar Damaraju to Hero MotoCorp Limited, Transfer of 200 Equity Shares from O.P. Aggarwal to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Om Prakash Aggarwal to Hero MotoCorp Limited, Transfer of 36,000 Equity Shares from Kapsons Associates to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Sumitra Rani to Hero MotoCorp Limited, Transfer of 1,100 Equity Shares from Kusum Gupta to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Bina Devi to Hero MotoCorp Limited, Transfer of 2,700 Equity Shares from Lokesh Dhawan to Hero MotoCorp Limited, Transfer of 1,300 Equity Shares from Neelam Dhawan to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Mahipal Gupta to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Sudesh Vasisht to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Kamal Kumar Bali to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Kashmir Singh to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Rajinder Singh to Hero MotoCorp Limited, Transfer of 700 Equity Shares from Rama Nand Vasisht to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Sushma Khurana to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Jawaharlal Khurana to Hero MotoCorp Limited, Transfer of 100 Equity Shares from G.P. Das to Hero MotoCorp Limited, Transfer of 6,300 Equity Shares from Lakshay Kamboj to Hero MotoCorp Limited, Transfer of 6,700 Equity Shares from Shray Kamboj to Hero MotoCorp Limited, Transfer of 2,200 Equity Shares from Ilam C Kamboj to Hero MotoCorp Limited, Transfer of 4,300 Equity Shares from Alka Kamboj to Hero MotoCorp Limited, Transfer of 600 Equity Shares from Dani Ram Lamba to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Pinki Agarwal to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Harigopal Agrawal to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Manju Upreti to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Kiran Rawal to Hero MotoCorp Limited, Transfer of 800 Equity Shares from Ashok Kumar to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Jyotirmoy Mitra to Hero MotoCorp Limited, Transfer of 1,100 Equity Shares from Jyotsna Mokashi to Hero MotoCorp Limited, Transfer of 1,000 Equity Shares from Rajesh Kumar Midha to Hero MotoCorp Limited, Transfer of 1,500 Equity Shares from Ashok Kumar Sharma to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Bimla Rani Grover to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Dharamvir Grover to Hero MotoCorp Limited, Transfer of 1,500 Equity Shares from V. Srinivasa Rangan to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Jayam V. to Hero MotoCorp Limited, Transfer of 600 Equity Shares from Sanjeev Kumar to Hero MotoCorp Limited, Transfer of 600 Equity Shares from Laxmi Nautiyal to Hero MotoCorp Limited, Transfer of 600 Equity Shares from C. R. Nautiyal to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Ramesh Sharma to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Manish Sharma to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Samay Singh Yadav to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Anita Tandon to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Deepak Gahlot to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Deepak Jain to Hero MotoCorp Limited, Transfer of 900 Equity Shares from J. Narain to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Ganga Singh Mahar to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Birender Singh Yadav to Hero MotoCorp Limited, Transfer of 100 Equity Shares from Srinivas Padhi to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Anil Kumar Sharma to Hero MotoCorp Limited, Transfer of 800 Equity Shares from Kuldeep Mathur to Hero MotoCorp Limited,. Transfer of 500 Equity Shares from Umesh Malhotra to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Sohan Singh Rajpal to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Dinesh Bhatnagar to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Mayank Goel to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Ram Singh Kandari to Hero MotoCorp Limited.*

^ *Transfer of 400 Equity Shares from Surender Miglani to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Rajesh Mehnidiratta to Hero MotoCorp Limited, Transfer of 2,700 Equity Shares from Amarnath Lulla to Hero MotoCorp Limited,* *Transfer of 2,700 Equity Shares from Sheila Lulla to Hero MotoCorp Limited, Transfer of 1,500 Equity Shares from Ashok Verma to Hero MotoCorp Limited, Transfer of 500 Equity Shares from F/G Ash Verma to Hero MotoCorp Limited, Transfer of 500 Equity Shares from F/G Ash Verma to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Sudhir Chopra to Hero MotoCorp Limited, Transfer of 1,100 Equity Shares from Rajesh Makhija to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Ilam C. Kamboj to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Madan Mohan Kapoor to Hero MotoCorp Limited, Transfer of 1,000 Equity Shares from Manjula Bhargava to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Saurabh Bhargava to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Nupur Bhargava to Hero MotoCorp Limited, Transfer of 1,000 Equity Shares from Badri Agarwal to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Abha Jain to Hero MotoCorp Limited, Transfer of 2,000 Equity Shares from Arvind Kohli to Hero MotoCorp Limited.*

& *Transfer of 500 Equity Shares from Dile Kumar Bhatnagar to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Aneek Datta to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Ashish Datta to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Rajesh Taneja to Hero MotoCorp Limited, Transfer of 200 Equity Shares from Sanjay Bhan to Hero MotoCorp Limited, Transfer of 500 Equity Shares from Vinod Kapoor to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Paramjit Singh Bedi to Hero MotoCorp Limited, Transfer of 1,800 Equity Shares from Rita Marwah to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Pawan Singhal to Hero MotoCorp Limited, Transfer of 300 Equity Shares from Renu Singhal to Hero MotoCorp Limited, Transfer of 400 Equity Shares from Sheetal Beri to Hero MotoCorp Limited, Transfer of 900 Equity Shares from Nilamber Marwah to Hero MotoCorp Limited, Transfer of 1,000 Equity Shares from Parmod Kumar to Hero MotoCorp Limited, Transfer of 500 Equity Shares from K. Sairam to Hero MotoCorp Limited, Transfer of 5,400Equity Shares from Nilambe Marwah to Hero MotoCorp Limited.*

@ *Transfer of 1,800 Equity Shares from Amol Munjal to Puja Investments Private Limited, Transfer of 180,000 Equity Shares from Anadi Investments Private Limited to Puja Investments Private Limited, Transfer of 1,800 Equity Shares from Ankur Munjal to Puja Investments Private Limited, Transfer of 9,000 Equity Shares from Ashish Kumar Munjal to Puja Investments Private Limited, Transfer of 9,000 Equity Shares from Aman Munjal to Puja Investments Private Limited, Transfer of 9,000 Equity Shares from Ashok Kumar Munjal to Puja Investments Private Limited, Transfer of 360,000 Equity Shares from Munjal Kumar (Firm) to Puja Investments Private Limited, Transfer of 180,000 Equity Shares from Bhagyoday Investments Private Limited to Puja Investments Private Limited, Transfer of 36,000 Equity Shares from Charu Munjal w/o Pankaj Munjal, to Puja Investments Private Limited, Transfer of 1,800 Equity Shares from Charu Munjal w/o Neeraj Munjal, to Puja Investments Private Limited, Transfer of 200,000 Equity Shares from Dayanand Munjal Investments Private Limited, to Puja Investments Private Limited, Transfer of 270,000 Equity Shares from Hero Cycles Limited to Puja Investments Private Limited, Transfer of 16,200 Equity Shares from Mahesh Munjal to Puja Investments Private Limited, Transfer of 180,000 Equity Shares from Munjal Investments Private Limited to Puja Investments Private Limited, Transfer of 180,000 Equity Shares from Munjal Investments Private Limited to Puja Investments Private Limited, Transfer of 1,800 Equity Shares from Renuka Munjal to Puja Investments Private Limited, Transfer of 9,000 Equity Shares from Naveen Munjal to Puja Investments Private Limited, Transfer of 3,600 Equity Shares from Gautam Munjal to Puja Investments Private Limited, Transfer of 3,600 Equity Shares from Harash Munjal to Puja Investments Private Limited, Transfer of 9,000 Equity Shares from Gaurav Munjal to Puja Investments Private Limited, Transfer of 18,000 Equity Shares from Neelam Munjal to Puja Investments Private Limited, Transfer of 3,800 Equity Shares from Neeraj Munjal to Puja Investments Private Limited, Transfer of 36,000 Equity Shares from Pankaj Munjal to Puja Investments Private Limited, Transfer of 3,600 Equity Shares from Rama Munjal to Puja Investments Private Limited, Transfer of 18,000 Equity Shares from Rekha Munjal to Puja Investments Private Limited, Transfer of 3,600 Equity Shares from Sameer Munjal to Puja Investments Private Limited, Transfer of 9,000 Equity Shares from Shobhna Munjal to Puja Investments Private Limited, Transfer of 7,200 Equity Shares from Suresh Chandra Munjal to Puja Investments Private Limited, Transfer of 520,000 Equity Shares from Munjal Chandra (Firm) to Puja Investments Private Limited, Transfer of 200,000 Equity Shares from Thakur Devi Investments Private Limited to Puja Investments Private Limited, Transfer of 9,000 Equity Shares from Umesh Munjal, Transfer of 9,000 Equity Shares from Urmil Munjal to Puja Investments Private Limited, Transfer of 3,600 Equity Shares from Yogesh Chander Munjal to Puja Investments Private Limited.*

b. *Shareholding of our Promoters and Promoter Group and the directors of our corporate Promoters*

The details of the shareholding of our Promoters, the members of the Promoter Group and the directors of our corporate Promoters as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Name of Shareholders	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 on a fully diluted basis (%)
Promoters				
Dr. Pawan Munjal	592,259	0.36	[●]	[●]
Renu Munjal	410,740	0.25	[●]	[●]
Suman Kant Munjal	184,534	0.11	[●]	[●]
Renuka Munjal	16,373	0.01	[●]	[●]
Abhimanyu Munjal	151,229	0.09	[●]	[●]
Hero MotoCorp Limited	65,159,165#	39.56	[●]	[●]
Bahadur Chand Investments Private Limited	25,896,764	15.72	[●]	[●]
Brijmohan Lal Om Parkash (Partnership Firm)^	13,576,431# %	8.24	[●]	[●]
Hero InvestCorp Private Limited	3,433,008	2.08	[●]	[●]
Total	**109,420,503**	**66.43**	[●]	[●]
Promoter Group				

Name of Shareholders	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 on a fully diluted basis (%)
Annuvrat Munjal	342,945	0.21	[●]	[●]
Sunil Kant Munjal	314,502	0.19	[●]	[●]
Ujjwal Munjal	224,420	0.14	[●]	[●]
Rahul Munjal	224,166	0.14	[●]	[●]
Supria Munjal	190,978	0.12	[●]	[●]
Vasudha Dinodia	190,978	0.12	[●]	[●]
Akshay Munjal	187,324	0.11	[●]	[●]
Radhika Uppal	104,805	0.06	[●]	[●]
Vidur Munjal	99,531	0.06	[●]	[●]
Geeta Anand	99,423	0.06	[●]	[●]
Aniesha Munjal	91,704	0.06	[●]	[●]
Munjal Acme Packaging Systems Private Limited	1,921,968	1.17	[●]	[●]
Pawan Munjal Family Trust	2,608,575	1.58	[●]	[●]
R.K. Munjal & Sons Trust	2,608,575	1.58	[●]	[●]
Munjal Family Trust	150,682	0.09	[●]	[●]
Survam Trust	607,541	0.37	[●]	[●]
Vinod Ahuja HUF	37,000	0.02	[●]	[●]
Love Kumar Khosla	13,456	0.01	[●]	[●]
Vandana Raheja	7,204	0.00	[●]	[●]
Savita Grover	1,500	0.00	[●]	[●]
Bindu Gupta	20	0.00	[●]	[●]
Total	**10,029,385^^**	**6.09**	[●]	[●]
Directors of Hero MotoCorp Limited				
Dr. Pawan Munjal@	592,259	0.36	[●]	[●]
Suman Kant Munjal@	184,534	0.11	[●]	[●]
Vasudha Dinodia	190,978	0.11	[●]	[●]
Total	**967,771**	**0.58**	[●]	[●]
Directors of Bahadur Chand Investments Private Limited				
Dr. Pawan Munjal@	592,259	0.36	[●]	[●]
Renu Munjal@	410,740	0.25	[●]	[●]
Suman Kant Munjal@	184,534	0.11	[●]	[●]
Total	**1,187,533**	**0.72**	[●]	[●]
Hero InvestCorp Private Limited				
Dr. Pawan Munjal@	592,259	0.36	[●]	[●]
Renu Munjal@	410,740	0.25	[●]	[●]
Suman Kant Munjal@	184,534	0.11	[●]	[●]
Total	**1,187,533**	**0.72**	[●]	[●]

* *Subject to completion of the Offer and finalization of the Allotment.*

\# *Assuming conversion of 1 CCPS = 1 Equity Share. For details of the CCPS, see "Capital Structure – Preference Share Capital-Details of CCPS" on page 104.*

% *323,600 Equity shares held by Late Mrs. Santosh Munjal are currently under transmission to BMOP.*

$ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable.*

^ *Held by Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*

@ *Also Promoter of our Company.*

^^ *Includes 2,088 Equity Shares held by Late Raj Kumari Khosla which are subject to transmission.*

c. *Details of Promoters' contribution and lock-in*

i. 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 Promoters	**Number of Equity Shares locked-in(1)(2)**	**Date of allotment/ transfer of Equity Shares ***	**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	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *Subject to finalisation of the Basis of Allotment.*
(1) *For a period of 18 months from the date of allotment.*
(2) *All Equity Shares were fully paid-up at the time of allotment/transfer.*

Our Promoters have given their consent to include such number of Equity Shares held by our Promoters as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of 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 109.

iii. In this connection, please note that:

a. 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 and revaluation of assets or capitalisation of intangible assets not 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.

b. 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.

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

d. All the Equity Shares held by our Promoters are in dematerialised form.

e. The Equity Shares held by our Promoters and offered for Minimum Promoters' Contribution are not subject to pledge or any other encumbrance.

d. *Other lock-in requirements:*

i. 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 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, except for (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 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 ESOP 2017. 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. In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among the members of our Promoter Group or to any new promoter of our Company, subject to continuation of the lock-in in the hands of the 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, as applicable.

iv. 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.

v. 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.

vi. 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.

e. ***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.

8. As on the date of the filing of this Draft Red Herring Prospectus, our Company has 7,291 Shareholders.

9. Except 548 Equity Shares acquired by Abhimanyu Munjal, an Individual Promoter, on June 27, 2024, none of our Promoters, members of the Promoter Group, Directors of our Corporate Promoter, Directors of our Company 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.

10. Except for Equity Shares to be allotted pursuant to the Fresh Issue and exercise of options granted under the ESOP 2017, 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.

11. 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.

12. 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 310 and 319, respectively none of our Directors or Key Managerial Personnel or Senior Management Personnel hold any Equity Shares of our Company.

13. Except for employee stock options issued pursuant to ESOP 2017 and up to 36,363,636 Equity Shares that will issued pursuant to conversion of (a) 17,036,363 Class A CCPS and (b) 19,327,273 Class B CCPS prior to filing of the Red Herring Prospectus with the RoC, 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.

14. Our Company is in compliance with the Companies Act, 1956 and Companies Act, 2013, to the extent applicable, with respect to issuance of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus.

15. All Equity Shares offered and Allotted pursuant to the Offer shall be fully paid-up at the time of Allotment.

16. Except as disclosed below, none of the Book Running Lead Managers 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:

    (i) As on the date of this Draft Red Herring Prospectus, JM Financial Products Limited and JM Financial Credit Solutions Limited, which are subsidiaries of JM Financial Limited, one of our BRLMs, hold 545,458 and 600,000 Class B Compulsory Convertible Preference shares of the Company, respectively, which when converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC will result into a maximum of 545,458 and 600,000 Equity Shares respectively, together constituting around 0.70% of the Equity Share capital of the Company on fully diluted basis. JM Financial Limited is not an associate of the Company (as defined under Regulation 21A of the SEBI Merchant Bankers Regulations) or of any person offering Equity Shares held by them as part of the Offer for Sale.

17. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, directors of our Corporate Promoter, 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.

18. 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.

19. Our Promoters and the members of our Promoter Group will not participate in the Offer, except to the extent of the sale of Offered Shares by way of Offer for Sale.

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

21. Except for any issue of Equity Shares pursuant to Fresh Issue, the Pre-IPO Placement, the employee stock options issued pursuant to ESOP 2017 and up to 36,363,636 Equity Shares that will issued pursuant to conversion of (a) 17,036,363 Class A Preference Shares and (b) 19,327,273 Class B Preference Shares 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.

22. 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.

23. For details of price of acquisition of specified securities by our Promoter, 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 "*Summary of the Offer Document – Details of price of acquisition of specified securities by our Promoter, 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*" on page 24.

24. **ESOP 2017**

    Our Company, pursuant to the resolution passed by our Board on May 29, 2016 and our Shareholders on June 9, 2017, adopted the ESOP 2017. ESOP 2017 was further amended pursuant to the resolution passed by our Board on May 3, 2024 and the resolution passed by our Shareholders on June 30, 2024. The Company adopted ESOP 2017 to create, offer, issue and allot in one or more tranches, stock options which are convertible into Equity Shares. The purpose of ESOP 2017 is to attract and retain talented employees and create wealth in the hands of our employees. The ESOP 2017 is in compliance with the SEBI SBEB Regulations and other Applicable Laws. As on the date of this Draft Red Herring Prospectus, under ESOP 2017, an aggregate of 3,526,179 options have been granted (including an aggregate of 975,645 lapsed options), an aggregate of 1,045,587 options have been vested and an aggregate of nil options have been exercised. These options have been granted in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

The Details of ESOP 2017, as certified by B R Maheswari & Co LLP, Chartered Accountants through their certificate dated July 31, 2024, are as follows:

Particulars	**Details**			
	Fiscal 2022	**Fiscal 2023**	**Fiscal 2024**	**From April 1, 2024 till the date of this Draft Red Herring Prospectus**
Total options outstanding as at the beginning of the period	1,472,819	1,333,534	1,514,381	2,556,529
Total options granted	51,000	471,718	1,141,256	-
Exercise price of options in ₹ (as on the date of grant options)	780	780	780	780
Options forfeited/lapsed/cancelled	190,285	290,871	99,108	5,995
Variation of terms of options	Vesting schedule for the company changed from 10% on the first anniversary from the date of grant, 20% on the second anniversary from the date of grant, 30% on the third anniversary from the date of grant and 40% on the fourth anniversary from the date of grant to 10% on the first anniversary from the date of grant, 25% on the second anniversary from the date of grant, 30% on the third anniversary from the date of grant and 45% on the fourth anniversary from the date of grant. Further, changes were made to ESOP 2017 to comply with the SEBI SBEB & SE Regulations.			
Money realized by exercise of options during the year/period	NA	NA	NA	NA
Total number of options outstanding in force at the end of period/year	1,333,534	1,514,381	2,556,529	2,556,529
Total options vested (excluding the options that have been exercised)	752,251	732,128	878,344	1,045,587
Options exercised (since implementation of ESOP 2017)	Nil	Nil	Nil	Nil
The total number of Equity Shares arising as a result of full exercise of granted options (including options that have been exercised)	1,333,534	1,514,381	2,556,529	2,550,534
Employee wise details of options granted to:				
(i) Key managerial personnel:				
Sajin Mangalathu	102,100	138,900	173,900	173,900
Shivendra Kumar Suman	25,000	25,000	40,000	40,000
(ii) **Senior management personnel:**				
Ajay Sahasrabuddhe	107,921	117,921	152,921	152,921
Anurag Agarwal	-	-	10,000	10,000
Joydeep Basu	50,049	70,049	99,526	99,526
Mahesh Kumar Sanghavi	-	107,418	107,418	107,418
Priya Kashyap	70,100	100,100	142,100	142,100
Srishti Sethi	115,000	155,000	197,000	190,000
Subhransu Mandal	-	57,000	57,000	57,000
Ugen Tashi Bhutia	-	85,000	100,000	100,000
(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				
1. Apurva Jayavadan Mehta	16,000	-	-	
2. Chandan Singh	10,000	-	-	
3. Rahul Bedi	12,000	-	-	-
4. Malvika Singh	7,000	-	-	-

Particulars	Details			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	From April 1, 2024 till the date of this Draft Red Herring Prospectus
5. Alok Kumar Singh	6,000	-	-	-
(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		Nil		
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 ₹)	(15.07)	37.67	49.94	-
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	The fair value of options granted is estimated using the Black Scholes Option Pricing Model.			
Weighted average fair value of option (in ₹)	199.52	201.45-273.64	492.76-565.43	-
Weighted average share price (in ₹)	550.6	550-611.8	892.83-993.13	-
Exercise Price (in ₹)	780	780	780	-
Expected volatility##	48.8	47.67-53.09	51.13-49.73	-
Option life (Years)	4.5	4.5	4.5	-
Dividend yield (%)	0.39	0.36-0.38	0.82	-
Risk-free interest rate (%)#	5.49%	7-7.21	7.38-7.20	-
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	Our Company has complied with the accounting standard issued by the Institute of Chartered Accountants of India which is in line with the SEBI SBEB & SE Regulations			
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 the Company and on the earnings per share of our Company	Not applicable. Since, fair value using Black Scholes Model has been used for calculating employee compensation cost			
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	NA			

Particulars	Details			
	Fiscal 2022	**Fiscal 2023**	**Fiscal 2024**	**From April 1, 2024 till the date of this Draft Red Herring Prospectus**
after the date of listing of Equity Shares pursuant to the Offer				
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 scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of our Company.	NA			

\# *The risk free interest rate being considered for the calculation is interest rate applicable to the implied yield of zero coupon government securities.*

\## *Expected volatility calculation is based on volatility of similar listed enterprises*

OBJECTS OF THE OFFER

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

Offer for Sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon. 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 of the Offer*" beginning on page 501.

The 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 Company's future capital requirements towards onward lending, arising out of the growth of our business. Further, a portion of the proceeds from the Fresh Issue will be used towards meeting Offer Expenses. For further details, see "– *Offer Expenses*" on page 125 below.

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

The main objects clause and objects which are necessary for furtherance of the main objects as set out in our Memorandum of Association enable us to undertake the activities for which the funds are proposed to be raised by us through the Fresh Issue.

Net Proceeds

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

Particulars	Estimated amount (₹ in million) [(2)]
Gross proceeds of the Fresh Issue[(1)]	21,000
(Less) Fresh Issue expenses[(2)(3)]	[●]
Net Proceeds	**[●]**

[(1)] *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of SCRR. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer. On utilization of proceeds from the Pre-IPO Placement (if any) prior to the completion of the Offer, our Company shall appropriately intimate the subscribers 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 any) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

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

[(3)] *For details, see "- Offer Expenses" below.*

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be utilised towards augmentation of our Company's Tier – I Capital base to meet our Company's future capital requirements towards onward lending which are expected to arise out of the growth in our Company's business and assets, and to ensure compliance with regulatory requirements on capital adequacy prescribed by the RBI from time to time.

Proposed Schedule of Implementation and Deployment of Funds

The Net Proceeds are proposed to be deployed in accordance with the details provided hereunder:

Particulars	Amount (in ₹ million)	Percentage of Net Proceeds (%)
Augmentation of our Company's Tier – I Capital base to meet our Company's future capital requirements towards onward lending	[●]	100%
Total	**[●]**	**100%**

The Net Proceeds are proposed to be deployed over the course of Financial Year 2025. The fund deployment is based on current circumstances of our business, and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Financial Year, as may be determined by our Company, in accordance with applicable laws. For details on risks involved, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilise certain portions of the Net Proceeds of the Offer.* " on page 65.

Details of the Objects of the Fresh Issue

1. ***Augmentation of our Company's Tier–I capital base to meet our Company's future capital requirements towards onward lending***

We are an NBFC in India and are registered with the RBI under Section 45 IA of the Reserve Bank of India Act, 1934. We are a scaled NBFC offering a diversified suite of financial products catered primarily to the growing retail customer segment and the rapidly formalising MSME customer segment in India. We offer retail, MSME and CIF loansFor details, see "*Our Business*" beginning on page 237. As an NBFC, 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. For further details, see "*-Offer Expenses*" and "*Key Regulations and Policies*" beginning on pages 125 and 278.

The table sets forth the details of composition of the Company's Tier – I and Tier – II Capital as at March 31, 2024, March 31, 2023 and March 31, 2022 as per the standalone financial statements of the Company:

(₹ in millions except percentages)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Share Capital	21,273.06	21,273.06	1,273.06
Statutory Reserve (u/s 45IC of RBI Act, 1934)	4,771.97	3,568.17	2,653.47
General Reserve	1,310.20	1,310.20	1,310.21
Securities Premium	39,403.10	39,403.01	39,462.96
Retained Earnings	10,863.56	7,080.96	3,414.81
Other Reserves	133.50	250.68	264.88
Capital Redemption Reserve	-	-	-
Deferred Tax Asset, Deferred revenue expenditure, other intangible assets and other ineligible items for Tier - 1 capital	6,279.10	8,360.25	10,549.28
Tier I Capital	**71,476.29**	**64,525.84**	**37,830.11**
Subordinated Debt	7,000.00	7,300.00	5,335.11
General Provision & Standard Asset Provision	2,572.95	3,231.11	1,868.70
Tier II Capital	**9,572.95**	**10,531.11**	**7,203.81**
Total Capital Fund (Tier I & II)	**81,049.24**	**75,056.95**	**45,033.93**
Total risk weighted assets and contingents	**4,97,819.68**	**3,64,823.53**	**2,88,592.15**
Total Capital Ratio (CRAR) (%)	16.28%	20.57%	15.60%

Notes:

1. *As per the capital adequacy norms issued by the RBI, we are required to have a regulatory minimum Capital to Risk Weighted Assets Ratio ("**CRAR**") of 15% consisting of Tier I and Tier II Capital. Additionally, we are required to maintain a Tier I Capital of 10% at all times. For further details, see "Key Regulations and Policies" on page 278. Our Company proposes to utilise the Net Proceeds towards augmenting its capital base to meet future capital requirements, which are expected to arise out of growth of our business and assets, including but not limited to, onward lending under our Company's lending verticals.*
2. *The computations of Tier I Capital (as defined in the NBFC Scale Based Regulations) and Tier II Capital (as defined in the NBFC Scale Based Regulations) in the above table confirm to guidelines in the NBFC Scale Based Regulations, as updated from time to time.*

As of March 31, 2024, our Company's CRAR on a standalone basis, was 16.28%, of which Tier – I capital was 14.36%. The following table sets forth certain details regarding the Company's CRAR and tier I and tier II capital ratios based on standalone financial statement, as of the dates indicated:

Particulars	As of		
	March 31, 2024	March 31, 2023	March 31, 2022
CRAR (%)	16.28%	20.57%	15.60%
CRAR – Tier I Capital (%)	14.36%	17.68%	13.10%
CRAR – Tier II Capital (%)	1.92%	2.89%	2.50%
Total Borrowings to Total Equity Ratio	**7.22**	**6.31**	**5.42**

Notes:

(1) Total Borrowings represents sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (including CCPS) as at the last day of relevant fiscal year.

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

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 and assets, including but not limited to, onward lending under our Company's lending verticals, and to ensure compliance with regulatory requirements on capital adequacy prescribed by the RBI from time to time. We anticipate that the Net Proceeds will be sufficient to satisfy our Company's Tier – I capital requirements for Financial Year 2025.

While our Company's Tier – I capital base as at March 31, 2024, March 31, 2023 and March 31, 2022 exceeds the regulatory thresholds prescribed by the RBI, we believe that in order to maintain our Company's growth rate, we will require further capital in the future in order to remain complaint with such regulatory thresholds

Until such time as our Company is not able to achieve the extent of business / risk weighted assets for Tier-I and Tier-II capital and/or payment of operating expenditure, repayment and/or prepayment of outstanding liabilities and interest thereon as part of our business activities, capital expenditure towards technology and other general corporate purposes, the Net Proceeds will be temporarily invested in accordance with the SEBI ICDR Regulations.

We typically use our Tier – I capital towards our Company's business and growth, including onward lending, payment of operating expenditure, repayment and/or prepayment of outstanding liabilities and interest thereon as part of our business activities, capital expenditure towards technology and other general corporate purposes.

The Net Proceeds are expected to lead to an improvement in the overall capital position of our Company, which in turn will help reducing the overall leverage of our Company, thus enabling us to optimize our leverage to a higher level to undertake onward lending. We, accordingly, propose to utilize an amount aggregating to ₹[●] million out of the Net Proceeds towards maintaining higher Tier-I Capital in light of our onward lending requirements.

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 Joint Statutory 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, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue and audit fees of statutory auditors (to the extent not attributable to the Offer), and any other expenses deemed solely for the benefit of our Company shall be solely borne by our Company, and expenses in relation to product or corporate advertisements, *i.e.*, any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) 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, the Company and the Selling Shareholders agree to share the costs and expenses directly attributable to the Offer, 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 through the Offer for Sale, upon listing of the Equity Shares on the Stock Exchange(s) pursuant to the Offer in accordance with Applicable Law. All the expenses relating to the Offer shall be paid by our Company in the first instance and 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 our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder and each Selling Shareholder authorises the Company to deduct from the proceeds of the Offer for Sale from the Offer directly from the Public Offer Account, expenses of the Offer required to be borne by such Selling Shareholder in proportion to the Offered Shares, in accordance with applicable law.

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 (2)	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(3)(4)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to others(5)	[●]	[●]	[●]
Others			

Activity	Estimated expenses[(1)] (₹ in million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
- 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 on determination of Offer Price

(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)*
Shareholder 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 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, Eligible HMCL Shareholders 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, Eligible HMCL Shareholders 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 HMCL Shareholders**	*[●]% 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 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 HMCL Shareholders**	*₹ [●] 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 connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

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 Joint Statutory Auditors, practicing company secretary and the independent chartered accountant appointed for providing confirmations and certificates for the purpose of the Offer, CRISIL, for preparing the industry report commissioned by our Company, the virtual data room provider in connection with due diligence for the Offer, etc.

Means of finance

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the aforesaid objects, our Company may explore a range of options including utilizing our internal accruals and/ or seeking additional debt from existing and/ or other lenders.

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 the 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 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 or for any investment in equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this 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 Gross Proceeds have been utilised in full. Our Company shall for the purposes of the quarterly report to be prepared by the Monitoring Agency, provide description for all the expense heads under the objects of the Offer. 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 and continue to disclose, the utilisation of the Gross 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 Gross Proceeds have been utilised, till the time any part of the Gross Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscal periods, provide details, if any, in relation to all such Gross 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. On an annual basis, our Company shall 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 and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. 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 joint 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 proceeds of the Fresh Issue from the objects of the Fresh Issue 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 Fresh Issue 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.

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 objects 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 the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated, 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 agency.

Other Confirmations

No part of the Net Proceeds will be paid by us as consideration to our Promoters, the members of the Promoter Group, Group Companies, the Directors, Key Managerial Personnel or Senior Management Personnel except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our 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.

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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 the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should refer to "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 31, 237, 361 and 446, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Scaled non-banking financial company with a diversified product offering catering to the large and attractive retail and micro, small and medium enterprises customer segments.
- Our Hero heritage.
- Strong customer franchise acquired through a pan-India distribution network comprising in-house capabilities and partnerships.
- Our customer centric approach with strong cross-sell potential.
- Well-integrated technology platform across functions and data-driven operations.
- Prudent risk management, robust underwriting, data analytics capability and robust collections infrastructure.
- Strong liability franchise, access to low-cost borrowing, and strong credit ratings.
- Strong Business Growth and Financial Performance.
- Experienced management team, respected board, and marquee investors.

For details, see "*Our Business – Competitive Strengths*" on page 242.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Restated Consolidated Financial Information*" and "*Other Financial Information*" beginning on pages 361 and 445, respectively.

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

A. Restated Basic and Diluted Earnings Per Equity Share ("EPS")(1) (face value of each Equity Share is ₹10):

Fiscal / Period ended	Restated Basic EPS (in ₹)(3)	Restated Diluted EPS (in ₹)(4)	Weight
March 31, 2024	50.04	49.94	3
March 31, 2023	37.70	37.67	2
March 31, 2022	(15.07)	(15.07)	1
Weighted Average(2)	**35.08**	**35.02**	-

Notes:

1. *Restated Basic and diluted earnings/ (loss) per equity share (in ₹) are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).The face value of Equity Shares of the Company is ₹ 10.*
2. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year /Total of weights.*
3. *Restated Basic earnings per share (in ₹) = Calculated by dividing Restated profit/loss after tax attributable to equity shareholders by weighted average number of Equity Shares outstanding during the relevant Fiscal.*
4. *Restated Diluted earnings per share (in ₹) = Calculated by dividing Restated profit/loss after tax attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the relevant Fiscal plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares of the Company.*

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

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for the financial year ended March 31, 2024	[●]*	[●]*
Based on diluted EPS for the financial year ended March 31, 2024	[●]*	[●]*

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

C. Industry Peer Group P/E ratio

	P/E Ratio (x)
Highest	34.36
Lowest	17.37
Average	28.60

Notes:

(1) The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed.

(2) P/E Ratio has been computed based on the closing market price of equity shares on BSE on July 26, 2024 divided by the diluted earnings per share as of March 31, 2024.

(3) All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the stock exchanges.

D. Industry Peer Group P/B ratio

Based on the peer group information (excluding our Company) given below in this section, details of the highest, lowest and industry average P/B ratio are set forth below:

	P/B Ratio (x)
Highest	6.05
Lowest	3.57
Average	4.88

Notes:

(1) The industry composite 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 BSE on July 26, 2024 divided by the NAV per Equity Share as of March 31, 2024.

(3) All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the stock exchanges.

E. Average Return on Net worth ("RoNW")

Fiscal/Period ended	RoNW(1) (%)	Weight
March 31, 2024	11.05	3
March 31, 2023	9.15	2
March 31, 2022	(4.03)	1
Weighted Average	7.90	-

Notes:

(1) Return on Net Worth (%) = Ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Net Worth as of the last day of the relevant Fiscal. Net Worth means sum of equity share capital and other equity as of the last day of relevant fiscal.

(2) Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights]

F. Net Asset Value ("NAV") per Equity Share(1)

Financial Year/Period	Amount (₹)
As on March 31, 2024	452.92
After the completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
Offer Price	[●]*

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

Notes:

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

(1) Net Asset Value ("NAV") per Equity Share is calculated by dividing Net Worth(2) of the company by the total number of equity shares outstanding as of the last day of relevant fiscal .

(2) Net worth means sum of equity share capital and other equity as of the last day of relevant fiscal.

G. Comparison with listed peers[1]

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

Name of the Company	Standalone/ Consolidated	Total Revenue from operations	Face Value	P/E ratio[2]^	P/B ratio[3]^	Restated Earning Per Equity Share for the Year Ended March 31, 2024 (₹)		Return on Net Worth[4] (%)	Net Asset Value per equity share[5] (₹)
		(₹ in million)	(₹ per share)			Basic	Diluted		
Hero FinCorp Limited#	Consolidated	82,909.04	10.00	[●]	[●]	50.04	49.94	11.05%	452.92
Listed peers*									
Bajaj Finance Limited	Consolidated	549,694.90	2.00	28.77	5.48	236.89	235.98	18.84%	1,239.03
Cholamandalam Investment & Finance Company	Consolidated	191,396.20	2.00	34.36	6.05	41.17	41.06	17.46%	233.26
Poonawalla Fincorp Limited	Consolidated	31,090.10	2.00	17.37	3.57	21.89	21.63	20.61%	105.44
Sundaram Finance Limited	Consolidated	72,671.20	10.00	33.88	4.43	130.31	130.31	16.63%	997.10

 # Financial information of our Company has been derived from the Restated Consolidated Financial Information prior to taking into account the exceptional items.
^ To be updated upon finalization of the Price Band.
** Sources for listed peers information included above:*
1. *All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2024 available on the website of the stock exchanges.*
2. *P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE Limited ("BSE") as on July 26, 2024 divided by the diluted earnings per share for the year ended March 31, 2024.*
3. *P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE as on July 26, 2024 divided by the net asset value per equity share as of the last day of the year ended March 31, 2024.*
4. *Return on net worth) is ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Net Worth as of the last day of the relevant Fiscal.*
5. *Net asset value per equity share is calculated by dividing Net Worth of the company by the total number of equity shares outstanding as of the last day of relevant fiscal.*

H. Key Performance Indicators ("**KPIs**")

The table below sets forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 29, 2024, and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by B R Maheswari & Co LLP, Chartered Accountants pursuant to certificate dated July 31, 2024 which has been included as part of the *"Material Contracts and Documents for Inspection"* on page 580.

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.

The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial 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.

A list of our KPIs, is set out below for the indicated periods below:

(₹ in million, unless otherwise specified)

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Scale			
AUM[(1)]	5,18,208.11	4,17,508.93	3,30,524.82
Product Vertical AUM (%)[(2)]			
Retail	65.08%	62.83%	60.41%
SME	20.80%	20.31%	18.61%
Corporate	11.56%	12.06%	20.07%
Others[(3)]	2.56%	4.79%	0.91%
AUM Growth (YoY) (%)[(4)]	24.12%	26.32%	
Disbursements[(5)]	3,44,632.47	2,77,133.32	1,96,998.95
Disbursements Growth (YoY) (%)[(6)]	24.36%	40.68%	
Product Vertical Disbursements (%)[(7)]			
Retail	73.70%	72.68%	69.13%
SME	14.12%	14.38%	7.83%
Corporate	12.18%	12.94%	23.04%
Asset Quality			
Stage 3 Loans [(8)]	20,712.52	21,202.02	24,857.60
GNPA Ratio (%)[(9)]	4.02%	5.11%	7.54%
NNPA[(10)]	10,064.96	10,868.70	14,128.97
NNPA Ratio (%)[(11)]	2.00%	2.69%	4.43%
Provision Coverage Ratio (“PCR”) (%)[(12)]	51.41%	48.74%	43.16%
Capital			
Total Borrowings[(13)]	4,61,694.76	3,66,278.60	2,86,797.30
Adjusted Total Borrowings[(14)]	4,35,582.39	3,43,178.08	2,86,797.30
Debt to Equity[(15)]	8.01	6.99	6.02
Adjusted Debt to Equity [(16)]	5.20	4.54	6.02
CRAR (%)[(17)]	16.28%	20.57%	15.60%
Tier I Capital (%)[(18)]	14.36%	17.68%	13.10%
Tier II Capital (%)[(19)]	1.92%	2.89%	2.50%
Net Worth[(20)]	57,659.70	52,434.40	47,675.20
Adjusted Net Worth[(21)]	83,772.07	75,534.92	47,675.20
Financials			
Total Income[(22)]	83,597.31	64,475.45	47,975.13
Net Interest Income[(23)]	43,820.17	35,456.50	25,633.43
Net Total Income[(24)]	52,623.67	42,735.95	31,189.90
Profit Before Credit Costs[(25)]	26,829.37	19,474.51	15,867.83
Impairment on financial instruments [(26)]	17,223.90	12,122.30	18,408.11
Restated Profit/(loss) after Tax [(27)]	6,370.48	4,799.47	-1,918.98
PAT Growth (YoY) (%)[(28)]	32.73%	-	
Adjusted Profit/(loss) after Tax [(29)]	9,857.38	7,899.99	-1,918.98
Adjusted PAT Growth (YoY) (%)[(30)]	24.78%	-	
Ratios			
Yield on Advances (%)[(31)]	16.09%	15.37%	14.04%
Net Interest Margin (%)[(32)]	9.43%	9.53%	8.48%
Average Cost of Borrowings (%)[(33)]	7.95%	6.90%	6.37%
Operating Expenses Ratio (%)[(34)]	5.55%	6.25%	5.07%
Adjusted Operating Expenses Ratio (%)[(35)]	4.80%	5.42%	5.07%
Cost to Income Ratio (%)[(36)]	49.02%	54.43%	49.13%
Adjusted Cost to Income Ratio (%)[(37)]	42.39%	47.18%	49.13%
Profit Before Credit Costs (%)[(38)]	5.77%	5.23%	5.25%
Credit Cost Ratio (%)[(39)]	3.70%	3.26%	6.09%
Return on Assets (“ROA”) (%)[(40)]	1.37%	1.29%	-0.64%
Adjusted ROA (%)[(41)]	2.12%	2.12%	-0.64%
Return on Equity (“ROE”) (%)[(42)]	11.57%	9.59%	-3.94%
Adjusted ROE (%)[(43)]	12.38%	12.82%	-3.94%
Operational			
Credit Rating[(44)]	AA+	AA+	AA+
New loans disbursed (in millions)[(45)]	2.38	2.39	1.52
New customers acquired in the year (in millions)[(46)]	2.06	1.86	1.36
Total customer franchise (in millions)[(47)]	11.80	9.63	7.70
Cross sell franchise (%)[(48)]	8.42%	7.93%	7.50%
Product per customer[(49)]	4.25	3.15	3.52
Mobile app downloads [(50)]	2.79 Mn	1.91 Mn	1.80 Mn

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
% of customers digitally acquired(51)	37.75%	40.70%	18.75%
Digital collections (%)(52)	83.31%	81.24%	76.00%
Digital share of customer service (%)(53)	53.02%	47.53%	48.88%
Disbursements / On-Roll Employees(54)	77.12	77.22	75.28
On Roll Employee (#)(55)	4,469	3,589	2,617
Branches (#)(56)	140	81	82

Notes:

(1) AUM is the aggregate of (i) Total Gross Loans, and (ii) Assigned Loan Assets which have been transferred by our Company by way of assignment as of the last day of the relevant Fiscal.
(2) Product Vertical AUM (%) is the % mix of AUM across our segments (Retail, SME and Corporate) for the relevant fiscal
(3) Others includes lending amount to CROMS (Clearcorp Repo Order Matching System).
(4) Percentage Growth in AUM as of the last day of the relevant fiscal over the AUM of the last day of the preceding fiscal.
(5) Total amount of new loans disbursed to the customer during the relevant fiscal.
(6) Percentage growth in disbursements for the relevant fiscal over disbursements of the preceding fiscal
(7) Product Vertical Disbursements (%) is the % mix of disbursements across our segments (Retail, SME and Corporate) for the relevant fiscal
(8) Gross carrying value of Stage 3 Loans as of the last day of relevant fiscal
(9) Ratio of Stage 3 Loans (GNPA) to Total Gross Loans as of the last day of the relevant fiscal.
(10) Stage 3 Loans reduced by Stage 3 impairment allowance (NPA provisions) as of the last day of relevant
(11) Ratio of NNPA to Total Gross Loans reduced by Stage 3 impairment allowances (NPA Provisions) as of the last day of the relevant fiscal
(12) Ratio of Stage 3 impairment allowance (NPA Provisions) to Stage 3 Loans as of the last day of relevant fiscal.
(13) Sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of relevant fiscal
(14) Sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (excluding CCPS) as of the last day of relevant fiscal
(15) Ratio of the total borrowings to net worth of the last day of relevant fiscal.
(16) Ratio of the adjusted total borrowings to adjusted net worth of the last day of relevant fiscal
(17) Capital to risk (weighted) assets ratio is computed by dividing our Tier I and Tier II capital by total risk weighted assets computed in accordance with RBI guidelines as of the last day of the relevant Fiscal.
(18) Tier I capital computed basis the method provided by the regulator as at the last day of relevant fiscal. Tier I capital % is calculated by dividing Tier I capital by total risk weighted assets.
(19) Tier II capital computed basis the method provided by the regulator as of the last day of relevant fiscal. Tier II capital % is calculated by dividing Tier II capital by total risk weighted assets.
(20) Represents the sum of equity share capital and other equity as of the last day of the relevant fiscal
(21) Represents Net worth as of the last day of the relevant fiscal considering CCPS as equity.
(22) Represents the sum of total revenue from operation and other income for the relevant fiscal.
(23) Interest Income reduced by finance cost for the relevant fiscal
(24) Total income reduced by finance cost for the relevant fiscal
(25) Net total income reduced by operating expenses for the relevant fiscal.
(26) Impairment allowance on gross carrying amount of Total Gross Loans and settlement loss and bad-debts written off for the relevant fiscal.
(27) Restated Profit/(loss) before tax reduced by tax expense for the relevant fiscal.
(28) Represents percentage growth in Restated Profit/(loss) after tax of the relevant fiscal over Restated profit/(loss) after tax of the preceding fiscal.
(29) Restated Profit/(loss) after tax excluding the impact of CCPS cost for the fiscal.
(30) Adjusted PAT growth represents percentage growth in adjusted profit/(loss) after tax of the relevant fiscal over adjusted profit/(loss) after tax of the preceding fiscal.
(31) Ratio of Interest income to average Total Gross Loans for the relevant fiscal. Average Total Gross Loans represent the simple average of our Total Gross Loans as of the last day of the relevant fiscal and our Total Gross Loans as of the last day of the preceding fiscal
(32) Ratio of Net Interest Income to average Total Gross Loans for the relevant fiscal
(33) Ratio of finance cost for the relevant fiscal to average adjusted total borrowings. Average Adjusted Total Borrowings represents the simple average of our adjusted total borrowings as of the last day of the relevant fiscal and our adjusted total borrowings as of the last day of the preceding fiscal
(34) Ratio of Operating Expenses to average Total Gross Loans for the relevant fiscal
(35) Ratio of adjusted Operating Expenses to average Total Gross Loans for the relevant fiscal
(36) Ratio of Operating Expenses to Net total income for the relevant fiscal
(37) Ratio of Adjusted Operating Expenses to Net total income for the relevant fiscal.
(38) Ratio of Profit before Credit Cost (PBCC) to average Total Gross Loans for the relevant fiscal.
(39) Ratio of Impairment on financial instruments to average Total Gross Loans for the relevant fiscal
(40) Ratio of Restated profit/loss after tax for the relevant fiscal to average Total Gross Loans for the relevant fiscal
(41) Ratio of adjusted profit/(loss) after tax for the relevant fiscal to average Total Gross Loans for the relevant fiscal
(42) Ratio of Restated profit/(loss) after tax for the relevant fiscal to average net worth for the relevant fiscal
(43) Ratio of adjusted profit/(loss) after tax for the relevant fiscal to average adjusted net worth
(44) Credit rating issued by a/multiple registered rating agency/ies with the SEBI for long term and short-term borrowing facilities of our Company as of the last day of relevant fiscal
(45) No. of Loan accounts disbursed during the relevant fiscal
(46) Distinct New Customers acquired during the relevant fiscal
(47) Distinct Total Customers acquired till 31st March of the relevant fiscal including closed account customers
(48) Ratio of distinct LPL customers to distinct total customers acquired till 31st March of the relevant fiscal
(49) Ratio of total products (Lending + Non-Lending) to total customers acquired during the relevant fiscal
(50) Mobile app installations during the relevant fiscal
(51) Ratio of digitally disbursed loan counts including disbursements through partnership platforms to total disbursal loan counts during the relevant fiscal
(52) Ratio of Non-cash collections to total collections during the relevant fiscal. Non-cash modes includes Nach, cheques, electronic clearing service payments, payments through payment gateways and aggregators

(53) Ratio of digitally received queries to total customer queries received during the relevant fiscal.
(54) Ratio of Disbursements to number of on-roll employees at the last day of the relevant fiscal
(55) Number of active on-roll employees as of the last day of relevant fiscal
(56) Total number of active branches as of the last day of relevant fiscal

Our Company confirms that it shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*", "*Selected Statistical Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 237, 336 and 446, respectively.

I. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

Brief explanation of the relevance of the KPIs for our business operations is set forth below. We have also described and defined the KPIs, as applicable, in "*Definitions and Abbreviations*" beginning on page 1.

KPIs	Rationale
Scale	
AUM	These metrics are used by the management to assess the growth in terms of scale of business of our Company.
Product Vertical AUM (%)	
AUM Growth (YoY) (%)	
Disbursements	
Disbursements Growth (YoY) (%)	
Product Vertical Disbursements (%)	These metrics are used by the management to assess the growth in terms of composition of business of our Company.
Asset Quality	
Stage 3 Loans	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against delinquent loans
GNPA Ratio (%)	
NNPA	
NNPA Ratio (%)	
Provision Coverage Ratio ("PCR") (%)	
Capital	
Total Borrowings	These metrics are used by the management to are used by the management assess the source of capital borrowed by the Company
Adjusted Total Borrowings	
Debt to Equity	These metrics are used by the management to assess the capital requirement and leverage position of the Company
Adjusted Debt to Equity	
CRAR (%)	These metrics are used by the management to ensure the adequacy of capital for the business growth of our Company.
Tier I Capital (%)	
Tier II Capital (%)	
Net Worth	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business of our Company
Adjusted Net Worth	
Financials	
Total Income	
Net Interest Income	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business of our Company
Net Total Income	
Profit Before Credit Costs	
Impairment on financial instruments	
Restated Profit/(loss) after Tax	
PAT Growth (YoY) (%)	
Adjusted Profit/(loss) after Tax	
Adjusted PAT Growth (YoY) (%)	
Ratios	
Yield on Advances (%)	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business of our Company
Net Interest Margin (%)	
Average Cost of Borrowings (%)	
Operating Expenses Ratio (%)	
Adjusted Operating Expenses Ratio (%)	
Cost to Income Ratio (%)	
Adjusted Cost to Income Ratio (%)	
Profit Before Credit Costs (%)	
Credit Cost Ratio (%)	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against delinquent loans

KPIs	Rationale
Return on Assets ("ROA") (%)	These metrics are used by the management to assess the return on the deployed capital (including free reserves) and the assets in the business of our Company.
Adjusted ROA (%)	
Return on Equity ("ROE") (%)	
Adjusted ROE (%)	
Operational	
Credit Rating	Credit Ratings represents the long term and short-term credit ratings of our Company's various borrowing facilities on the basis of the assessment by independent rating agencies
New loans disbursed (in millions)	These metrics are used by the management to assess the loan growth in our Company.
New customers acquired in the year (in millions)	
Total customer franchise (in millions)	
Cross sell franchise (%)	This metric is used by the management to assess the cross-sell strength of our Company
Product per customer	
Mobile app downloads	This metric is used by the management to assess the digital strength and digital infrastructure of the business of our Company
% of customers digitally acquired	
Digital collections (%)	
Digital share of customer service (%)	
Disbursements / On-Roll Employees	This metric is used by the management to track the productivity of employees of the Company
On Roll Employee (#)	These metrics are used by the management to assess the physical presence, footprint and geographical expansion of the business of our Company
Branches (#)	

J. Comparison of KPIs with Listed Industry Peers

1. Bajaj Finance

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Scale			
AUM	33,06,150.00	24,73,790.00	19,74,520.00
Product Vertical AUM (%)			
2W, 3W and Car loan	8%	5%	5%
Urban Sales Finance	7%	7%	8%
Urban B2C	20%	20%	20%
Rural Sales Finance	2%	2%	2%
Rural B2C	5%	8%	8%
IPO Financing	NA	NA	3%
Gold Loans	1%	NA	NA
SME Lending	12%	14%	13%
Commercial Lending	7%	6%	6%
Loans Against Securities	7%	6%	5%
Mortgages	31%	31%	31%
AUM Growth (YoY) (%)	33.65%	25.29%	29.10%
Disbursements	NA	NA	NA
Disbursements Growth (YoY) (%)	NA	NA	NA
Product Vertical Disbursements (%)	NA	NA	NA
Asset Quality			
Stage 3 Loans	28,160.00	23,128.10	31,334.90
GNPA Ratio (%)	0.85%	0.94%	1.60%
NNPA	12,100.00	8,366.10	13,148.70
NNPA Ratio (%)	0.37%	0.34%	0.68%
Provision Coverage Ratio ("PCR") (%)	57.03%	63.83%	58.04%
Capital			
Total Borrowings	29,33,458.30	21,66,904.90	16,52,315.30
Adjusted Total Borrowings	NA	NA	NA
Debt to Equity	3.82	3.99	3.78
Adjusted Debt to Equity	NA	NA	NA
CRAR (%)	22.50%	24.97%	27.22%
Tier I Capital (%)	21.50%	23.20%	24.75%
Tier II Capital (%)	1.00%	1.77%	2.47%
Net Worth	7,66,953.50	5,43,719.80	4,37,126.90
Adjusted Net Worth	NA	NA	NA
Financials			
Total Income	5,49,825.10	4,14,182.60	3,16,480.50

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Net Interest Income	2,95,819.10	2,29,886.80	1,75,235.40
Net Total Income	3,62,578.20	2,88,583.70	2,18,943.50
Profit Before Credit Costs	2,39,326.30	1,87,284.10	1,43,071.80
Impairment on financial instruments	46,307.00	31,896.50	48,034.00
Restated Profit/(loss) after Tax	1,44,511.70	1,15,076.90	70,282.30
PAT Growth (YoY) (%)	25.58%	63.74%	59.02%
Adjusted Profit/(loss) after Tax	NA	NA	NA
Adjusted PAT Growth (YoY) (%)	NA	NA	NA
Ratios			
Yield on Advances (%)	16.72%	16.07%	15.73%
Net Interest Margin (%)	10.24%	10.39%	10.11%
Average Cost of Borrowings (%)	7.34%	6.58%	6.57%
Operating Expenses Ratio (%)	4.26%	4.58%	4.38%
Adjusted Operating Expenses Ratio (%)	NA	NA	NA
Cost to Income Ratio (%)	33.99%	35.10%	34.65%
Adjusted Cost to Income Ratio (%)	NA	NA	NA
Profit Before Credit Costs (%)	8.28%	8.47%	8.25%
Credit Cost Ratio (%)	1.60%	1.44%	2.77%
Return on Assets (“ROA”) (%)	5.00%	5.20%	4.05%
Adjusted ROA (%)	NA	NA	NA
Return on Equity (“ROE”) (%)	22.05%	23.46%	17.43%
Adjusted ROE (%)	NA	NA	NA
Operational			
Credit Rating	AAA (Stable)	AAA (Stable)	AAA (Stable)
New loans disbursed (in millions)	36.20	29.60	24.70
New customers acquired in the year (in millions)	14.50	11.60	9,0
Total customer franchise (in millions)	83.60	69.10	57.60
Cross sell franchise (%)	NA	NA	NA
Product per customer	NA	NA	NA
Mobile app downloads	NA	NA	NA
% of customers digitally acquired	NA	NA	NA
Digital collections (%)	NA	NA	NA
Digital share of customer service (%)	NA	NA	NA
Disbursements / On-Roll Employees	NA	NA	NA
On Roll Employee (#)	NA	39,781	NA
Branches (#)	4,145	3,733	3,504

2. Cholamandalam Investment and Finance Company

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Scale			
AUM	14,55,720.00	10,64,980.00	7,69,070.00
Product Vertical AUM (%)			
Vehicle Finance	58%	63%	69%
LAP	21%	20%	22%
CSEL	8%	5%	1%
SME	3%	3%	1%
Housing Loan	9%	8%	7%
SBPL	1%	0%	0%
AUM Growth (YoY) (%)	36.69%	38.48%	9.87%
Disbursements	8,87,250.00	6,65,320.00	3,54,900.00
Disbursements Growth (YoY) (%)	33.36%	87.47%	36.27%
Product Vertical Disbursements (%)			
Vehicle Finance	54%	60%	72%
LAP	15%	14%	16%
CSEL	13%	10%	2%
SME	9%	10%	5%
Housing Loan	7%	6%	5%
SBPL	1%	1%	0%
Asset Quality			
Stage 3 Loans	36,448.10	32,216.00	33,428.20

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
GNPA Ratio (%)	2.48%	3.01%	4.37%
NNPA	19,517.40	17,396.00	20,166.70
NNPA Ratio (%)	1.33%	1.62%	2.64%
Provision Coverage Ratio (“PCR”) (%)	46.45%	46.00%	39.67%
Capital			
Total Borrowings	13,44,735.80	9,73,560.60	6,91,735.00
Adjusted Total Borrowings	NA	NA	NA
Debt to Equity	6.88	6.81	5.91
Adjusted Debt to Equity	NA	NA	NA
CRAR (%)	18.57%	17.13%	19.62%
Tier I Capital (%)	15.10%	14.78%	16.49%
Tier II Capital (%)	3.47%	2.35%	3.13%
Net Worth	1,95,565.10	1,42,960.50	1,17,076.80
Adjusted Net Worth	NA	NA	NA
Financials			
Total Income	1,92,162.80	1,29,779.80	1,01,387.70
Net Interest Income	83,823.90	63,334.30	52,679.90
Net Total Income	99,856.70	72,292.30	58,399.50
Profit Before Credit Costs	59,039.00	44,493.70	37,712.40
Impairment on financial instruments	13,218.00	8,496.80	8,803.00
Restated Profit/(loss) after Tax	34,227.60	26,662.00	21,467.10
PAT Growth (YoY) (%)	28.38%	24.20%	41.71%
Adjusted Profit/(loss) after Tax	NA	NA	NA
Adjusted PAT Growth (YoY) (%)	NA	NA	NA
Ratios			
Yield on Advances (%)	13.87%	13.16%	13.22%
Net Interest Margin (%)	6.60%	6.90%	7.28%
Average Cost of Borrowings (%)	7.96%	6.90%	6.47%
Operating Expenses Ratio (%)	3.21%	3.03%	2.86%
Adjusted Operating Expenses Ratio (%)	NA	NA	NA
Cost to Income Ratio (%)	40.88%	38.45%	35.42%
Adjusted Cost to Income Ratio (%)	NA	NA	NA
Profit Before Credit Costs (%)	4.65%	4.85%	5.21%
Credit Cost Ratio (%)	1.04%	0.93%	1.22%
Return on Assets (“ROA”) (%)	2.69%	2.91%	2.97%
Adjusted ROA (%)	NA	NA	NA
Return on Equity (“ROE”) (%)	20.22%	20.51%	20.19%
Adjusted ROE (%)	NA	NA	NA
Operational			
Credit Rating	AA+ (Stable)	AA+ (Stable)	AA+ (Stable)
New loans disbursed (in millions)	NA	NA	NA
New customers acquired in the year (in millions)	NA	NA	NA
Total customer franchise (in millions)	3.60	2.50	1.87
Cross sell franchise (%)	NA	NA	NA
Product per customer	NA	NA	NA
Mobile app downloads	NA	NA	NA
% of customers digitally acquired	NA	NA	NA
Digital collections (%)	NA	NA	NA
Digital share of customer service (%)	NA	NA	NA
Disbursements / On-Roll Employees	23.21	50.22	38.89
On Roll Employee (#)	38,235	13,248	9,125
Branches (#)	1,387	1,191	1,145

3. Poonawalla FinCorp

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Scale			
AUM	2,50,030.00	1,61,430.00	1,65,790.00
Product Vertical AUM (%)			
MSME Lending	37%	NA	NA
Business Loan & LTP	NA	28%	NA

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Personal & Consumer	23%	16%	NA
LAP	16%	16%	NA
Pre-owned Car	15%	17%	NA
Asset Backed Finance DA	8%	NA	NA
Supply Chain Finance	7%	NA	NA
Discountined AUM	NA	6%	NA
Auto Lease & Others	NA	3%	NA
Others	3%	NA	NA
AUM Growth (YoY) (%)	54.88%	-2.63%	16.55%
Disbursements	3,32,890.00	1,57,510.00	94,940.00
Disbursements Growth (YoY) (%)	111.35%	65.90%	157.99%
Product Vertical Disbursements (%)	NA	NA	NA
Asset Quality			
Stage 3 Loans	2,684.50	2,251.00	3,721.95
GNPA Ratio (%)	1.16%	1.44%	3.29%
NNPA	1,358.60	1,211.30	1,442.36
NNPA Ratio (%)	0.59%	0.78%	1.30%
Provision Coverage Ratio (“PCR”) (%)	49.39%	46.19%	61.25%
Capital			
Total Borrowings	1,50,801.30	1,11,195.80	67,258.10
Adjusted Total Borrowings	NA	NA	NA
Debt to Equity	1.86	1.73	1.18
Adjusted Debt to Equity	NA	NA	NA
CRAR (%)	33.80%	39.00%	49.06%
Tier I Capital (%)	32.28%	37.69%	46.61%
Tier II Capital (%)	1.52%	1.31%	2.45%
Net Worth	81,164.00	64,247.00	57,145.00
Adjusted Net Worth	NA	NA	NA
Financials			
Total Income	31,518.20	20,100.30	15,670.70
Net Interest Income	19,489.50	12,216.60	9,492.70
Net Total Income	21,967.20	14,147.50	10,577.90
Profit Before Credit Costs	13,893.60	6,117.00	4,532.00
Impairment on financial instruments	720.20	-1,445.30	686.10
Restated Profit/(loss) after Tax	10,273.70	5,612.80	2,931.90
PAT Growth (YoY) (%)	83.04%	91.44%	-150.69%
Adjusted Profit/(loss) after Tax	NA	NA	NA
Adjusted PAT Growth (YoY) (%)	NA	NA	NA
Ratios			
Yield on Advances (%)	15.06%	13.58%	13.96%
Net Interest Margin (%)	10.11%	9.13%	9.09%
Average Cost of Borrowings (%)	7.29%	6.67%	6.96%
Operating Expenses Ratio (%)	4.19%	6.00%	5.79%
Adjusted Operating Expenses Ratio (%)	NA	NA	NA
Cost to Income Ratio (%)	36.75%	56.76%	57.16%
Adjusted Cost to Income Ratio (%)	NA	NA	NA
Profit Before Credit Costs (%)	7.21%	4.57%	4.34%
Credit Cost Ratio (%)	0.37%	-1.08%	0.66%
Return on Assets (“ROA”) (%)	5.33%	4.19%	2.81%
Adjusted ROA (%)	NA	NA	NA
Return on Equity (“ROE”) (%)	14.13%	9.25%	7.66%
Adjusted ROE (%)	NA	NA	NA
Operational			
Credit Rating	AAA (Stable)	AAA (Stable)	AA+ (Stable)
New loans disbursed (in millions)	NA	NA	NA
New customers acquired in the year (in millions)	NA	NA	NA
Total customer franchise (in millions)	6.90	1.90	0.50
Cross sell franchise (%)	NA	NA	NA
Product per customer	NA	NA	NA
Mobile app downloads	NA	NA	NA
% of customers digitally acquired	NA	NA	NA
Digital collections (%)	NA	NA	NA
Digital share of customer service (%)	NA	NA	NA
Disbursements / On-Roll Employees	139.64	64.24	18.31

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
On Roll Employee (#)	2,384	2,452	5,184
Branches (#)	102	85	242

4. Sundaram Finance

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Scale			
AUM	5,77,990.00	4,57,330.00	3,90,270.00
Product Vertical AUM (%)			
MHCL	24%	29%	29%
Retail CV	21%	18%	17%
Cars	24%	25%	25%
Construction Equipment	11%	11%	11%
Tractors	8%	8%	8%
Commercial Lending	7%	4%	3%
Others	5%	5%	7%
AUM Growth (YoY) (%)	26.38%	17.18%	-2.57%
Disbursements	3,11,920.00	2,48,670.00	1,55,860.00
Disbursements Growth (YoY) (%)	25.44%	59.55%	19.93%
Product Vertical Disbursements (%)			
MHCL	26%	31%	28%
Retail CV	21%	18%	19%
Cars	24%	24%	27%
Construction Equipment	11%	11%	12%
Tractors	7%	8%	9%
Commercial Lending	9%	7%	4%
Others	2%	2%	2%
Asset Quality			
Stage 3 Loans	5,456.90	5,765.00	6,385.60
GNPA Ratio (%)	1.26%	1.66%	2.19%
NNPA	2,718.10	2,965.40	3,067.50
NNPA Ratio (%)	0.63%	0.86%	1.07%
Provision Coverage Ratio (“PCR”) (%)	50.19%	48.56%	51.96%
Capital			
Total Borrowings	3,51,316.60	2,79,489.00	2,36,155.50
Adjusted Total Borrowings	NA	NA	NA
Debt to Equity	4.32	4.23	4.04
Adjusted Debt to Equity	NA	NA	NA
CRAR (%)	20.50%	22.77%	24.37%
Tier I Capital (%)	16.78%	17.71%	17.45%
Tier II Capital (%)	3.72%	5.09%	6.95%
Net Worth	94,716.90	77,374.00	68,930.90
Adjusted Net Worth	NA	NA	NA
Financials			
Total Income	54,943.80	41,102.00	38,904.60
Net Interest Income	19,487.80	16,949.80	16,943.50
Net Total Income	29,185.90	23,331.10	21,903.50
Profit Before Credit Costs	19,704.80	15,542.10	14,954.20
Impairment on financial instruments	2,738.10	1,342.50	3,185.20
Restated Profit/(loss) after Tax	14,540.10	10,883.10	9,034.10
PAT Growth (YoY) (%)	33.60%	20.47%	11.66%
Adjusted Profit/(loss) after Tax	NA	NA	NA
Adjusted PAT Growth (YoY) (%)	NA	NA	NA
Ratios			
Yield on Advances (%)	11.79%	10.99%	11.55%
Net Interest Margin (%)	5.08%	5.37%	5.76%
Average Cost of Borrowings (%)	7.00%	5.87%	6.07%
Operating Expenses Ratio (%)	2.47%	2.47%	2.36%
Adjusted Operating Expenses Ratio (%)	NA	NA	NA
Cost to Income Ratio (%)	32.49%	33.38%	31.73%
Adjusted Cost to Income Ratio (%)	NA	NA	NA

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Profit Before Credit Costs (%)	5.14%	4.92%	5.09%
Credit Cost Ratio (%)	0.71%	0.42%	1.08%
Return on Assets (“ROA”) (%)	3.79%	3.45%	3.07%
Adjusted ROA (%)	NA	NA	NA
Return on Equity (“ROE”) (%)	16.90%	14.88%	13.11%
Adjusted ROE (%)	NA	NA	NA
Operational			
Credit Rating	AAA (Stable)	AAA (Stable)	AAA (Stable)
New loans disbursed (in millions)	NA	NA	NA
New customers acquired in the year (in millions)	NA	NA	NA
Total customer franchise (in millions)	0.63	NA	NA
Cross sell franchise (%)	NA	NA	NA
Product per customer	NA	NA	NA
Mobile app downloads	NA	NA	NA
% of customers digitally acquired	NA	NA	NA
Digital collections (%)	NA	NA	NA
Digital share of customer service (%)	NA	NA	NA
Disbursements / On-Roll Employees	NA	42.54	32.83
On Roll Employee (#)	NA	5,845	4,748
Branches (#)	848	788	723

Notes for Listed Peers:
Source: All the financial information for listed industry peers mentioned above is on a consolidated basis for Bajaj Finance and standalone basis for Cholamandalam Investment and Finance Company, Poonawalla Fincorp and Sundaram Finance, and is extracted or derived from their audited financial statements for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 as available on the website of the stock exchanges and the respective companies.

Notes:
(1) AUM, Disbursement, Branches and Total Employee Count and Total customer franchise considered for Sundaram includes data of Sundaram Finance and Sundaram Housing Finance (its wholly owned subsidiary) for the relevant fiscal year. Product Vertical AUM (%) and Disbursement (%) is only for Sundaram Finance AUM and Disbursements
(2) Abbreviations
(a) LAP: Loan Against Properties
(b) 2W: Two Wheeler
(c) 3W: Three Wheeler
(d) CSEL: Consumer & Small Enterprise Loans
(e) SBPL: Small Business and Personal Loan
(f) MHCL: Medium, Heavy Commercial Loan
(g) CV: Commercial Vehicle
(3) PCR is calculated on the NPA amount for peers
(4) Total Borrowings for Bajaj Finance and Sundaram Finance includes Deposits
(5) Gross Advances is considered for the calculation of the ratios
(6) For Cholamandalam Investment and Finance Company, there was a movement of over 20,000 off-roll employees to the rolls of the company during the year at entry level

K. Weighted average cost of acquisition (“WACA”)

(a) Price per share of our Company based on primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transactions 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

There have been no primary issuances of Equity Shares or convertible securities, excluding shares issued under 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 that 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 employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(b) Price per share of our Company based on secondary sale / acquisition of Equity Shares or convertible securities, where our Promoters, Selling Shareholders, members of our Promoter Group, or

Shareholder(s) having the right to nominate director(s) to the Board of the our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transactions 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

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate director(s) in the Board Of Directors of our Company 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 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) **Since there are no transactions to report under K(a) and K(b) above, the details basis the last five primary and secondary transactions (secondary transactions where our Promoters, Selling Shareholders, Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of our Company, are a party to the transaction), during the three years preceding the date of this Draft Red Herring Prospectus, irrespective of the size of transactions are to be included:**

Primary Transactions:

Date of Allotment	**Name of Allottee**	**No of shares Transacted**	**Face Value (Rs.)**	**Issue Price (Rs.)**	**Nature of Allotment**	**Nature of consideration**	**Total Considerations (Rs. In millions)**
June 27, 2024	Abhimanyu Munjal	548	10	2,500	Allotment of Forfeited Shares	Cash	1.37

Secondary Transactions:

Date of Transfer	**Name of Transfer**	**Name of Transferee**	**No of shares Transacted**	**Face Value (Rs.)**	**Price per share**	**Nature of consideration**	**Total Considerations (Rs. In millions)**
August 28, 2023	Abhimanyu Munjal**	Munjal Family Trust	150,682	10	Nil	Gift	Nil
February 01, 2022	Santosh Munjal*	Pawan Munjal	315,000	10	Nil	Transmission	Nil

** Shareholding of Late Smt. Santosh Munjal i.e. 315,000 were transmitted to Pawan Munjal due to her demise.*
*** Munjal Family Trust has acquired 150,682 shares from Abhimanyu Munjal by way of gift on August 28, 2023*

L. Weighted average cost of acquisition ("WACA"), floor price and cap price

(a) Comparison of weighted average cost of acquisition based on primary issue and or secondary sale/ acquisition of Equity Shares or convertible securities

Category of Transactions	**Weighted average cost of acquisition (WACA)**	**Floor Price (₹[●])**	**Cap Price (₹[●])**
	(₹)	*is 'X' times the WACA##*	
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 eighteen 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 our Company (calculated based on the pre-Offer capital before such transaction/s	N.A.	N.A.	N.A.

Category of Transactions	Weighted average cost of acquisition (WACA)	Floor Price (₹[●])	Cap Price (₹[●])
	(₹)	*is 'X' times the WACA[##]*	
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			
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Promoter, Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during eighteen 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 our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.	N.A.	N.A.
Since there were no primary or secondary transactions of equity shares of our Company during eighteen months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoter /promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of this Certificate irrespective of the size of the transaction			
- Based on primary issuances	2,500	[●] times*	[●] times*
- Based on secondary transactions	Nil	[●] times*	[●] times*

M. Justification for Basis of Offer Price

Detailed explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for and Fiscal 2023, 2022 and 2021

[●]*

Note: This will be included on finalisation of Price Band

Explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point H above) in view of the external factors which may have influenced the pricing of the Offer

[●]*

Note: This will be included on finalisation of Price Band

N. The Offer Price [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 31, 237, 361 and 446, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled "*Risk Factors*" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

July 31, 2024

To,

The Board of Directors
Hero Fincorp Limited
9, Community Centre, Basant Lok,
Vasant Vihar, New Delhi-110059

Sub: Statement of possible special tax benefits available to Hero FinCorp Limited ("Company" or "HFCL"), its material subsidiary namely Hero Housing Finance Limited ("Material Subsidiary" or "HHFL") and its shareholders ("Shareholders") prepared in accordance with the requirements under schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of capital and Disclosure requirement) Regulations 2018 as amended ("SEBI ICDR Regulations").

1. We B R Maheswari & Co LLP, Chartered Accountants, the joint statutory auditors of the Company, have been requested by the Company to issue a report on the possible special tax benefits available to the Company, its Material Subsidiary (as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) and its Shareholders for inclusion in the Offer Documents (*defined below*) in connection with the proposed initial public offering of equity shares of the Company comprising an offer for sale of equity shares by existing shareholders and issue of new equity shares (the "**Proposed Offer**").

2. In connection with the Proposed Offer, the Company proposes to file a Draft Red Herring Prospectus (the "**DRHP**") with Securities and Exchange Board of India (the "**SEBI**"), BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") and the Registrar of Companies, Delhi and Haryana at New Delhi ("**Registrar of Companies/ROC**") and subsequently proposes to file (i) a Red Herring Prospectus, (the "**RHP**") with SEBI, Stock Exchanges and ROC; (ii) a Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies (the "**Prospectus**"); and (iii) any other documents or materials to be issued in relation to the Proposed Offer (collectively with the, DRHP, RHP and Prospectus, the **"Offer Documents**").

3. We hereby confirm that enclosed statement ("**Statement**") in the Annexure prepared and issued by the Company and initiated by us for identification purposes, states the possible special tax benefits under the Income-tax Act, 1961 ("**Act**") presently in force in India as on the signing date viz. the Income-tax Act, 1961, the Income-tax Rules, 1962, ("**Tax Rules**"), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-2026 relevant to the Financial Year 2024-2025, possible special tax benefits under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 as passed by the respective State Governments from where the Company, its Material Subsidiary and its Shareholders operate (collectively the "**GST Acts**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**"), each as amended by the Finance Act 2024 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2024-25, available to the Company, its Material Subsidiary and its Shareholders. These possible special tax benefits are dependent on the Company, its Material Subsidiary and its Shareholders, fulfilling the conditions prescribed under the relevant provisions of the Tax Rules/Act. Hence, the ability of the Company, its Material Subsidiary and its Shareholders, to derive the possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives that the Company may face in the future, and accordingly, the Company, its Material Subsidiary and its Shareholders may or may not choose to fulfil.

4. This Statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its Material Subsidiary and its Shareholders, the same would include those benefits as enumerated in the Statement. Any benefits under the Tax Rules/ Act other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of this Statement.

5. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

6. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company, its Material Subsidiary and its Shareholders and do not cover any general tax benefits available to the Company, its Material Subsidiary. Further, the preparation of the enclosed Statement and its contents is the responsibility of the management of the Company. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any Shareholder or investor for placing reliance upon the contents of this Statement particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither are we suggesting nor advising the investors to invest money based on the Statement.

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

8. Our examination of the Statement has been carried out in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) as issued by the Institute of Chartered Accountants of India ("**ICAI**") and accordingly, we confirm that we have complied with ethical requirements stipulated within the Code of Ethics issued by the ICAI.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. We do not express any opinion or provide any assurance whether:
    i. The Company, its Material Subsidiary or its Shareholders will continue to obtain these benefits in future;
    ii. The conditions prescribed for availing the benefits have been/would be met; and
    iii. The revenue authorities/courts will concur with the views expressed herein.

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to them in the Offer Documents.

For and on behalf of

B R Maheshwari & Co LLP

Chartered Accountants

Firm Registration Number: 001035N/N500050

Akshay Maheshwari
Partner
Membership No: 504704
UDIN: 24504704BKEIUQ9556
Date: July 31, 2024

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO HERO FINCORP LIMITED (THE "COMPANY"), ITS MATERIAL SUBSIDIARY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company, its Material Subsidiary and its Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

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

1. **Special tax benefits available to the Company, and its Material Subsidiary under the Act**

   Lower corporate tax rate under section 115BAA

   - Section 115BAA, as inserted vide the Taxation Laws (Amendment) Act, 2019 w.e.f. April 1, 2020, provides that domestic company can opt for tax rate of 22% plus a surcharge of 10% and a health and education cess of 4% (effective tax rate of 25.168%) for the financial year 2019-20 and onwards, provided the total income of the company is computed without claiming certain specified deductions and specified brought forward losses and claiming depreciation determined in the prescribed manner.
   - In case a company opts for section 115BAA, provisions of Minimum Alternate Tax ("**MAT**") would not be applicable and earlier years' MAT credit will not be available for set – off.
   - The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other subsequent assessment year. Further, if the conditions mentioned in section 115BAA are not satisfied in any financial year, the option exercised shall become invalid for assessment year in respect of such financial year and subsequent assessment years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.
   - The Company has represented to us that the Company and its Material Subsidiary have opted for tax regime under section 115BAA of the Act for AY 2020-2021 and onwards. Accordingly, the MAT provisions are not applicable to the company w.e.f. AY 2020-21.

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

   - A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 1, 2020 providing 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 139(1) of the Act. Where the Company or Material Subsidiary receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

   Section 36(1)(viia) of the Act: Deduction for provision for Bad and doubtful debts

   - As per section 36(1)(viia)(d) of the Act, Company being NBFC is eligible to claim deduction in respect of provision made for bad and doubtful debts to the extent of 5% of the total income.

   Section 43D of the Act: Special Provision in case of Income of NBFCs

As per section 43D of the Act, the income by way of interest in relation to certain categories of bad and doubtful debts as prescribed in Rule 6EA, shall be chargeable to tax in the year in which it is credited to profit and loss account for that year or in which it is actually received, whichever is earlier. The Company is complying the provision of section 43D.

2. **Special tax benefits available to the Shareholders of the Company under the Act**

   - Dividend income will be subject to tax in the hands of domestic Shareholders at the applicable slab rate/ corporate tax rate (plus applicable surcharge and cess). In case of Non-resident Shareholders, tax will be applicable at 20% (plus applicable surcharge and cess) or as per applicable Double Taxation Avoidance Agreement ("**DTAA**").
   - Dividend received by a domestic company from any other domestic company or a foreign company or a business trust shall be eligible for deduction of dividend income under section 80M of the Act while computing its total income for the relevant assessment year subject to the fulfilment of prescribed conditions. The amount of such deduction would be restricted to the amount of dividend distributed by the shareholder (domestic company) up to 1 month prior to the due date for furnishing the return of income under section 139(1) of the Act.
   - Long term capital gains exceeding ₹ 1,25,000 on transfer on listed equity shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 12.5% (plus applicable surcharge and cess). The benefit of indexation of costs shall not be available.
     As per section 2(29AA) read with section 2 (42A) of the Act, a listed equity share is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

- Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of section 111A of the Act at 20% (plus applicable surcharge and cess).
- Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial and subject to provision of the prescribed documents.

Under the Indirect Tax Laws

1. **Special tax benefits available to the Company, its Material Subsidiary**
   Availment of GST Input credit
   - We understand that the Company and its Material Subsidiary are Non- Banking financial companies ("**NBFCs**"). In the purview of sub section 4 of section 17 of the Central Goods and Service Tax Act, NBFCs are eligible to avail every month 50% of the eligible input tax as Input tax credit.
2. **Special tax benefits available to Shareholders of the Company**
   There are no special indirect tax benefits available to the shareholders of the Company under the indirect tax laws, as mentioned above.

NOTES:

i. *The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.*

ii. *The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.*

iii. *The above statement of possible special direct tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26. Several of these benefits are dependent on the Company, its Material Subsidiary or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.*

iv. *Any benefits under the Taxation Rules / Act other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of this Statement.*

v. *In respect of lower Corporate Tax rate under section 115BAA, it may be noted that the Company has opted for lower corporate tax under section 115BAA from AY 2020-21 and onwards. Similarly, the Material Subsidiary of the Company has also chosen the option for the lower corporate tax under section 115BAA for AY 2020-21 while filing the return of income. The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year.*

vi. *This statement 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 or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.*

vii. *The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:*
   a. *the Company, its Material Subsidiary or its Shareholders will continue to obtain these benefits in future;*
   b. *the conditions prescribed for availing the benefits have been/ would be met with; and*
   c. *the revenue authorities/courts will concur with the view expressed herein.*

viii. *The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.*

ix. *This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income-tax consequences that apply to them.*

x. *The new tax regime under section 115BAC of the Act is applicable to individual, Hindu undivided family, association of persons (other than a co-operative society), body of individuals and an artificial juridical person provided the total income of such taxpayer is computed without claiming certain specified deductions and exemptions, specified brought forward losses and set-off of loss under the head "Income from house property" with any other head of income and claiming depreciation as determined in the prescribed manner.*

xi. *The above statement of possible direct tax benefits 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.*

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the CRISIL Report, which has been commissioned and paid for by us in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified any third-party statistical, financial and other industry information in the CRISIL Report. Unless otherwise indicated, all 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 year. For further details and risks in relation to the CRISIL Report, see "Risk Factors – We have included data derived from the CRISIL Report titled "Report on loans and financial services industry in India" which has been prepared by CRISIL Limited exclusively for the Offer and commissioned and paid for by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 65.

1. Macroeconomic scenario

1.1 Global economy is witnessing tightening of monetary conditions

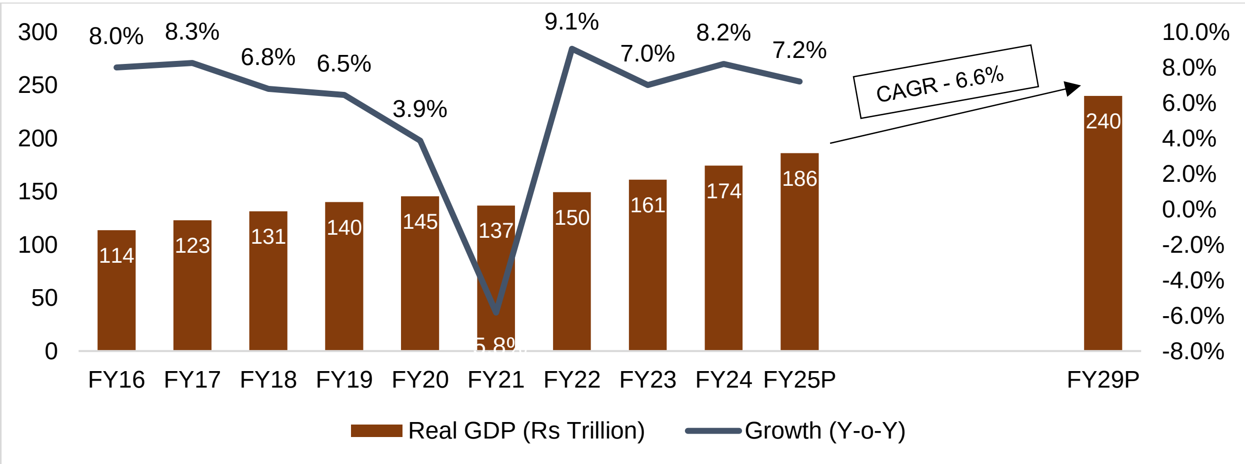
The global economy is witnessing tightening of monetary conditions in most regions. As per the International Monetary Fund (IMF) (World Economic Outlook Update – April 2024), global growth prospects for FY24 and FY25 will hold steady at 3.2%. The trade outlook for the calendar year 2024 is expected to be negatively impacted by geopolitical frictions, persisting inflation and lower global demand. Furthermore, deceleration in domestic growth could lead to some softening in imports. The central bank policy rates expected to be elevated to fight inflation amid withdrawal of fiscal support and low underlying productivity growth. Due to restrictive monetary policy, inflation is falling in most regions. As per IMF (World Economic Outlook Update – April 2024), global headline inflation is expected to be around 5.9% in 2024 and 4.5% in 2025.

1.2 India expected to remain one of the fastest growing economies in the world

The Indian economy was among the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading up to the global health crisis which disrupted economic activities, the country's economic indicators posted gradual improvements owing to strong local consumption, a lower reliance on global demand and continued resilience. The twin deficits, namely current account and fiscal deficits narrowed, while the growth-inflation mix showed a positive and sustainable trend.

Despite geopolitical instability, India continues to maintain its position as one of the fastest-growing economies globally. The year-on-year growth in real GDP in Q4 FY24 was 7.8%. In FY24, as per the provisional estimates, real GDP grew by 8.2% as compared to 7.0% in FY23. This can be attributed to various factors such as demographic advantage, robust domestic demand, economic reforms, manufacturing and infrastructure development, technological advancements, and digital push. Going forward, the RBI expects a moderation in GDP growth rate to 7.2% in FY25.

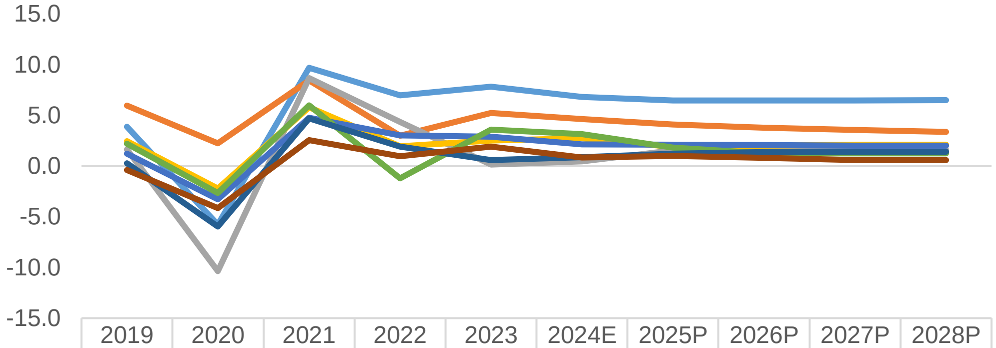
India's economy expected to grow at 7.2% in fiscal 2025 as per RBI estimates



Note: P - Projected; GDP growth number for FY24 is provisional estimates, GDP growth number for FY25 mentioned as per RBI estimates and that for fiscals 2026-2029 based on IMF estimates; Source: NSO, RBI, CRISIL MI&A, IMF (World Economic Outlook – April 2024 update)

Over the past three fiscals – from FY22 to FY24, Indian economy has outperformed its global counterparts by witnessing a faster growth in the GDP. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

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



	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
India	3.9	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5
China	6.0	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4
United Kingdom	1.6	-10.4	8.7	4.3	0.1	0.5	1.5	1.7	1.7	1.6
United States	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1
Brazil	1.2	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0
Russia	2.2	-2.7	6.0	-1.2	3.6	3.2	1.8	1.3	1.3	1.3
South Africa	0.3	-6.0	4.7	1.9	0.6	0.9	1.2	1.4	1.4	1.4
Japan	-0.4	-4.1	2.6	1.0	1.9	0.9	1.0	0.8	0.6	0.6

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years, E: Estimated, P: Projected; 2022E, 2023E, 2024P, 2025P are based on IMF World Economic Outlook, January 2024, all other values are based on IMF World Economic Outlook, October 2023; Source: IMF (World Economic Outlook – April 2024), CRISIL MI&A

India being one of the fastest growing major economies the world, expected to remain pivotal in world trade

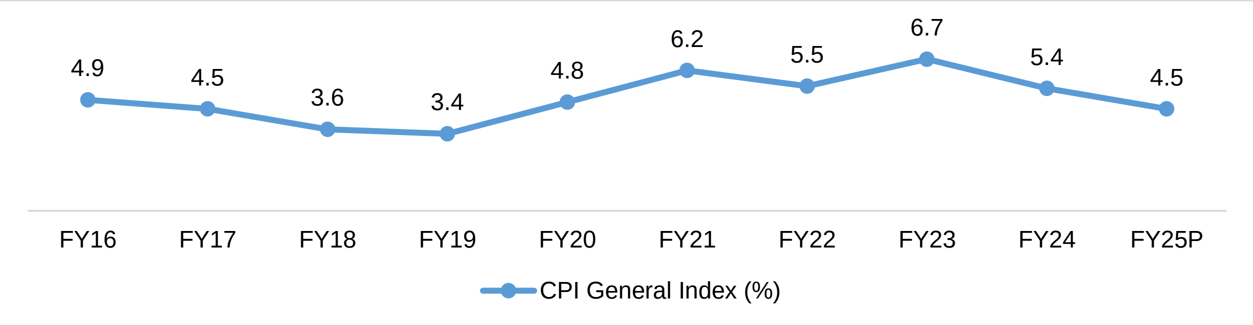
As per IMF, India’s GDP is expected to grow from US$ 3.3 trillion in Fiscal 2023 to US$ 6.4 trillion by Fiscal 2030, with MSMEs and retail customers expected to drive growth.

Consumer Price Index (“CPI”) inflation to average at 4.5% in FY25

Headline consumer price inflation (CPI) has seen some moderation at 4.8% in April 2024. Food inflation, however, remained elevated to 7.9% in April 2024 and has remained above the 6% mark since July 2023. The rise was driven by inflation in pulses and vegetables. Fuel inflation has been negative for the last two quarters of fiscal 2024 due to the central government's subsidy on cooking gas. It is likely to come down further due to the recent cut in cooking gas prices.

CRISIL MI&A expects CPI inflation to continue to soften in FY25 to 4.5% from 5.4% in FY24, supported by the assumption of a normal monsoon, softer domestic demand, and benign global oil prices. The distribution of the southwest monsoon and rabi output will be key monitorable for food inflation in the coming months.

Inflation to moderate to 4.5% in Fiscal 2025



Note: P - Projected, Source: RBI, CRISIL MI&A

Macroeconomic outlook for FY25

Macro variables	FY24	FY25P	Rationale for outlook
Real GDP (y-o-y)	8.2%	7.2%	Slowing global growth is likely to weaken India's exports, while peak impact of past rate hikes and lower fiscal impulse could temper domestic demand. Despite the lower forecast, India continuous to grow at the highest rate in world propelled by budgetary support to capital expenditure and rural incomes to support growth.
Consumer price index (CPI) inflation (y-o-y)	5.4%	4.5%	Lower commodity prices, higher base effect (in fiscal 2024), and expectations of normal monsoon is likely to help in moderating inflation in FY25.
10-year Government security yield (Fiscal end)	7.0%	6.8%	A moderate reduction in gross market borrowings expected to lower pressures on yields in FY25. This, coupled with lower inflation, is likely to moderate yields in FY25. India's inclusion in the JP Morgan Emerging Market Bond Index is favourable for capital flows into government debt.
Fiscal Deficit (% of GDP)	5.8%	5.1%	Persistent efforts in fiscal consolidation aided by moderation in revenue spend and robust tax collections expected to bring down the deficit and allow for lower government market borrowings.

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

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

- GST has spawned structural changes in the supply chain and logistics network in India which ensures that more players in the supply chain come under the tax ambit. The GST regime has been stabilizing fast and is expected to bring more transparency and formalization, eventually leading to higher economic growth. Number of GST returns filed saw a ~38% jump from FY19 (~169 million) to FY23 (~232 million), till January 2024 a total of ~90 million GST returns have been filed in FY24.

- PMAY was introduced in 2015 to provide affordable housing for all by the end of 2022. The timelines were revised to fiscals 2024 and 2025 for PMAY-Gramin and PMAY-Urban respectively due to delays in completion. Execution under the scheme has been encouraging with ~2.55 crores being completed as of January 2024, out of the targeted 2.95 crore houses. The target for the next five years has been further increased by ~2 crore houses in the FY25 budget estimate; a 68% addition to the current target of ~3 crore houses. The move provides an impetus to the real estate sector as well its stakeholders including – developers, engineering, procurement and construction contractors, allied industries such as steel, cement etc.

- The Finance Ministry introduced the Emergency Credit Line Guarantee Scheme (ECLGS) in May 2020, as a part of the government's COVID-19 financial relief package. Under this scheme, financial institutions provide emergency credit facilities to MSMEs that have suffered due to the pandemic. The scheme aimed at aiding MSMEs to meet their working capital and operational expenditure needs. Banks and NBFCs are directed to offer up to 20% of entire outstanding credit to MSMEs. MSMEs with up to Rs. 250 million outstanding credits and Rs. 1 billion turnover are eligible for these loans.

- The government has also launched the JAM trinity which aims to link Jan Dhan accounts, mobile numbers and Aadhar cards of all Indian nationals to transfer cash benefits directly to the bank account of the intended beneficiary and avoid leakage of government subsidies.

- Government launched the Digital India program, on 1st July 2015 with the vision of transforming India into a digitally empowered society and a knowledge-based economy, by ensuring digital access, digital inclusion, digital empowerment and bridging the digital divide. Some of the key initiatives and related progress under Digital India are as follows-

  - Unified Mobile Application for New-age Governance (UMANG) – for providing government services to citizen through mobile. More than 1,984 e-Services as of March 2024 and over 21,979 bill payment services are made available at UMANG as of December 2023.

  - Unified Payment Interface (UPI) is the leading digital payment mechanism, it has onboarded 550+

banks and has facilitated more than 13,440 million transactions (by volume) worth Rs 19.7 trillion in March 2024.

- Cyber Security: The Government has taken necessary measures to tackle challenges about data privacy and data security through administering the Information Technology (IT) Act, 2000 which has necessary provisions for data privacy and data security.

- Common Services Centers – CSCs are offering government and business services in digital mode in rural areas through Village Level Entrepreneurs (VLEs). Over 400 digital services are being offered by these CSCs. As of February 2024, 0.57 million CSCs are functional (including urban & rural areas) across the country, out of which, 0.44 million CSCs are functional at Gram Panchayat level.

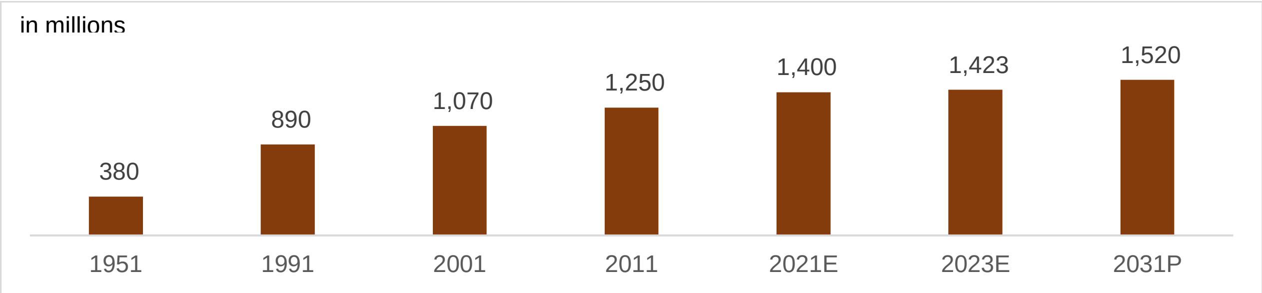
Overall, these initiatives will improve the digital connectivity of Indians along with boosting business sentiment, thereby creating new opportunities.

1.3 Key growth drivers

India has world's largest population

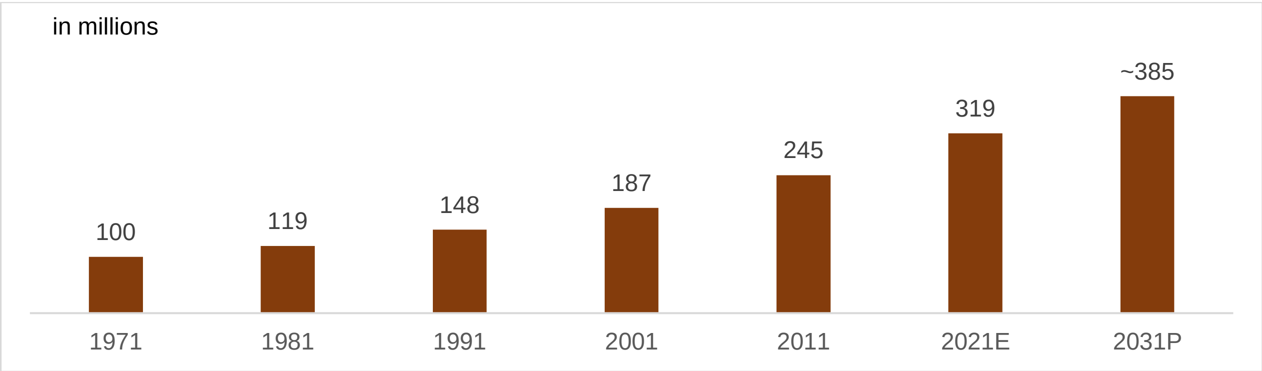
As per Census 2011, India's population was ~1.25 billion, and comprised nearly 245 million households. The population, which grew at nearly 1.5% CAGR between 2001 and 2011, is expected by CRISIL MI&A to increase at 1.1% CAGR between 2011 and 2021, to 1.4 billion. The population is expected to reach 1.5 billion by 2031, and the number of households are expected to reach ~385 million over the same period.

India's population growth trajectory



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

Number of households in India

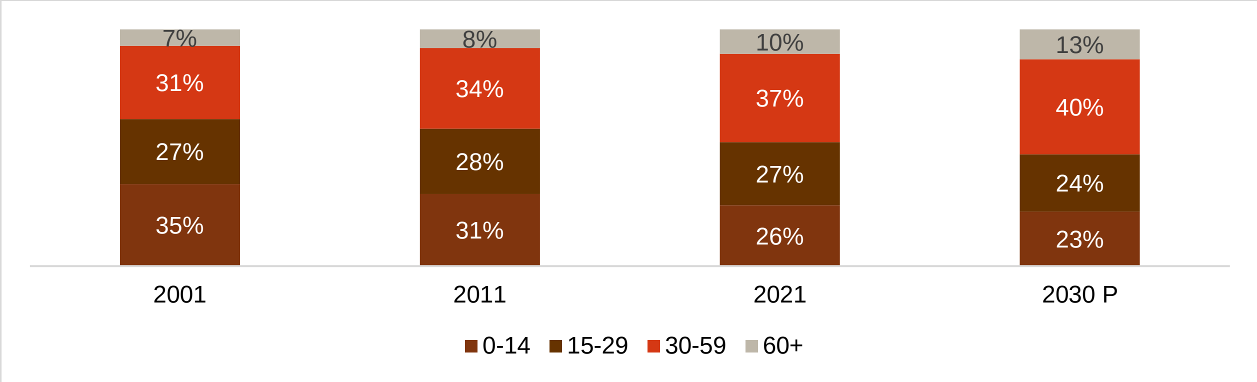


Note: As at the end of each Fiscal. E: Estimated, P: Projected, Source: Census India, CRISIL MI&A

Favorable demographics

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

India's demographic dividend

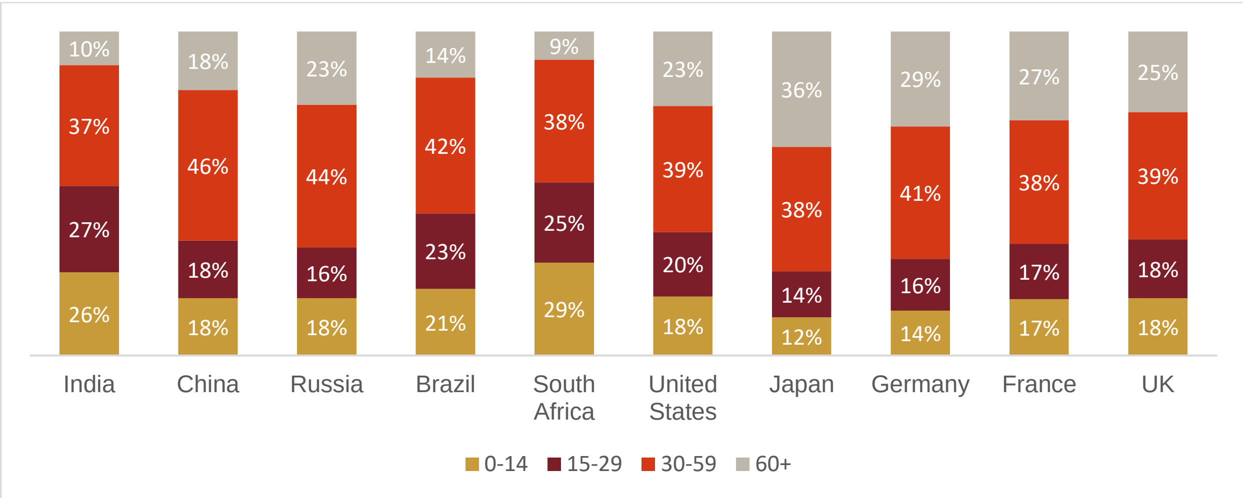


Note: P: Projected, 2001, 2011 and 2021 data from World Population Prospects (2022), 2030P is projected by CRISIL MI&A.
Source: United Nations Department of Economic and Social Affairs: World Population Prospects (2022), World Urbanization Prospects: The 2018 Revision (UN) (https://population.un.org/wup/), CRISIL MI&A.

Favourable demographics are further expected to drive growth in retail loans, as customers in these segments increasingly aspire to own vehicles, homes and other products.

As per All India Pin Code Directory data, total number of Pin codes in India is 19,300, as of June'2024.

India has one of the highest proportions of young population (below the age of 30 years) among BRICS nation and large economies outside BRICS as of 2021

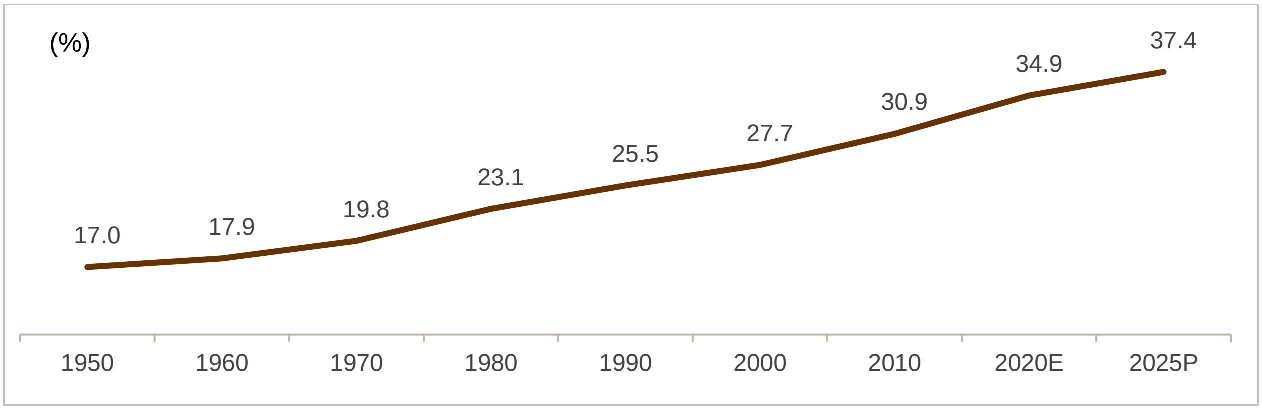


Source: United Nations Department of Economic and Social Affairs: World Population Prospects (2022), World Urbanization Prospects: The 2018 Revision (UN) (https://population.un.org/wup/), CRISIL MI&A.

Urbanization

Urbanisation is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which in turn is expected to create jobs, develop modern consumer services, and increase the ability to mobilise savings. India's urban population has been rising consistently over the decades. In 1950, the urban population was 17% of the total population of India. (*Source: World Urbanization Prospects*). As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 34.9% of India's total population in 2020. According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 37.4% by 2025.

Urban population as a percentage of total population (%)



Note: E- Estimated, P – Projected
Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

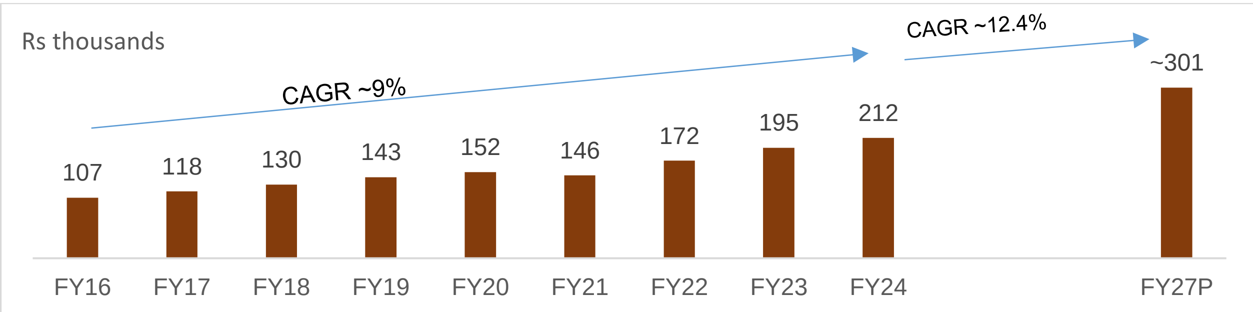
Increasing per capita GDP

India's per capita net national income expanded 7.4% in fiscal 2024, reflecting robust economic growth and the government's continued endeavour to make the country an upper middle-income economy. In FY23, India's per capita income expanded by 5.7%. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 5-6% CAGR in real terms from FY24 to FY27.

Per capita NNI	FY24 (Rs. '000)		Growth at constant prices (%)										
	Current prices	Constant prices	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	184	107	4.6	6.2	6.7	6.8	5.7	5.8	2.9	-7.6	7.6	5.7	7.4

Note: P – Projected. (^) Per capita NNI as per Second Advance Estimates of National Income, 2023-24
Source: Ministry of Statistics and Program Implementation (MoSPI), International Monetary Fund (IMF), CRISIL MI&A

Trend in Nominal GDP per capita (at current prices)



Note: P- Projected; FY24 number based on provisional estimates by Ministry of Statistics and Program Implementation,
FY25 – FY27 Projections based on IMF – World Economic Outlook (April 2024 update)
Source: MOSPI, IMF, CRISIL MI&A

1.4 MSMEs account for 29% of Indian GDP and 45% of total Indian manufacturing output

Micro, small, and medium enterprises (MSMEs) segment form an integral part of economy in terms of its contribution in GDP, employment, exports, and lending. Despite hiccups created by pandemic over the last several quarters, recovery across most SME sectors is evident in recent months. In long term, the segment will continue to offer attractive business opportunities for financiers. MSME segment revenue growth is expected to reach 1.4x of pre-pandemic (FY20) in FY24, with rising budgetary spends and focus on infra.

Multiple government schemes have been launched in the past fiscals to strengthen MSMEs in the nation:

- Credit linked capital subsidy scheme for technology upgradation
- Emergency Credit Line Guarantee Scheme

- Small Industry Cluster Development Program Scheme
- MSME Market Development Assistance Scheme
- MSME Self-reliant India fund

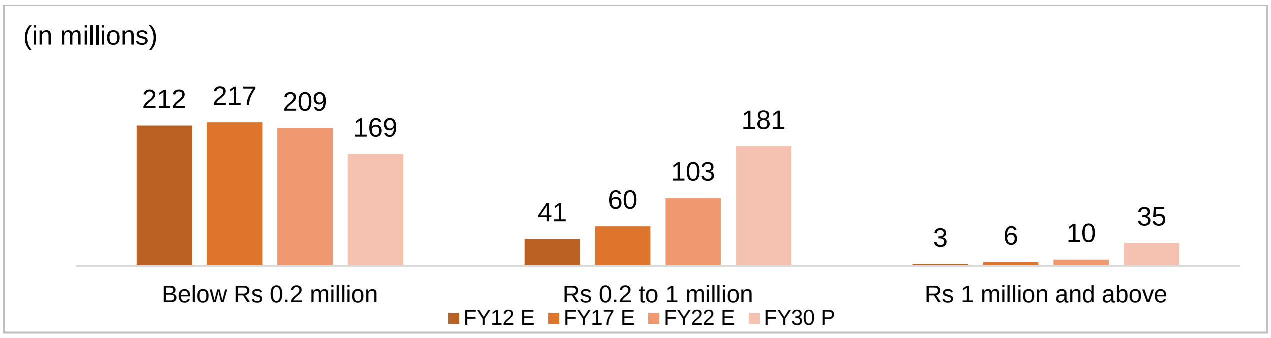
MSMEs are a key driver of India's GDP growth. Gross value added (GVA) contribution from MSMEs increased from Rs 45 trillion in Fiscal 2017 to Rs 69 trillion in Fiscal 2022 and expected to continue its robust growth. With strengthening of the MSME segment in India, direct positive impact is expected to be witnessed in the nation's economic health as MSMEs account for a significant proportion of the GDP and as on December 2023, the total employment recorded on the UDYAM registration portal (since inception July 1, 2020 to December 6, 2023) is 155.0 million.

Aspiring Indian population to help sustain growth for the country

Proportion of Aspiring India (defined as middle India households with annual income between Rs. 0.2 to 1 million) has been on a rise over the last decade and is expected to grow further with continuous increase in the GDP and household incomes. As per CRISIL MI&A estimates, the Aspiring India Segment is expected to grow from 103 million households in Fiscal 2022 to 181 million households by Fiscal 2030. A large number of these households, which have entered the aspiring India bracket in the last few years, are likely to be from semi-urban and rural areas. Such favourable demographics are expected to continue spurring growth in opportunities for retail financial products.

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

Aspiring India households (middle India - annual income between Rs. 0.2 to 1 million) expected to grow by 1.75 times between FY22 to FY30



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

Pucca houses rose to 59% of total households in India as per NHFS (2019-21)

Pucca houses in India rose to 59% as per NFHS (2019-21) from 54.8% (2015-16), witnessing a growth of 4.2% while kaccha houses and semi-pucca houses degrew to 4.5% and 35.2% respectively.

Three-fifth of households in India have Pucca Houses, while 35% had semi-pucca houses (2019-21)

Type of House	2015-16	2019-21
Kachha House	5.5%	4.5%
Semi-pucca House	36.4%	35.2%
Pucca House	54.8%	59.0%
Missing House	3.3%	1.2%

Source: India National Family Health Survey (2015-16 and 2019-21), CRISIL MI&A

With rising incomes, there has been a rise in share of households with basic appliances

With Indians witnessing a rise in their household incomes, there has been a rise in share of households with basic household appliances, while only ~30% of Indians had refrigerators as per NFHS (2015-16) it rose to ~39% by (2019-21), similar growth was witnessed in share of households with air conditoners/ coolers and washing machines, with ~25% share of air conditoners / coolers and ~19% share of washing machines as per NFHS (2019-21).

With rising incomes, there has been a rise in share of households with basic appliances

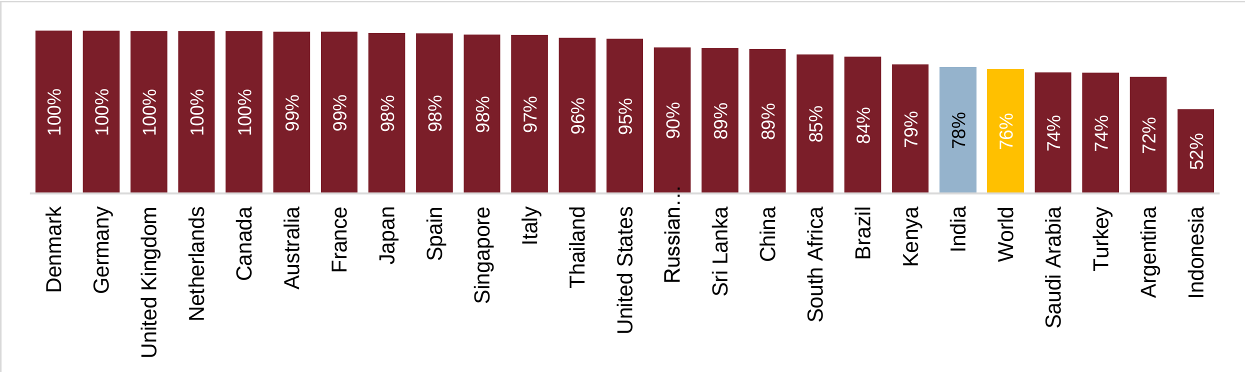
Household appliances	2015-16	2019-21
Refrigerator	30.1%	38.9%
Air conditioner/cooler	18.9%	25.4%
Washing machine	13.7%	18.6%

Source: India National Family Health Survey (2015-16 and 2019-21), CRISIL MI&A

Financial Inclusion on a fast path in India

According to the World Bank's Global Findex Database 2021, the global average of adult population with an account opened with a bank, financial institution, or mobile money provider, was approximately 76% in calendar year 2021. India's financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's concentrated efforts to promote financial inclusion and the proliferation of supporting institutions.

Adult population with a bank account (%): India vis-à-vis other countries (2021)

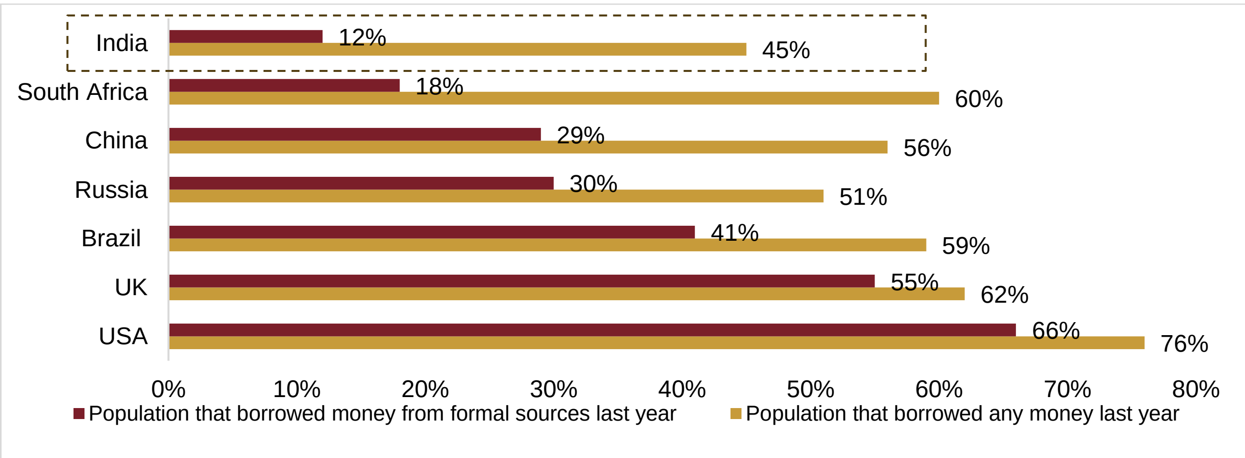


Note: 1. Global Findex data for India excludes northeast states, remote islands, and selected districts. 2. Account penetration is for the population within the age group of 15+, Source: World Bank – The Global Findex Database 2021, CRISIL MI&A

However, financial exclusion is widely prevalent in countries, such as India, due to poverty and low income, financial illiteracy, high transaction costs, and lack of infrastructure (primarily information technology). As per the Global Findex Database 2021, ~54% of the world's 740 million unbanked adults live in only seven countries (India, Bangladesh, China, Indonesia, Egypt, Nigeria and Pakistan), of which 230 million are in India. Consequently, a significant proportion of the population still lacks access to formal banking facilities. According to NABARD All India Rural Financial Inclusion Survey 2016-17, 40% loans were reported as taken from non-institutional investors or informal channels like relative and friends, money lenders and local landlords.

According to the World Bank's Global Findex Database 2021, only 12% of the Indian population borrowed money through a formal channel like financial institutions which is very low compared to other developed and developing countries. The population that borrowed money through formal channel was 8% as of 2017 (Source: World Bank- The Global Findex Database 2017).

Only 12% of India's population borrowed money from formal sources (CY2021)

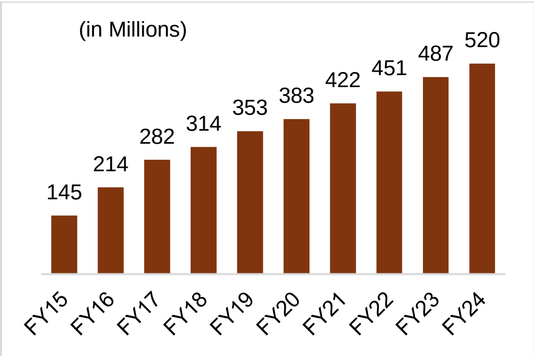


Note: 1. Global Findex data for India excludes northeast states, remote islands, and selected districts. 2. Data is for the population within the age group of 15+ 3. Money borrowed from formal sources includes money borrowed from Banks, NBFCs and usage of credit card.

Source: World Bank - The Global Findex Database 2021, CRISIL MI&A

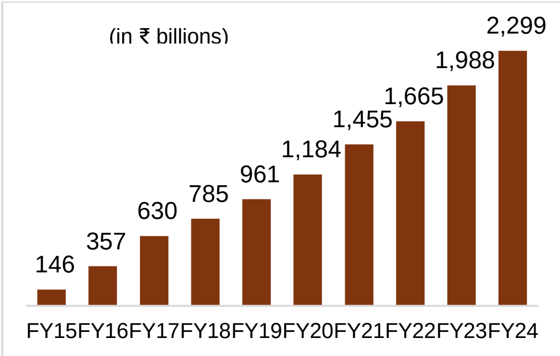
As of 31st March 2024, ~521 million PMJDY accounts had been opened, of which 67% were in rural and semi-urban areas, with total deposits of Rs. 2,299 billion.

Number of PMJDY accounts



Source: PMJDY; CRISIL MI&A

Total balance in PMJDY accounts

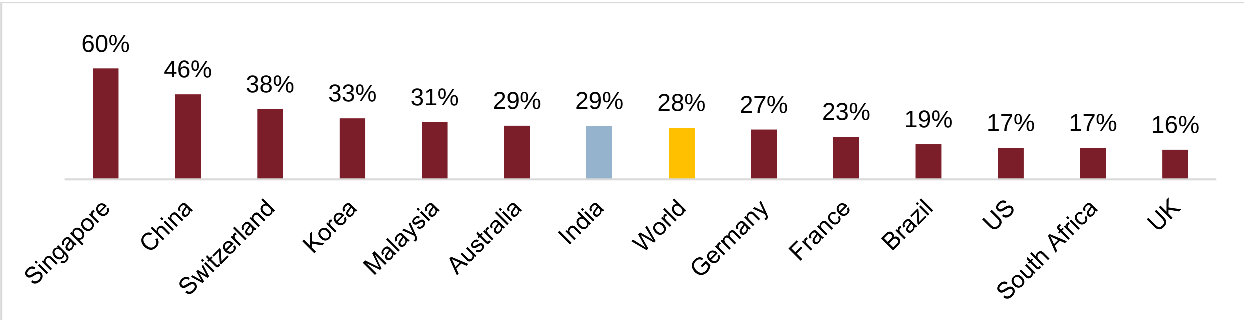


Source: PMJDY; CRISIL MI&A

Household savings expected to increase

India's slowing economy took a toll on much-needed savings too, with the Gross Domestic savings rate touching a 15-year low in FY20 to 27.1%, post which in the next two fiscals the savings have witnessed a growth and touched ~29% during FY22. Despite the slow-down, India remains favorable in terms of gross domestic savings rate compared with most other emerging market peers at 29% in FY22, greater than the world average of 28%.

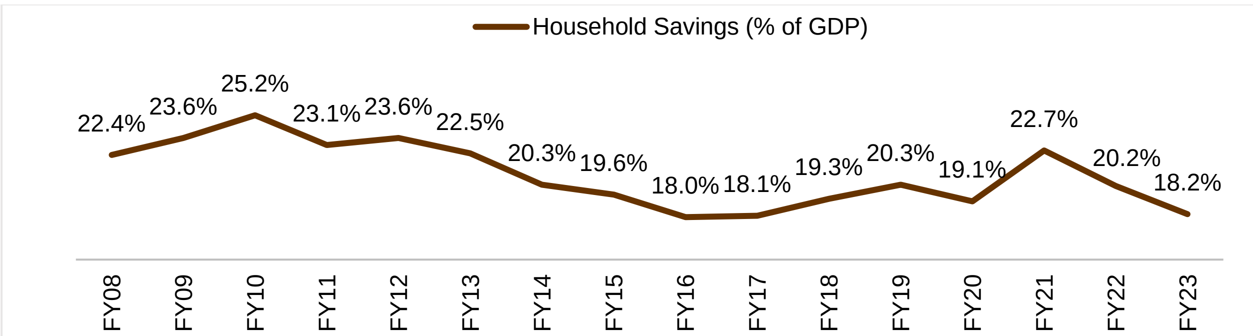
Gross Domestic Savings rate (in %): India vs other countries (CY 2022)



Note: Gross Domestic Saving consists of savings of household sector, private corporate sector and public sector; (*) Data as of CY2022; Source: World Bank, Handbook of Statistics on Indian Economy 2020-21, RBI, MOSPI, CRISIL MI&A

Specifically, household savings as a percentage of GDP has been sliding since FY12 potentially due to an increase in borrowings for consumption needs posed by higher inflation rates, with its share as a proportion of GDP falling significantly from 23.6% in FY12 to 18.0% in FY16. As of FY23, household savings as percentage of GDP stood at 18.2%.

Household savings as a percentage of GDP increased to 22.7% in FY21 and declined subsequently in FY22 and FY23



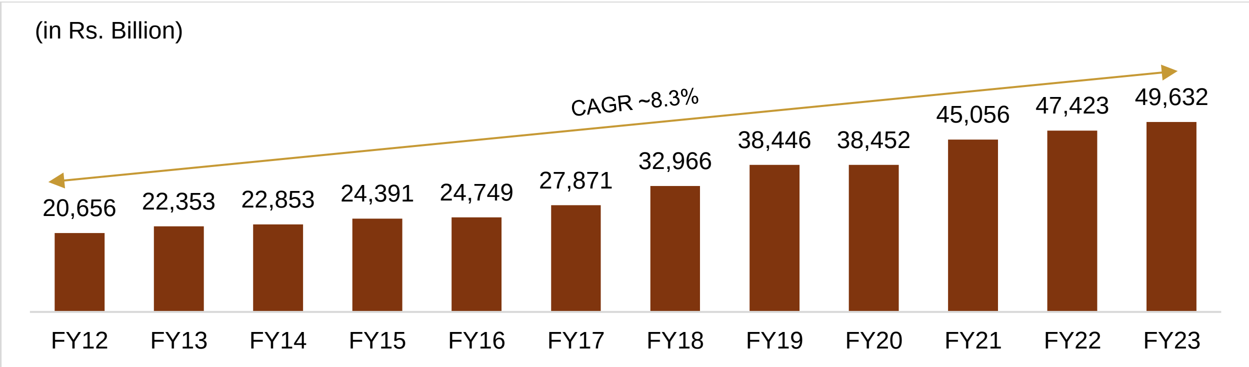
Source: Ministry of Statistics and Programme Implementation (MOSPI), RBI, CRISIL MI&A

Gross domestic savings trend

Parameters (Rs. Billion)	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
GDS	36,082	40,200	42,823	48,251	54,807	60,004	59,411	57,869	73,631	81,500
Household sector savings (net financial savings, savings in physical assets and in the form of gold and silver ornaments)	22,853	24,391	24,749	27,871	32,966	38,446	38,452	45,056	47,423	49,632
Household sector savings as proportion of GDS (%)	63%	61%	58%	58%	60%	64%	65%	78%	64%	61%
Gross financial savings	11,908	12,572	14,962	16,147	20,564	22,637	23,246	30,670	26,120	29,736
Gross financial savings (% of GDS)	33%	31%	35%	34%	38%	38%	39%	53%	36%	37%
Financial liabilities	3,587	3,768	3,854	4,686	7,507	7,712	7,747	7,374	8,993	15,572
Savings in physical assets	14,164	15,131	13,176	15,946	19,442	23,095	22,522	21,355	29,683	34,834
Savings in physical assets as a proportion of GDS (%)	39%	38%	31%	33%	35%	38%	38%	37%	40%	43%
Savings in the form of gold and silver ornaments	368	456	465	465	467	427	431	405	613	634
Savings in the form of gold and silver ornaments as a proportion of GDS (%)	1.0%	1.1%	1.1%	1.0%	0.9%	0.7%	0.7%	0.7%	0.8%	0.8%

Note: The data is for financial year ending March 31. Physical assets are those held in physical form, such as real estate, etc.
Source: MOSPI, National Accounts Statistics, CRISIL MI&A

Household savings growth



Note: The data is for the financial year ending March 31.
Source: MOSPI, CRISIL MI&A

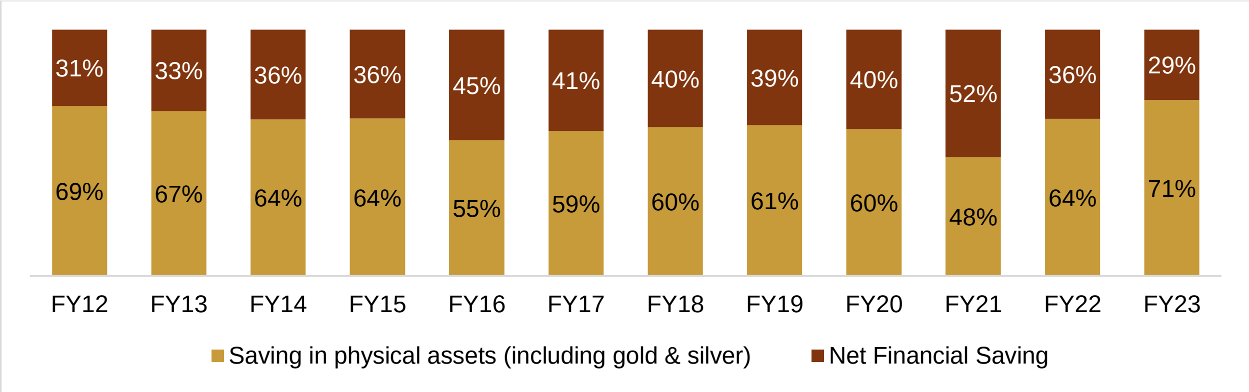
CRISIL MI&A expects India to continue being a high savings economy and savings rate increasing in the medium-term, as households become more focused on building a budget and financial plan for the future post the COVID-19 pandemic-induced uncertainty. In addition, according to the SEBI, during FY21, until the third quarter, the household financial savings deployed in securities market had grown significantly to 1.2% of GDP as compared to 0.3% during each of the previous two years Going forward, if the amount of savings deployed in securities market sustained, it is expected to boost the capital markets and economy.

Physical assets still account for majority of the savings

Unlike most other countries, where financial savings account for a significant proportion of savings, physical assets in the form or real estate, gold and silver still account for most household savings in India.

Households' savings in physical assets constitute a substantial share in overall savings and have recovered from low of 48% in FY21 to 71% in FY23. The share of financial savings has witnessed an overall uptrend over the years since FY12, however, it decreased in FY23 as compared to FY12. However, in the long term, with the increase in financial literacy, CRISIL MI&A expects the share of financial assets as a proportion of net household savings to increase over the next five years.

Trend of household savings in India



Note: The data is for financial year ending March 31
Source: Handbook of Statistics on Indian Economy 2022-23, RBI, MOSPI, CRISIL MI&A

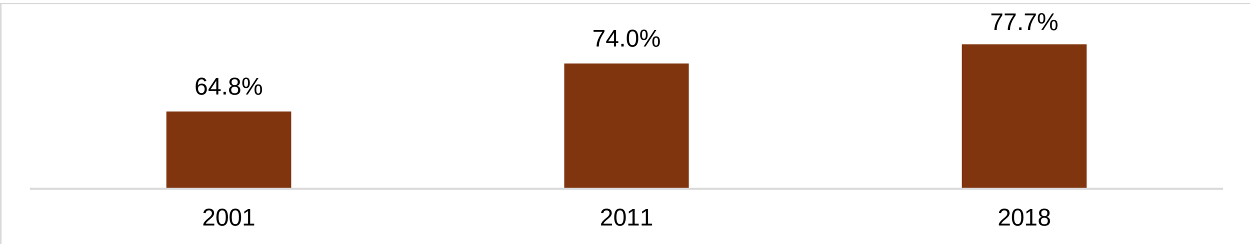
As for the trend in constituents of financial savings in India, bank and bank deposits have seen a decline from FY21 to FY23 (48.5% vs 46.0%) while other products such as life insurance funds (20.8% vs 21.5%), and mutual funds (7.6% vs 8.4%) have seen an increase over the same period.

Financial penetration to rise with increase in awareness of financial products

Overall literacy rate in India is at 77.7% as per the results of recent NSO survey conducted from July 2017 to June 2018, which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as combination of awareness, knowledge, skill, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

India's financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's efforts to promote financial inclusion and the proliferation of supporting institutions.

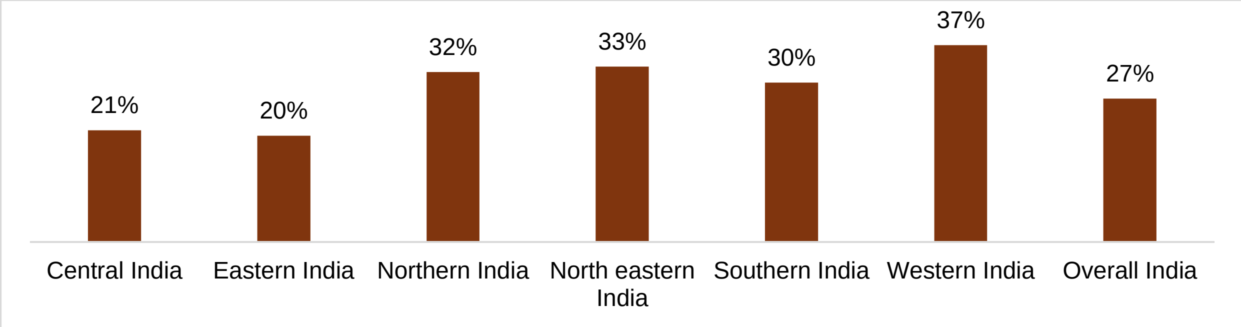
Overall literacy rate on the rise in India



Source: Census 2011, NSO Survey on household social consumption (2017-18),CRISIL MI&A

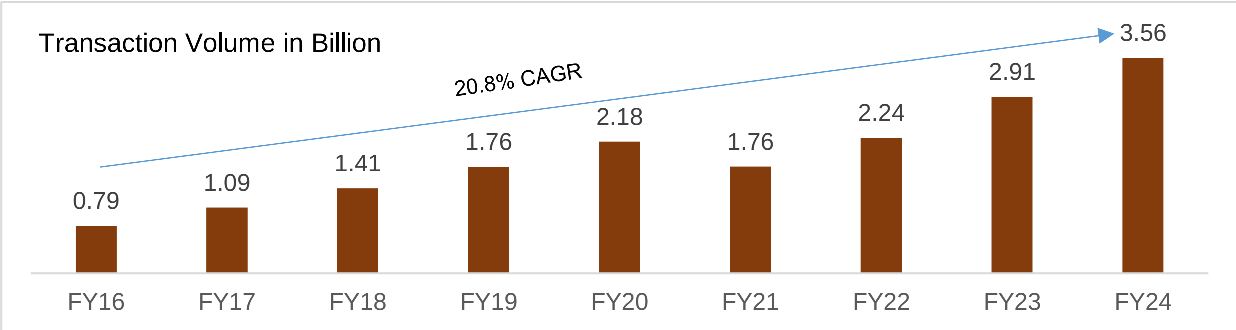
With increasing financial literacy, mobile penetration, awareness, and the Prime Minister's Jan Dhan Yojana bank accounts (scheme aimed at bringing the unbanked under the formal banking system), there has been a rise in the participation of individuals from non-metro cities in banking. With more people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

Financial Literacy across India as of 2019



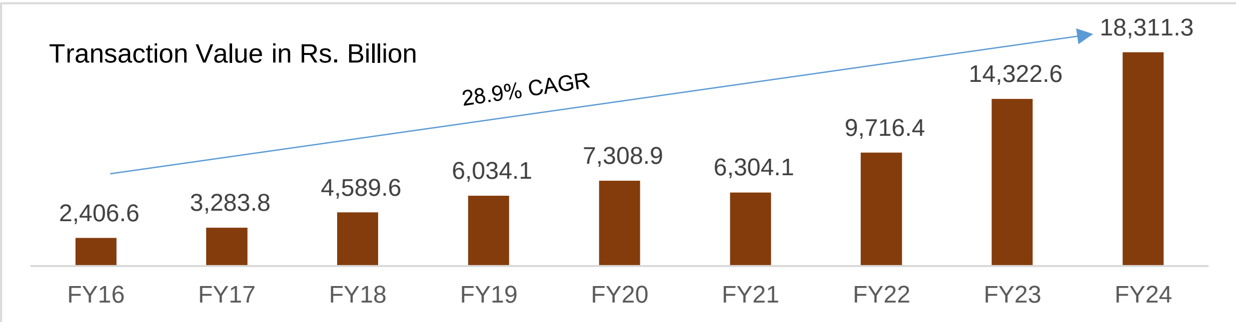
Source: National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019 Report, National Centre for Financial Education

Volume of Credit Card Transactions from FY16 to FY24



Source; RBI payment system indicator, Crisil MI&A

Value of Credit Card Transactions from FY16 to FY24

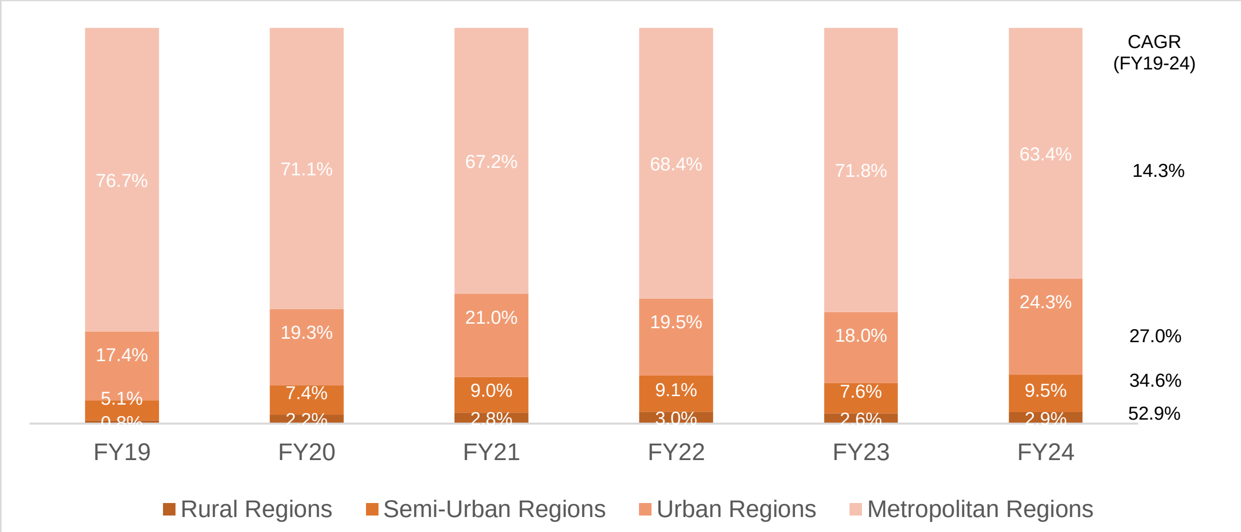


Source; RBI payment system indicator, Crisil MI&A

During FY16-24, volume of credit card transactions has witnessed a CAGR of 20.8% growing from 0.79 billion to 3.56 billion transactions as of FY24, during the same period the value of these transactions witnessed a growth of CAGR 28.9%, growing from Rs. 2.4 trillion to Rs. 18.3 trillion, signalling a significant rise in personal consumption and rising financing penetration and credit cards in the nation.

Further, as per Household consumption expenditure survey 2022-23 by NSSO, 35% of spends (total monthly per capita consumption expenditure) in rural areas and 39% in urban areas were aspiration driven (education, conveyance, consumer services, miscellaneous goods, entertainment, clothing, bedding, footwear, durable goods).

Share of rural and semi-urban regions in personal credit card outstanding has increased from 5.9% in FY19 to 12.4% in FY24



Source: RBI DBIE, CRISIL MI&A

Share of rural and semi-urban regions in the total personal credit card outstanding has witnessed an increase from 5.9% in FY19 to 12.4% in FY24, primarily due to two reasons first being the rising disposable income and second the increasing discretional spending which people have displayed in the last few fiscals. Rural regions have witnessed the fastest growth in the total personal credit card outstanding growing at a CAGR of 52.9% between FY19-FY24 followed by semi-urban and urban regions which grew at a CAGR of 34.6% and 27.0% respectively during the same period. Even though metro regions still account for the highest share in overall credit card outstanding (~63%) in FY24, their share has witnessed a decline from FY19 (~77%).

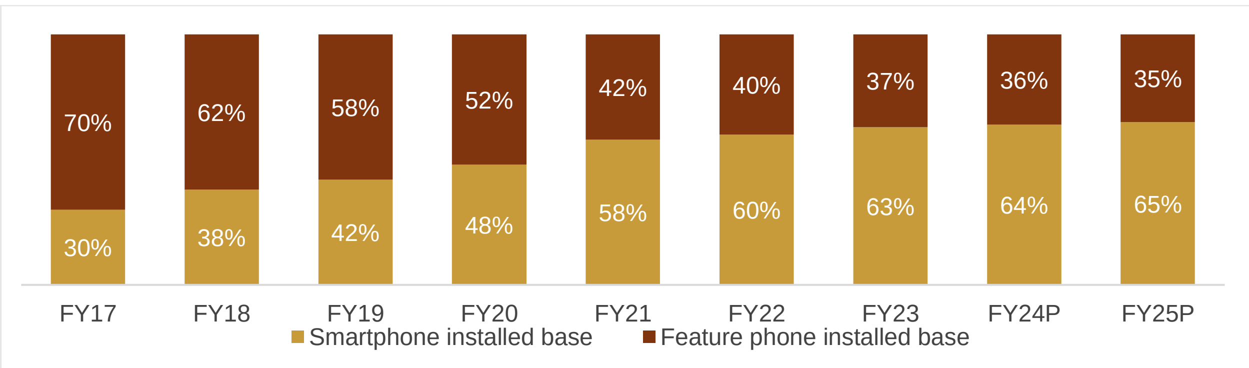
Digitization to support economic growth and financial services

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with using it to conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speeds, consumers are now encouraging digitization as they find it more convenient. Digitization is expected to help improve efficiency and optimize costs. Players with better mobile and digital platforms are expected to draw more customers and emerge as winners in the long term.

The smartphone user base has been growing in India and is expected to continue its growth in coming years due to various applications and services which can be availed / accessed through it.

Mobile penetration: Higher mobile penetration, improved connectivity, and faster and cheaper data speed, supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one.

Data-savvy and younger users to drive adoption of smartphones

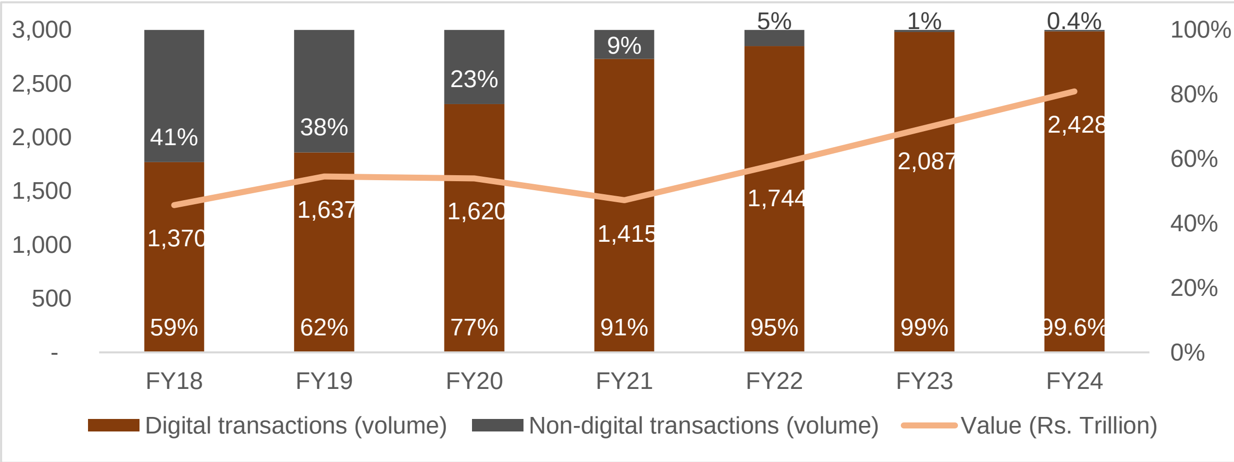


Note: E: Estimated, P: Projected
Source: CRISIL MI&A

Digital payments have witnessed substantial growth

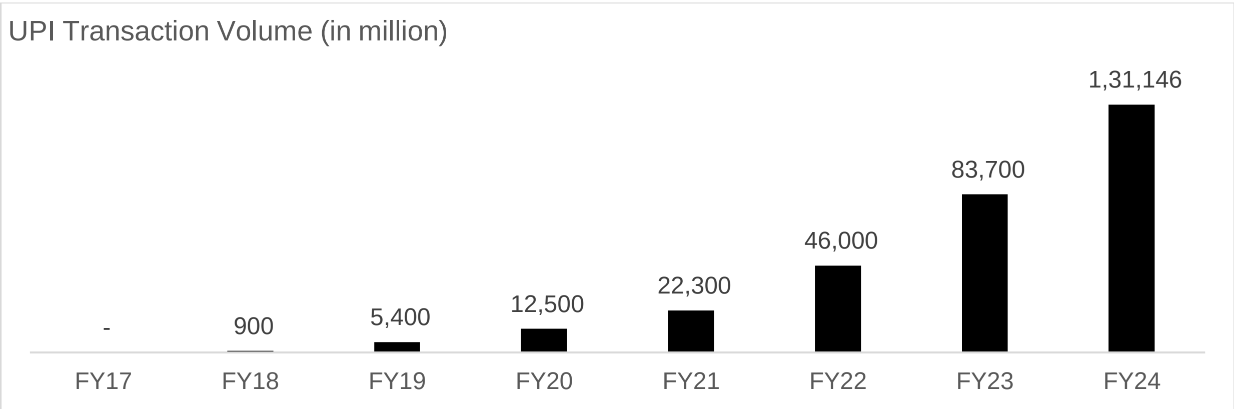
Total digital payments in India have witnessed significant growth over the past few years. Between FY18 and FY23, the volume of digital payments transactions has increased from 14.6 billion to 113.9 billion, growing at a CAGR of ~51%, causing its share in overall payment transactions to increase from 59% in FY18 to 99% in FY23. During the same period, the value of digital transactions has increased from Rs. 1,371 trillion in FY18 to Rs 2,087 trillion in FY23. Consumers are increasingly finding transacting through mobile convenient. CRISIL MI&A expects the share of mobile banking and prepaid payment instruments to increase dramatically over the coming years. In addition, CRISIL MI&A expects improved data connectivity, low digital payment penetration and proactive government measures to drive digitalization in the country, transforming it into a cashless economy.

Trend in value and volume of digital payments



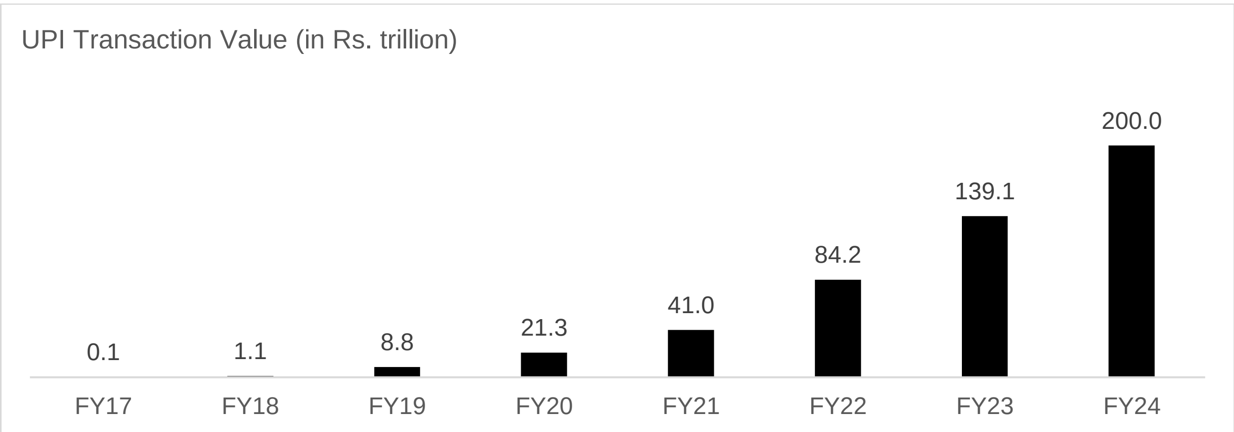
Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments; Source: RBI, CRISIL MI&A

UPI transactions volumes zoomed between FY17 and FY24



Source: RBI, CRISIL MI&A

UPI transactions value continue to rise with surge in volumes

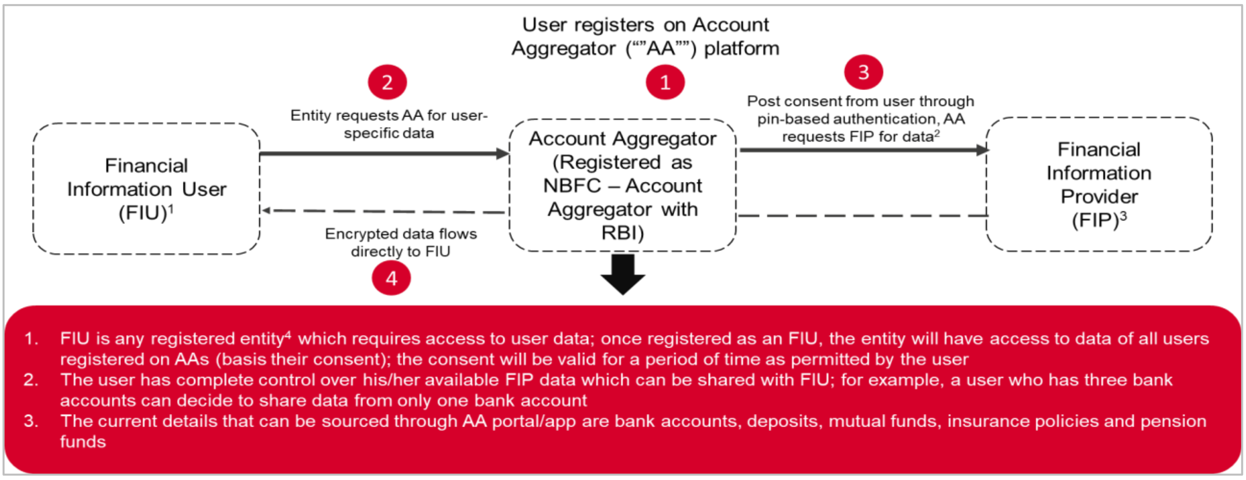


Source: RBI, NPCI, CRISIL MI&A

Account Aggregators

The RBI launched the account aggregator system on September 2, 2021, which has the potential to transform the MSME finance space once there is widespread adoption amongst the lending community. These account aggregators would provide granular insights to lenders into customers' financial assets and their borrowing history centrally, based on customer consent. Inclusion of additional data such as electricity bill payments and mobile recharges/bill payment data under the purview of account aggregators would further enhance its utility.

Account aggregator flow



Source: CRISIL MI&A

Credit Through UPI

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

Digital Public infrastructure reforms by GoI

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

Open Credit Enablement Network (OCEN)

Open Credit Enablement Network (OCEN) was introduced as a step for promoting financial inclusion and democratization of credit in India. OCEN is set of open standards which facilitates interactions and collaborations among borrowers, lenders, lending service providers, and technology service providers. This will help various digital platforms in leveraging their position in delivery of credit and value addition in lending value chain. Moreover, OCEN will also promote innovation in distribution of credit, making loans accessible to MSMEs, small vendors and individuals, leading to financial inclusion.

Use of generative AI and new technologies increasing productivity

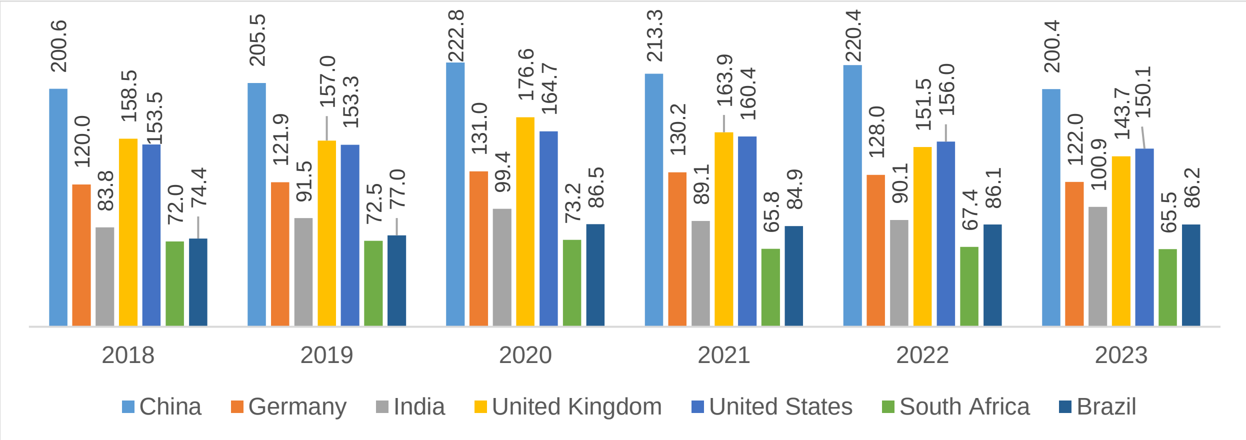
Generative AI, or Gen AI, leverages extensive training on large datasets to swiftly produce diverse content forms like text and multimedia in response to prompts. Gen AI, exemplified by ChatGPT in BFSI in banking and finance, enables efficient, conversational banking, delivering prompt and accurate responses,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

1.5 Credit penetration in India

Credit penetration is lower in India compared to other countries

In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of FY23. As per World Bank, private retail bureau coverage is 63% of total adults in India as of 2019.

Credit to GDP ratio (%) (Q4 CY2023)



Note: Data is represented for calendar years for all countries except India. For India, numbers are for fiscal year
Source: Bank of International Settlements, CRISIL MI&A

Chandigarh, Delhi, Maharashtra, and Telangana, have a higher banking credit penetration compared to other states

Delhi, Maharashtra, Telangana, and Chandigarh have a banking credit to GDP ratio of more than 100% as of March 2023 which indicates that banking credit penetration in the state is higher as compared to other states in the country. Chandigarh has the highest banking credit penetration of 257% as of March 2023 followed by Delhi at 235%. Maharashtra has the third highest banking credit penetration in Indian States at 164%. Sikkim, Tripura, Himachal Pradesh had the lowest banking credit penetration among all states in fiscal 2023. Based on the credit penetration data, there seems a huge scope for increasing bureau coverage as well in India. Further, people who don't have credit history, formal income proofs, documentation, etc. still rely on informal sources for debt which comes at a very high cost. It could provide growth opportunities for NBFCs which provide loans at reasonable rates.

Banking credit penetration across states in India as of FY23

State/Union Territory	State GSDP (Constant Price) (Rs in billion)	Banking Credit Penetration	Rural Banking Credit Share	Semi-urban Banking Credit Share	Urban Banking Credit Share	Metropolitan Banking Credit Share
Chandigarh*	302.9	257%	0%	0%	99%	-
Delhi	6,526.5	235%	0%	1%	3%	95%
Maharashtra*	20,279.7	164%	2%	5%	5%	88%
Telangana	7,267.1	107%	9%	11%	8%	72%
Tamil Nadu	14,533.2	91%	11%	23%	14%	51%
Kerala*	5,727.5	85%	4%	50%	46%	-
Andhra Pradesh	7,543.4	85%	18%	25%	30%	28%
Karnataka	13,263.2	77%	11%	11%	16%	62%
Haryana	6,084.2	75%	10%	14%	68%	8%
Jammu & Kashmir-UT	1,347.2	68%	34%	28%	21%	18%
Punjab	4,615.4	68%	19%	28%	26%	27%
Puducherry*	278.3	66%	12%	20%	69%	-
Rajasthan	7,994.5	64%	16%	23%	25%	37%
Madhya	6,431.2	64%	13%	22%	18%	46%

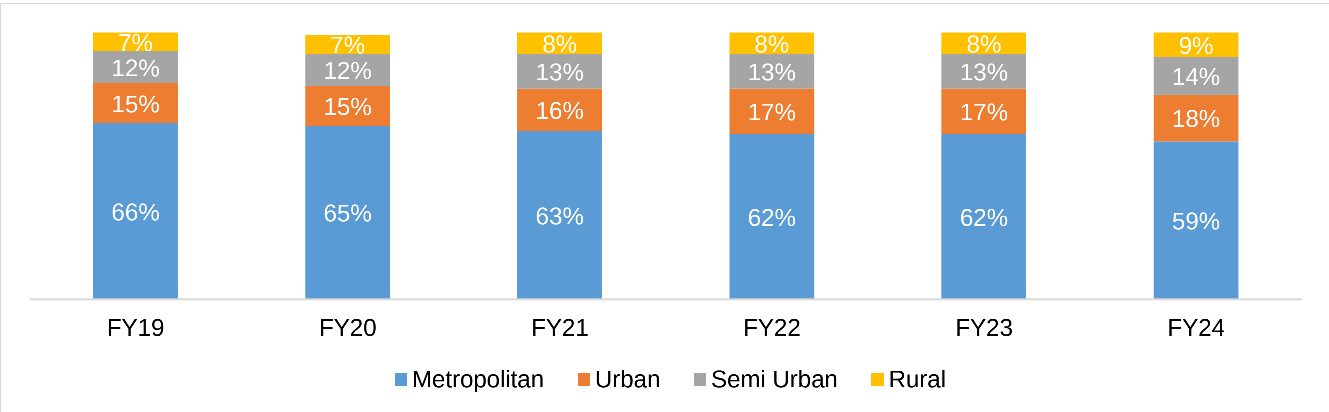
State/Union Territory	State GSDP (Constant Price) (Rs in billion)	Banking Credit Penetration	Rural Banking Credit Share	Semi-urban Banking Credit Share	Urban Banking Credit Share	Metropolitan Banking Credit Share
Pradesh						
West Bengal	8,540.2	63%	14%	9%	20%	57%
Gujarat*	13,722.0	60%	8%	12%	17%	62%
Uttar Pradesh	13,046.8	58%	21%	16%	30%	33%
Chhattisgarh	2,890.8	57%	10%	17%	27%	46%
Manipur*	205.2	55%	30%	21%	49%	-
Bihar	4,424.7	52%	27%	23%	24%	27%
Andaman & Nicobar Islands*	71.7	52%	20%	15%	65%	-
Goa*	555.5	49%	18%	82%	-	-
Meghalaya	252.1	47%	38%	18%	45%	-
Odisha	4,638.6	47%	21%	23%	56%	-
Nagaland*	183.6	43%	21%	47%	32%	-
Jharkhand	2,598.0	42%	19%	19%	27%	35%
Assam	2,891.9	39%	23%	31%	46%	-
Arunachal Pradesh*	198.0	38%	29%	71%	-	-
Mizoram*	184.9	38%	17%	27%	56%	-
Uttarakhand	2,071.0	37%	21%	22%	57%	-
Himachal Pradesh	1,345.8	35%	59%	31%	10%	-
Tripura	430.0	34%	33%	27%	40%	-
Sikkim	221.4	27%	28%	10%	62%	-

*Note: Credit penetration calculated as banking credit to states as of Fiscal 2023 divided by state GSDP (at constant prices) as of Fiscal 2023; GDP taken as GSDP at constant prices, Base Year: 2011-12., * GSDP taken for Fiscal 2022; Tier-wise share is taken as outstanding in the tier divided by total outstanding in the state; Source: RBI, MOSPI, CRISIL MI&A*

Rural and semi-urban India – Under penetration and untapped market presents a huge opportunity for growth of financiers

Bank credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as of March 31, 2019, to 61% as of December 31, 2023. Between the same period, credit share has witnessed a marginal rise in rural (7% in FY19 to 8% in 9MFY24) and semi-urban areas (12% in FY19 to 14% in 9MFY24). As of March 31, 2023, rural areas, which accounts for almost 47% of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers will also help the financiers to assess customers and cater to the informal sections of the society in these regions.

Share of rural and semi-urban regions in banking credit increased marginally between FY19 & FY24



Note: As at the end of each Fiscal.
Source: RBI, CRISIL MI&A

2. Overview and Market Landscape of NBFC Sector in India

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

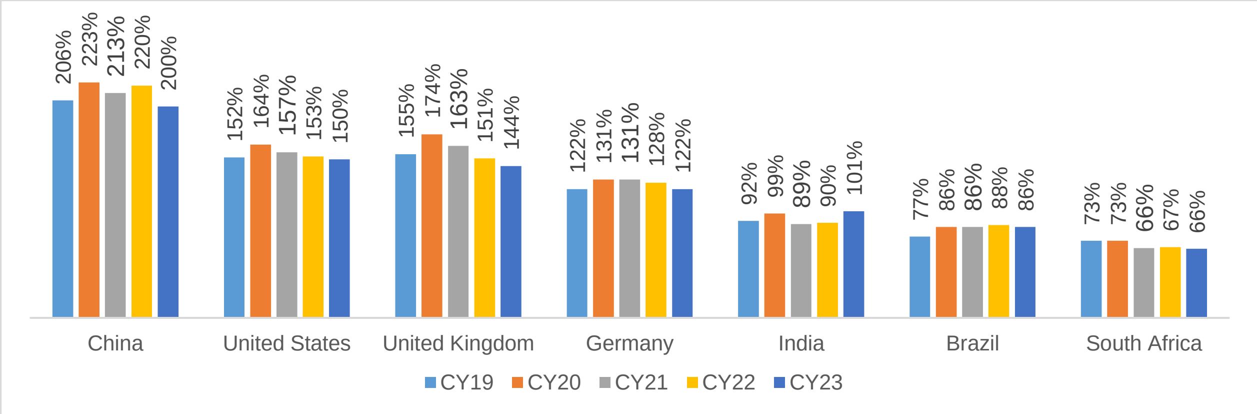
2.1 Overview of Credit Scenario in India

Significant retail credit gap exists in India, as compared to other nations

Significant retail credit gap exists in India, as evident by India's household credit to GDP ratio of 36% in CY22, as compared to 62%, 75% and 84% for China, United States and United Kingdom respectively. With rising financial awareness, government's continuous efforts for financial inclusion and rising credit accessibility to the underserved population, credit penetration in India is expected to rise. The surge in credit penetration would be led by growth in retail credit.

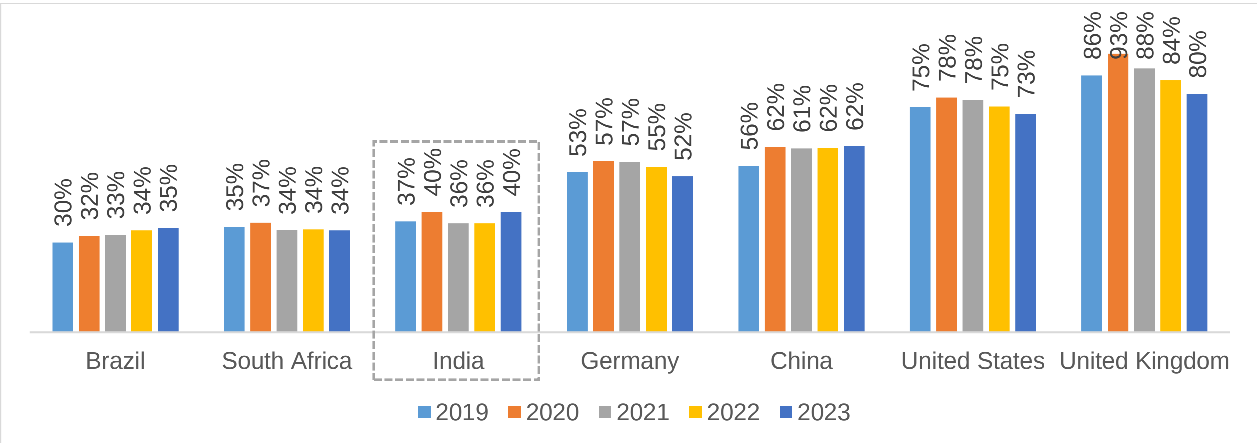
Overall credit to GDP ratio in India stood at 90% in CY22, which was significantly lower as compared to 151% for United Kingdom, 153% for United States and 220% for China, signalling significant room for credit penetration in the nation.

Credit to GDP ratio from CY19 to CY23



Source: Bank of International Settlements, CRISIL MI&A

Household credit to GDP ratio of India and peer countries (CY23)



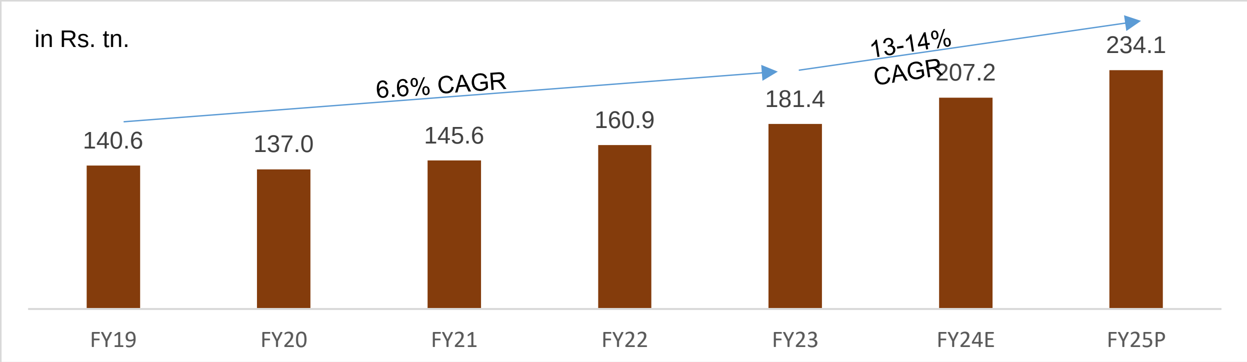
Source: Bank of International Settlements, CRISIL MI&A

Systemic credit to grow at 13-14% CAGR between FY23-FY25

Corporate credit determines the growth in overall credit as it accounts for nearly two-third of systemic credit. The slowdown in economic activity, coupled with heightened risk aversion among lenders, tightened the overall credit growth to approximately ~6.3% in FY21. In FY22, the systemic credit growth picked up steam despite the second wave of COVID-19 hurting economic growth in the first quarter of the fiscal. The retail credit has been a strong driving force behind the growth in overall credit. Retail credit witnessed a growth of 10% year on year during FY21 and 14% during FY22, while non-retail credit grew at a slower pace of 3% and 9% during FY21 and FY22.

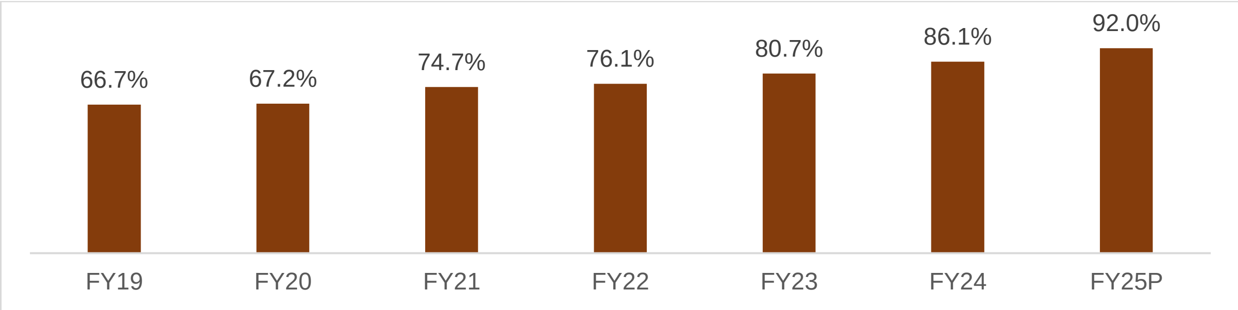
The systemic credit grew at 10.3% year-on-year in FY22 to reach approximately Rs. 161 trillion. The growth was mainly driven by the budgetary push towards investments, pick-up in private investment, and business activities. In FY23, Systemic credit showed strong growth on back of pent-up retail demand from sectors like housing and vehicle and strong credit demand from NBFCs and trade segment. CRISIL MI&A projects systemic credit to grow at 13-14% CAGR between FY23 and FY25.

Systemic credit to grow by 13-14% between FY23 and FY25



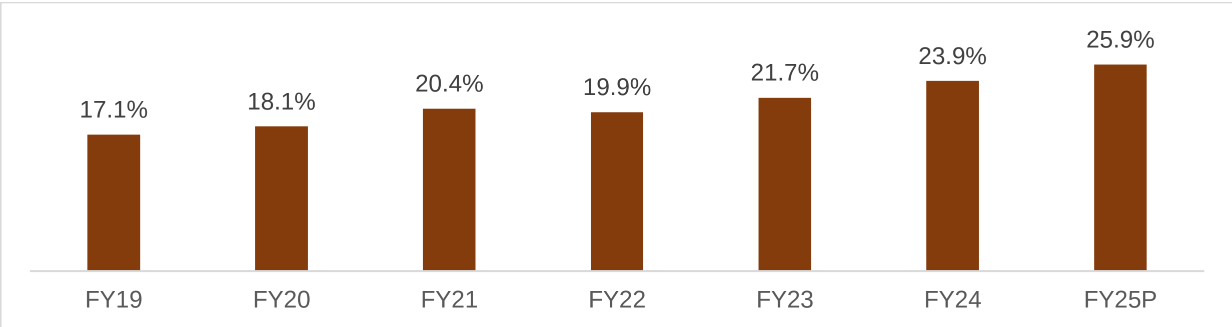
Note: E: Estimated, P: Projected; Systemic credit includes domestic banking credit (after deduction of bank lending to NBFC), NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC; Source: RBI, Company reports, CRISIL MI&A

Banking Credit to Real GDP (%)



Note: FY24 GDP data considered is as per Second advance estimate by NSO; Source: RBI, Crisil MI&A

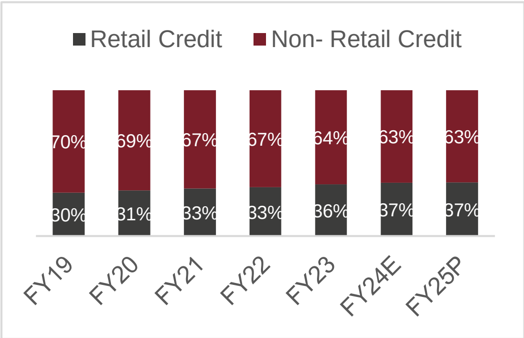
NBFC Credit to Real GDP (%)



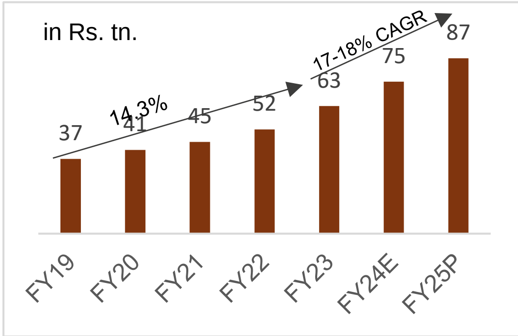
Source: Crisil MI&A estimates

Retail credit (includes Housing finance, Vehicle Financing, Gold Loans, Education Loans, Consumer Durables, Personal loans, Credit cards and Microfinance) in India stood at Rs. 63 trillion, as of FY23 which rapidly grew at a CAGR of 14.3% between FY19 and FY23. Retail credit growth in FY20 was around approximately 12.1% which came down to approximately 9.6% in FY21. However, post-pandemic, retail credit growth revived back to reach approximately 13.5% in FY22. In FY23, retail credit has grown at ~22.3% year on year basis. The Indian retail credit market has grown at a strong pace over the last few years and is expected to further grow at a CAGR of 17-18% between FY23 and FY25 to reach Rs. 87 trillion by FY25. The moderation of growth of retail credit is on account of normalisation in unsecured segment which had witnessed exuberant growth in the past and impact of RBI's risk weight circular. As per the circular, the risk weights of all consumer loans (extended by both banks and NBFCs) were increased, excluding housing, vehicle, education, and gold loans. Additionally, the risk weights for exposure of banks to NBFCs where the extant risk weight of the NBFC is below 100% was also increased.

Retail segment expected to account for 37% of overall systemic credit by FY25

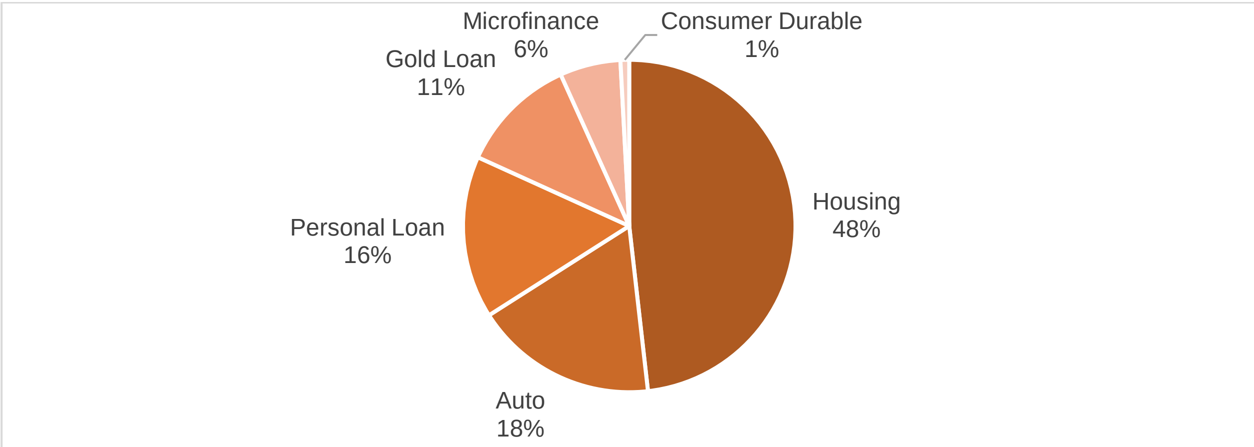


Retail credit growth expected to continue a strong footing in FY24 and FY25



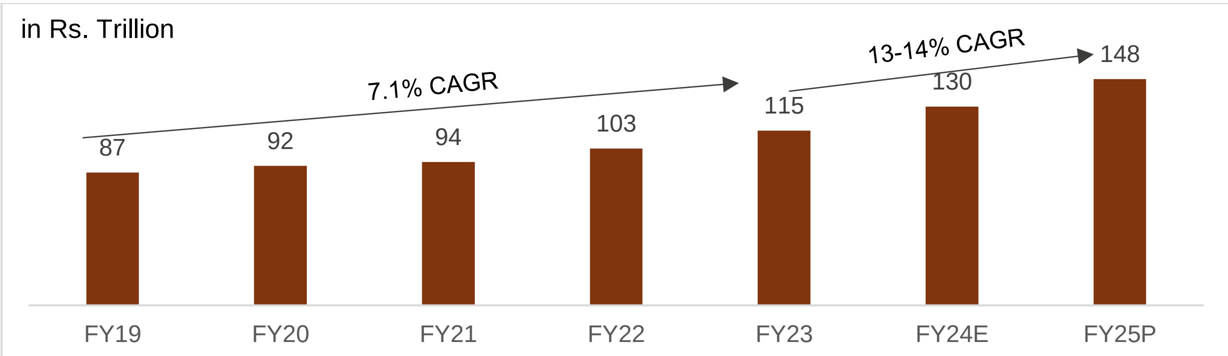
Note: E: Estimated, P: Projected
Source: RBI, CRISIL MI&A

Retail credit mix as of FY23



Source: CRISIL MI&A

Non-retail credit expected to grow at 13-14% CAGR between FY23 and FY25



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

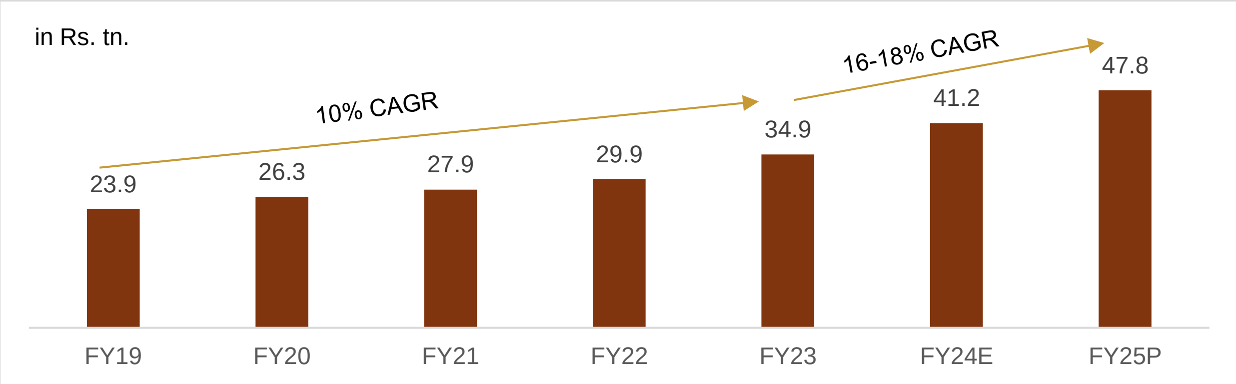
2.2 NBFC Market Landscape

NBFC Credit to grow faster than systemic credit

Over the past decade, banking credit growth lagged systemic credit growth for several years as NBFCs grew at a much faster pace. NBFCs clocked 15% CAGR in credit, between fiscals 2016 and 2018, mainly due to aggressive expansion of their footprint and entry of numerous new players across India. This also coincided with a decline in bank credit growth. However, the NBFC sector faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the Covid-19 pandemic added to the pressures, curbing growth. Banks benefitted in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments.

NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than Rs 2 trillion AUM at the turn of the century to Rs. 41 trillion at the end of Fiscal 2024. During fiscals 2019 to 2024, NBFC credit is estimated to have witnessed a growth at CAGR ~10%, while NBFC retail credit is estimated to have grown at ~13% CAGR over the same period. Going forward, CRISIL MI&A expects NBFC credit to grow at 16-18% by Fiscal 2025, with microfinancing and vehicle financing to lead the growth in retail segment, and MSME loans in the wholesale segment continuing to be the primary drivers. Further growth of the NBFC industry will be driven mainly by large players with strong parentage who have funding advantage and capability to invest and expand into newer geographies.

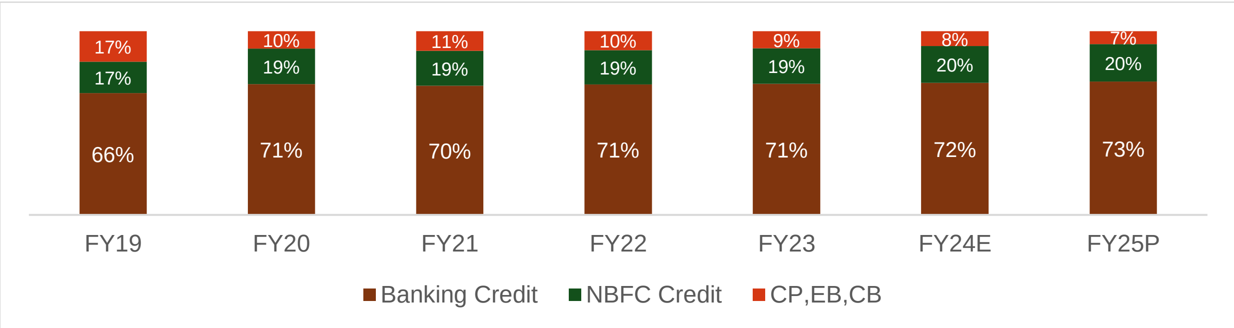
NBFC credit to grow at CAGR 16-18% between FY23 and FY25



Note: E; Estimated, P: Projected; Source: RBI, Company reports, CRISIL MI&A, note: HDFC is not considered while calculating overall NBFC Credit

CRISIL MI&A believes that NBFCs will remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are less in focus by the Banks. Going forward, NBFCs are expected to continue to gain market share over other lenders due to their ability to provide flexible lending solutions and tailored services, focused approach to tap under-served and niche customer segments, ability to penetrate deeper into geographies, leveraging technology to reimagine the lending process, strong origination skills and shorter turnaround time

Share of NBFC credit in overall systemic credit expected to reach 20% in FY25



Note: P: Projected; Systemic credit includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC; Source: RBI, Company Reports, CRISIL MI&A

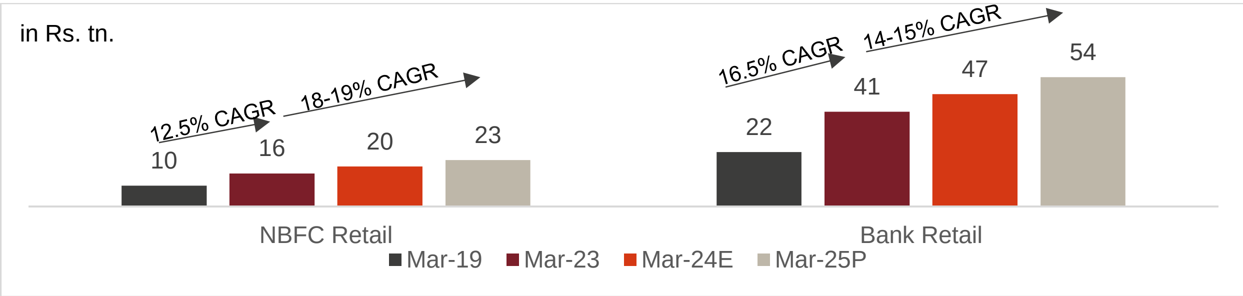
Retail segment expected to support NBFCs overall credit growth

The NBFC sector has, over the years, evolved considerably in terms of size, operations, technological sophistication, and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly, with a number of players with heterogeneous business models starting operations. The increasing penetration of neo-banking, digital authentication, and mobile phone usage as well as mobile internet has resulted in the modularization of financial services, particularly credit.

Overall NBFC credit during FY19 to FY23, witnessed a CAGR of ~10% which was majorly led by retail segment which accounts for ~47% of overall NBFC credit and witnessed a CAGR of ~13%, while NBFC non-retail credit witnessed a growth of ~8% during the fiscals.

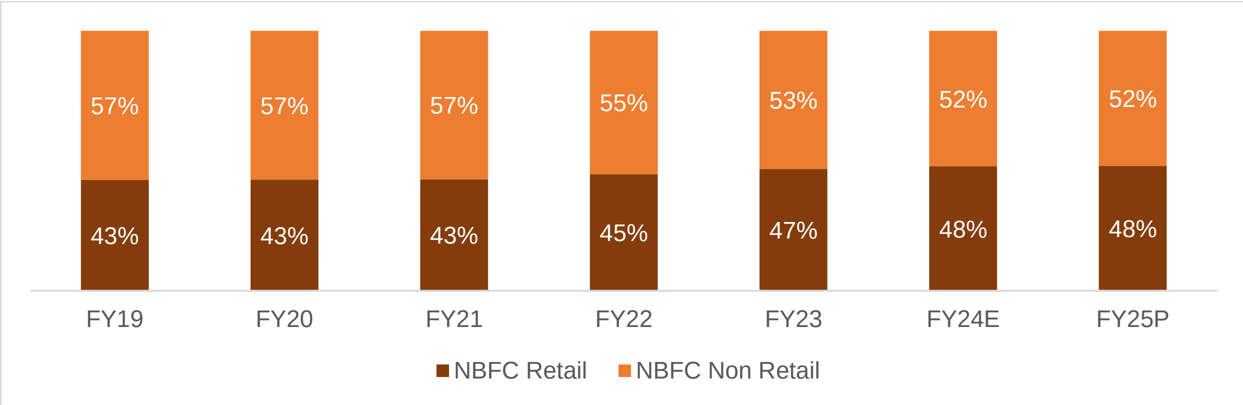
Going forward, growth in the NBFC retail segment is expected at 18-19% CAGR between FY23-FY25 which will support overall NBFC credit growth, with continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure, the retail segment's market share is expected to rise further to 48% (vs the wholesale's 52%) by end of FY24 and witness marginal rise in share in FY25.

Growth in retail credit for banks and NBFCs



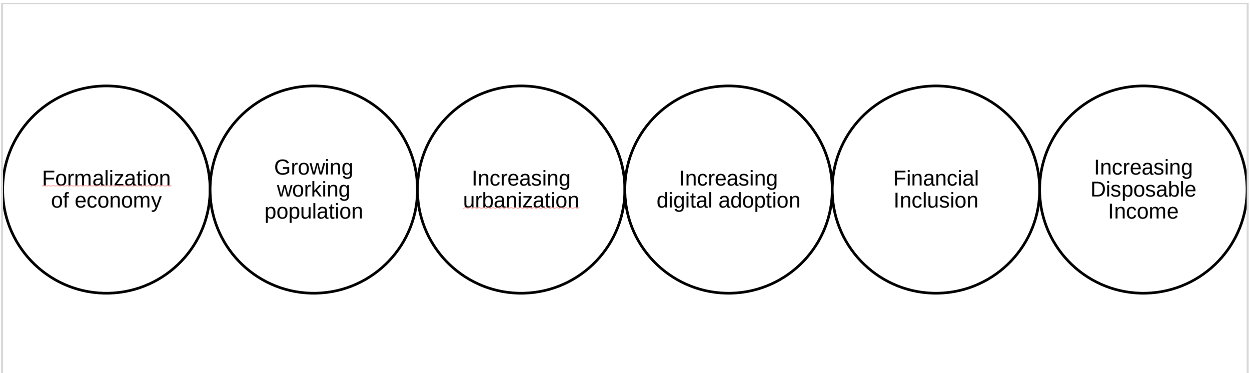
Note: E – Estimated, P – Projected; Retail credit above includes housing finance, vehicle finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans; Source: Company reports, RBI, CRISIL MI&A

Share of retail credit in total NBFC credit to grow to 48% by end of FY24 and expected to rise marginally in FY25



Note: E- Estimated, P – Projected; Retail credit includes housing finance, vehicle finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans; Source: Company reports, CRISIL MI&A

Factors that will support retail credit growth



Source: CRISIL MI&A

Impact of digitization on retail credit

Higher mobile penetration, improved connectivity, and faster and cheaper data, supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one. Technology has played an important role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable.

In the financial space, the underwriting process can be improved leveraging all available data efficiently. Lenders are increasingly using their web platforms and creating apps to register, score, approve and disburse loans to their customers. For lenders, digitization has enabled them to make informed decision making through business insight generation and data visualization. Moreover, it has improved lead generation for lenders with faster onboarding of customers, comprehensive loan servicing, and fraud detection. For customers, it has become easier to gather information about different lenders with the help of digitization and compare them.

Furthermore, the India Stack, a set of APIs and tools that enable the building of digital platforms for various services, has been a game-changer in the retail credit sector. The India Stack includes Aadhaar (for identity verification), e-KYC (for paperless Know Your Customer processes), eSign (for digitally signing documents), and the Unified Payments Interface (UPI) for seamless and instant fund transfers. All of these components have been seamlessly integrated into the lending ecosystem, traditional lending players have also integrated these components in their loan processes which had made it easier for lenders to streamline their operations and offer a seamless experience to borrowers. Looking ahead, the digitization of retail credit in India is expected to continue evolving.

Non-retail credit to witness a growth of 13-14% by FY25

After the NBFC crisis in FY18, the retail segment led growth in the NBFC sector, while the wholesale segment saw low single-digit growth between FY 2020 and 2022. During FY23, the retail segment grew ~22% and wholesale by 13%. While credit growth was broad-based in the retail segment, MSME was the primary growth driver for the wholesale segment, supported by decent growth on a high base in infrastructure financing.

Government support in the form of investment funds will be beneficial to wholesale lenders over the medium term, due to significant stress in the segment, which has further led to slower inflow of funds into the segment, worsened by the Covid-19 crisis. In the long term, the wholesale finance segment is expected to undergo major structural shifts.

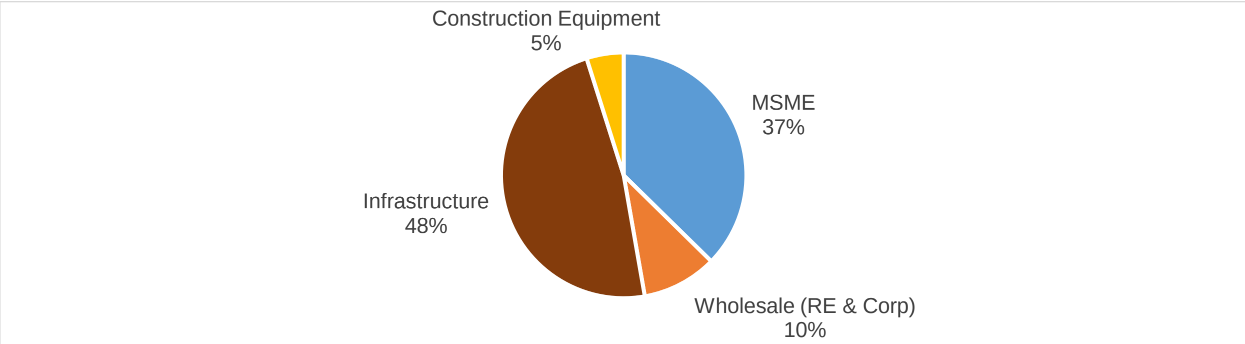
Non-retail credit growth drivers

PM Gati Shakti: PM Gati Shakti is aimed at building next generation infrastructure, which improves the ease of living as well as ease of doing business. Multi-modal connectivity will provide integrated and seamless connectivity for the movement of people, goods and services from one mode of transport to another. It will facilitate last-mile connectivity of infrastructure and reduce travel time for people. Developments in infrastructure and connectivity are expected to support developments in the real estate segment in the medium term.

Infrastructure Debt Fund (IDF): Providing an additional funding source for infrastructure projects, infrastructure debt funds (IDFs) have tapped private capital pools over the past three years. IDFs essentially act as vehicles for refinancing the existing debt of infrastructure companies, thereby creating headroom for banks to lend to fresh infrastructure projects. IDFs are investment vehicles which can be sponsored by commercial banks and NBFCs in India in which domestic/offshore institutional investors, especially insurance and pension funds, can invest through units and bonds issued by IDFs.

Introduction of tax-free bonds: Given the long-term nature of infrastructure projects and their importance to the economy, these projects have been funded primarily by government through budgetary allocations. Apart from government, banks and NBFCs have been other large financiers, meeting over a third of the sector's funding needs. NBFCs typically depend on market borrowings, particularly the bond market, to meet their funding requirements, with bond issuances accounting for over three-fourths of their funding mix. Introduction of tax-free bonds by the government has made it easier for these companies to raise funds from the market in recent years.

Breakup of non-retail credit as of FY23



Source: Crisil MI&A

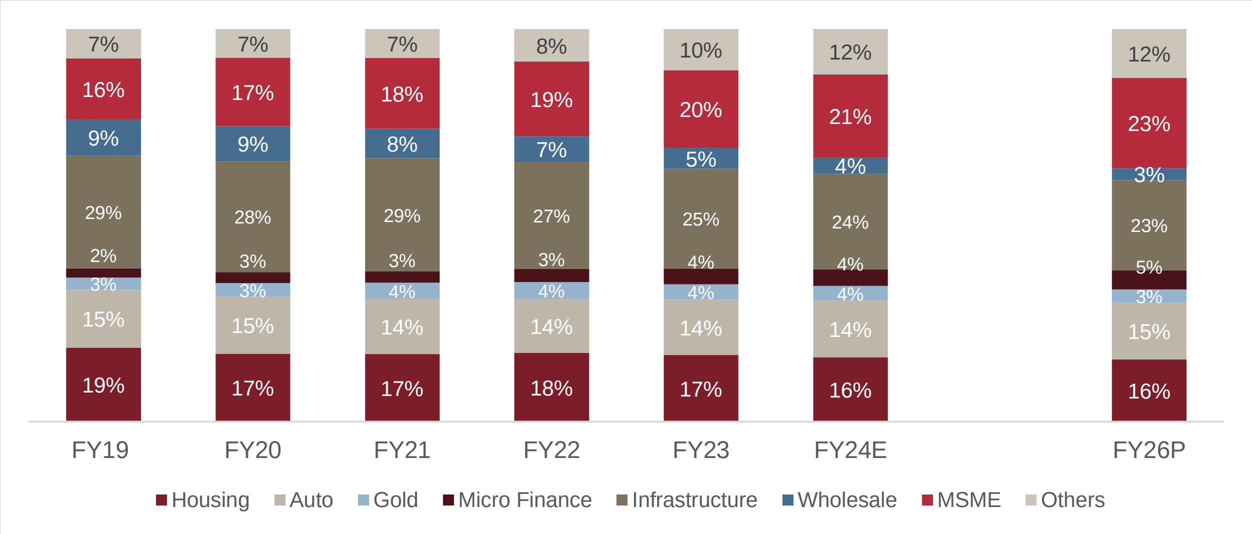
NBFCs play a vital role in financial inclusion in India

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked and underbanked masses in rural and semi-urban India and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realize the mission of financial inclusion.

MSME, Housing and Auto Financing contributed ~51% to overall NBFC credit in FY23

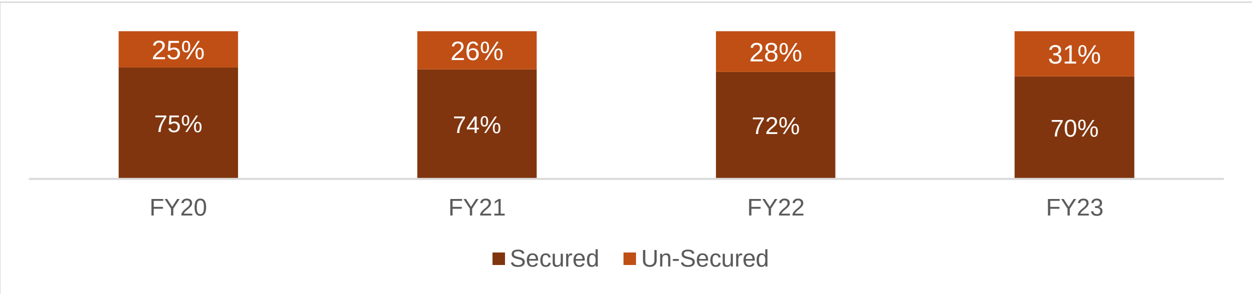
Though infrastructure accounts for the highest share in NBFC credit (25%) as of FY23, its share in the overall NBFC credit outstanding has come down over the past fiscals from 29% in FY19. Retail and MSME segments are expected to experience significant growth in the upcoming fiscals. MSME credit accounted for 20% share as of FY23, witnessing a rise in its market share from 16% in FY19. Housing and auto segment constitute ~17% and ~14% share in overall NBFC credit as of FY23. Going forward, the MSME segment is expected to witness a rise in share to 23% by FY26 while share of auto financing to reach 15%.

Distribution of NBFC Credit across asset classes



Note: Others include education loan, consumer durable loans, personal loans, and construction equipment finance; Source: Company reports, CRISIL MI&A

Share of loans and advances from secured products remains high for NBFCs

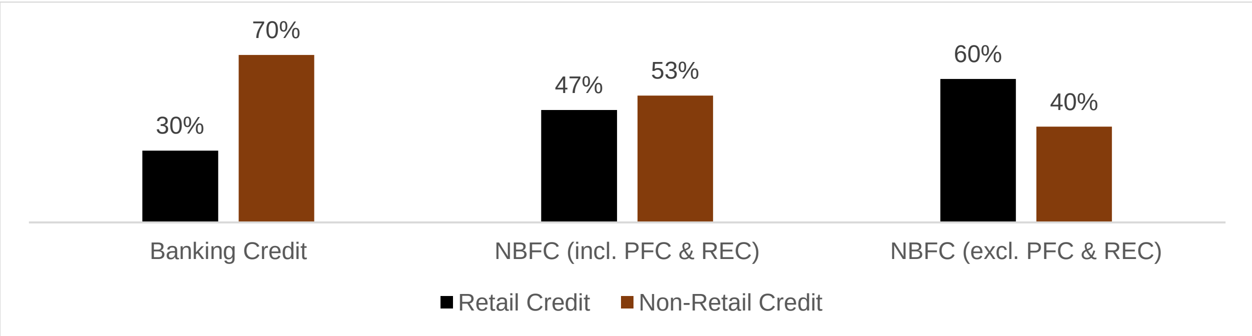


Note: E- Estimated; Source: RBI, CRISIL MI&A

With high focus on retail loans, NBFCs are driving financial inclusion

While banks are the primary institutions for banking in India, retail loan portfolio forms only 30% of the overall banking credit. Other focus areas for banks are wholesale lending to large corporates, credit to services sector and agriculture sector. Lower presence of banks in the retail space has created an opportunity for NBFCs to penetrate the segment which has also led to greater financial inclusion as NBFCs also cater to riskier customer profiles with lower income. Compared to that of banks, NBFC credit to retail segment forms more than 45% of its portfolio indicating larger focus on retail customers. Rural areas, presents vast market opportunity for NBFCs.

Retail credit accounts for 30% of banking credit, while for NBFCs (excl. PFC & REC) retail credit contributes to ~60% of overall credit



Source: RBI, CRISIL MI&A estimates

Thus, NBFCs in addition to existing larger financial institutions, with help of adoption of the right fit and scalable business model across the asset and liability side can potentially penetrate the gap in financial inclusion and establish a robust and growing business.

Large players with a better credit profile and strong parentage are likely to outperform the industry

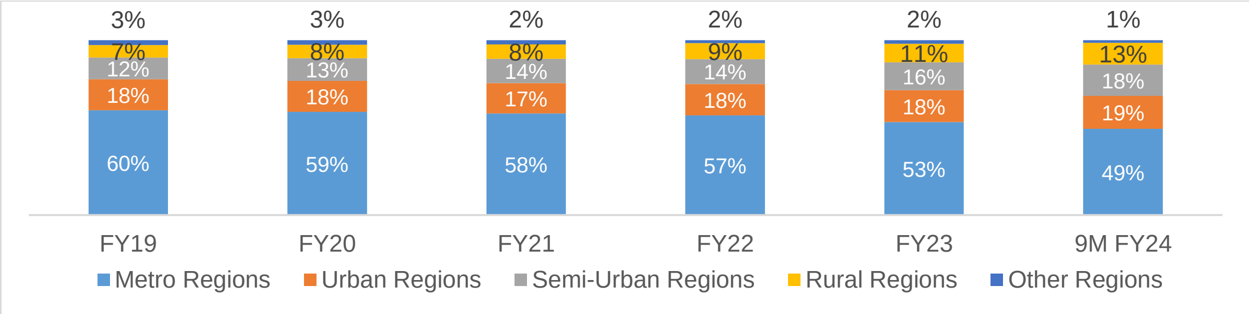
Challenges faced by NBFCs over the last few fiscals are expected to hasten the pace of consolidation. Large players with a better credit profile, strong parentage and access to funding are likely to outperform the industry and grow at a much higher pace. The industry will, however, continue to witness the emergence of newer equity funded NBFCs catering to specific customer segments. NBFCs with strong parentage and access to funding, are expected to view these changes in the landscape as opportunities to cultivate a stronger presence in focus areas through strategic interventions and partnerships with other firms.

Group backed NBFCs and NBFCs with strong parentage have performed better than peers primarily due to a higher brand value associated with other group companies which can be leveraged by NBFC entity to gain market share in lesser time as compared to NBFCs which have recently set base in the segment. These NBFCs can fetch borrowings at lower cost of funds due to the high credibility enjoyed by the group companies while these NBFCs also receive operational, financial, and managerial support from these companies which can infuse equity into the company to boost growth. These NBFCs also enjoy the existing customer base of its group entities and therefore customer acquisition cost reduces for them.

Metro Regions accounted for the highest share in overall NBFC credit outstanding as of 9MFY24

Tier (Rs. Tn.)	FY19	FY20	FY21	FY22	FY23	9M FY24
Metro Regions	8.07	8.50	9.01	9.83	10.51	10.25
Urban Regions	2.38	2.54	2.69	3.06	3.61	3.92
Semi-Urban Regions	1.67	1.88	2.13	2.47	3.15	3.70
Rural Regions	0.96	1.10	1.29	1.56	2.11	2.60
Other Regions	0.38	0.36	0.37	0.29	0.40	0.31

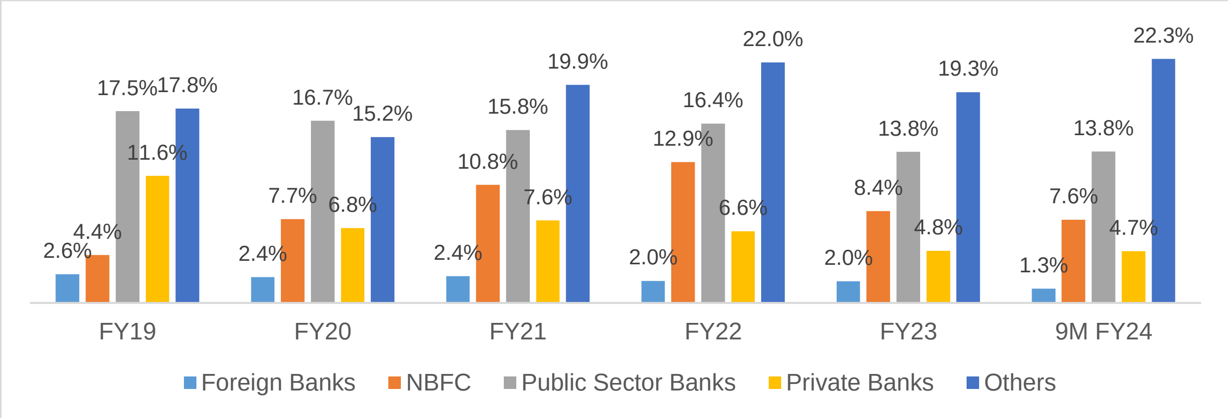
Note: The above chart includes credit outstanding of NBFCs in housing finance, personal loans, two-wheeler loans, used car loans, MSME and LAP Loans, NBFC includes NBFCs, HFCs and FinTech NBFCs, Source: TransUnion CIBIL, CRISIL MI&A



Note: The above chart includes credit outstanding of NBFCs in housing finance, personal loans, two-wheeler loans, used car loans, MSME and LAP Loans, NBFC includes NBFCs, HFCs and FinTech NBFCs, Source: TransUnion CIBIL, CRISIL MI&A

Metro regions accounted for the highest share in overall NBFC credit outstanding with 49% share, followed by urban regions with 19%, semi-urban regions with 18% and rural regions accounting for 13% share as of 9M FY24. Metro regions have lost ~11% credit share from FY19 to 9M FY24, which has primarily been taken over by semi-urban and rural regions witnessing an ~5% rise in share.

Among major lenders, Private banks had the better asset quality (4.7%) followed by NBFCs (7.6%) as of 9M FY24 (90+ DPD)



Note: The above chart includes credit outstanding of lenders in housing finance, personal loans, two-wheeler loans, used car loans, MSME and LAP Loans, NBFC includes NBFCs, HFCs and FinTech NBFCs, Source: TransUnion CIBIL, CRISIL MI&A

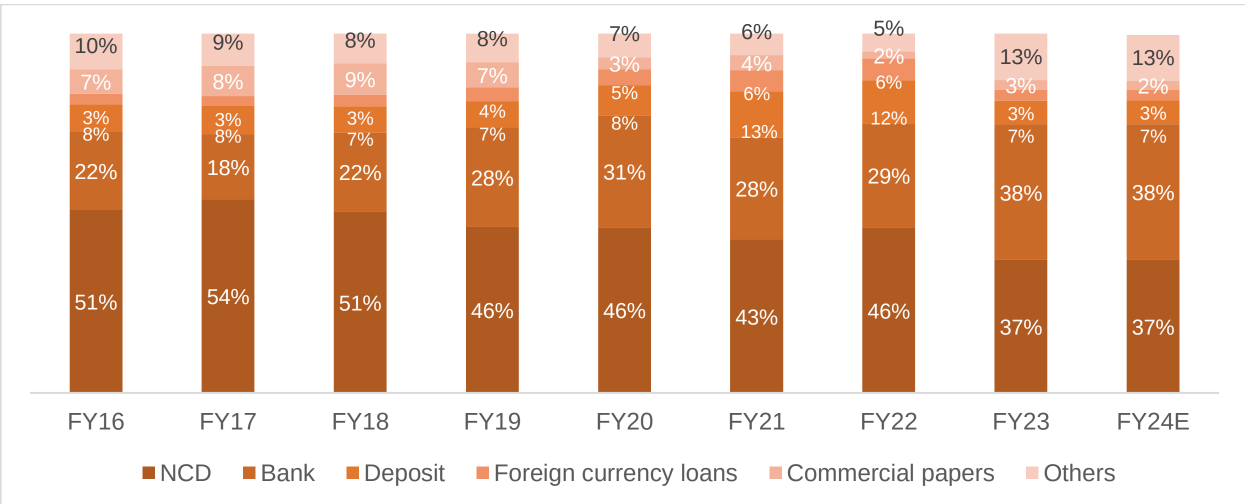
Among major lenders, private banks had the better asset quality (90+ DPD) as of 9M FY24 (4.7%), this was followed by NBFCs which had 90+ DPD at 7.6%. Public sector banks had the highest 90+ DPD among major lenders at 13.8%. While foreign banks, which account for a very small percentage of credit outstanding had their asset quality at 1.3% as of 9M FY24.

Banks continue to gain share in borrowing mix of NBFCs; expected to undergo moderation in near to medium term

In FY23, NBFCs' borrowings from banks witnessed high growth resulting in an increase in share to 38% of total funding up from 29% at the end of FY22. Share of bank's lending to NBFCs have almost doubled during last 10 years. During FY23, with interest rate tightening and repo increasing by 250 bps to 6.50%, the cost of debt market borrowing increased leading to high-risk premium for lower rates NBFCs, leading to banks term loans becoming the preferred source of borrowing. This was also supported by improved credit growth during FY23 across all segments leading to higher demand of bank credit from NBFC.

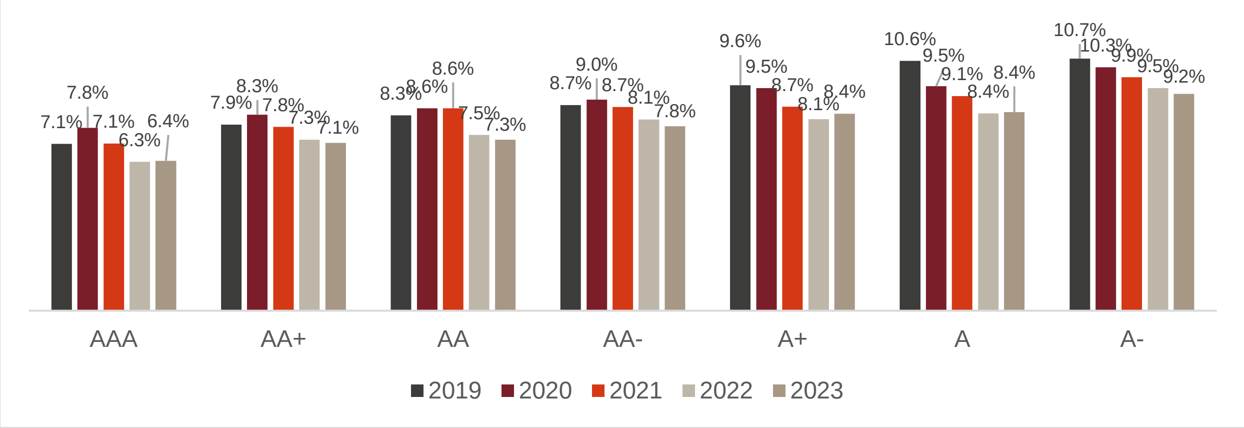
Going forward, CRISIL MI&A believes that funding access would gradually improve for NBFCs who are able to demonstrate strong performance. However, reliance on bank funding and funding from other NBFCs and small finance banks is expected to remain high in FY25, while it is expected to moderate in the near term with impact of RBI circular on risk weight and further transmission of rate hikes accelerated by deficit liquidity in the banking system. While the borrowing mix for NBFCs constitutes primarily term loans from banks and debentures raised by the NBFCs, banks and SFBs rely majorly on customer deposits, with deposits accounting for ~88% of total borrowings of commercial banks and ~86% for small finance banks as of FY23.

Bank borrowings expected to remain primary source of funds for the NBFCs, apart from NCDs



Note: Based on sample set of NBFCs accounting for more than 80% of overall borrowings of NBFCs as of March 2023; For FY23, NCD includes Debt Securities and NCDs, Bank includes Banks and National Housing Bank, and Others include Related Parties, Foreign Institutions, External Commercial Borrowings, and other sources
Source: Company reports, CRISIL MI&A

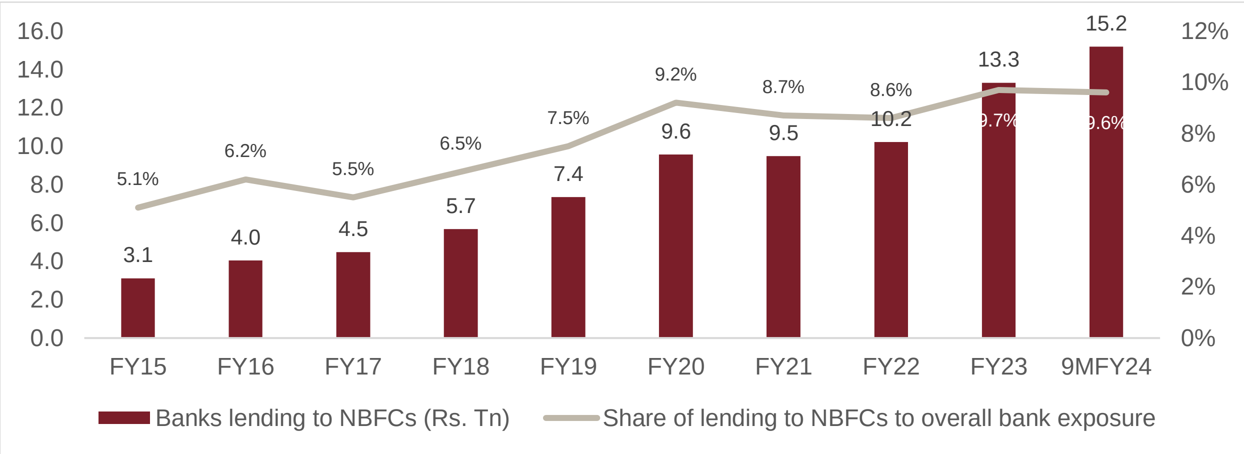
Average cost of borrowings trend by rating category



Source: Crisil MI&A

Average cost of borrowing for companies increases with deterioration in credit rating. Average cost of borrowings for AAA rating category NBFCs was in the range of 6.3% to 7.8% between FY19 and FY23, whereas average cost of borrowings for A- rating category NBFCs was in the range of 9.2% to 10.7% between FY19 and FY23.

Bank funding to NBFCs continues to clock healthy growth



Source: RBI, Company reports, CRISIL MI&A

Opportunities in partnership-based lending

Partnership based lending (PBL), or Co-lending model (CLM) refers to an arrangement between two parties wherein one of the parties agrees to take over a larger proportion of the loan (usually 80% in PBL and 100% in case of loans originated by business correspondents (BCs)) originated by another party on its books, with the originator taking on the remaining (usually 20% in PBL) on its books. The collections and all the other activities pertaining to the loan are generally done by the originator. Mid and large sized NBFCs and a few banks have been undertaking lending through PBL for the last 3-4 years by leveraging on the distribution, customer segment understanding and/or digital sourcing capabilities of smaller NBFCs and fintechs. The focus in the case of banks is largely to meet their PSL target, while mid and large sized NBFCs aim at earning higher risk-adjusted yields through partnership-based lending. This model allows smaller NBFCs and fintechs to cater to a larger customer base with lesser capital by leveraging the larger balance sheet of their partners.

Various models available with banks to engage with NBFCs to meet the PSL targets

Priority Sector Lending Certificates (PSLC)	Securitisation	Business Correspondent (BC)	Co-Lending
No operational and underwriting risks are involved, as the underlying asset, along with the risks and rewards, is held	It requires an understanding of the market and the instrument, as there is a transfer of underlying receivables, including risks	It enables banks to take exposure across multiple regions and explore newer geographies	It enables banks to take exposure with partner NBFCs

Priority Sector Lending Certificates (PSLC)	Securitisation	Business Correspondent (BC)	Co-Lending
by the issuer	and rewards		
No mark-to-market ("MTM") and capital requirement	MTM and capital requirement	No MTM, but requires capital	No MTM, but requires capital
No impact on the banks' book sizes	Helps banks increase their book sizes	Helps banks increase their book sizes	Helps banks increase their book sizes
Has a life cycle only for a particular financial year	It involves large ticket size and have a longer life cycle of around 3-4 years	Involves tie ups with BCs like NBFCs to manage business for longer run	Involves partnership with NBFCs for Co-lending for PSL and non-PSL loans
Involves no credit risk	Credit enhancement is available in case of Pass-through certificates ("PTCs")	Involves a hurdle rate or initial loss-sharing	Involves an agreement in which a partner must maintain minimum 20% of the loan on their book
Yields are not relevant	Yields are relatively lower, as originators bargain with various banks for better pricing	Yields are comparatively higher	Yields are comparatively higher
A clear classification of assets for buyers	Risk of RBI questioning the classification of assets	Risk of RBI questioning the classification of assets	Policy to be guided by the RBI guidelines
Availability of certificates can be an issue	Application of GST (18%) could be a dampener, as it increases the cost, thus impacting volume	Difficult for both parties to exit, as it can impact the overall portfolio	Difficult for both parties to exit, as a master agreement shall be formed with the partner

Source: CRISIL MI&A

Future partnership-based lending model market opportunity

Currently, the partnership-based lending or co-origination model is largely being used for small ticket size products like MSME loans, consumer finance, gold loans and vehicle loans in the industry. However, with RBI putting in place a framework for co-lending and several NBFCs facing challenges in accessing capital, players are now also focusing on longer tenure and relatively higher ticket size loans like housing finance and loan against property.

The largest public sector bank ("PSB"), for example, has already partnered with NBFCs and fintechs for doing co-lending in home loans segment. The bank is also in the process of digitising the entire value chain where the loan leads would flow directly from an NBFC or fintech platform to the bank with very little human intervention. Bank of Baroda, in January 2020, entered into a strategic co-lending agreement with JM Financial Home Loans Limited for offering retail loans to home buyers. In April 2023, online lending platform Lendingkart entered into partnership with Yubi for MSME segment. HDFC Bank in September 2023 entered into co-lending model with CreditWise to offer two-wheeler loans.

Also, there are plethora of new-age fintech companies who are using innovative algo-based originations and aggressively using the internet for originations. These fintechs either build books on their own balance sheet or pass a substantial part of their book with their partner banks or NBFCs. Strong demand and rapid innovations in technology and business integration has enabled fintechs and smaller NBFCs to partner with credible partners and engage with them in co-lending model.

Currently under the co-lending model, Industry is estimated to have lend around Rs. 470-520 billion in the FY 23 and is projected to grow in the next few fiscals.

Some of the key growth drivers for co-lending market are:

- **Operational leverage –** Co-lending model is operationally convenient for both partners as it enables partners to offer multiple products to customers which are not otherwise present in their current portfolio, thus providing diversification to the portfolio without having a separate operational setup for each product. Co-lending thus enhances operating leverage for financiers as it enables them to increase lending with existing infrastructure and resources.

- **Capital optimisation** – Entering into co-lending model allows smaller NBFCs to cater to a larger customer base with lesser capital by leveraging the larger balance sheet of their partners. Such NBFCs can leverage their origination skills and expertise in assessing specific customer segments while at the same time conserving their capital.

- **Risk sharing and risk adjusted returns** – Co-lending partnership enables banks and NBFCs/ HFCs to enter into an arrangement where the risks and rewards are shared by all parties throughout the lifecycle of the loan, as per a pre-decided ratio. The NBFCs use various innovative mechanisms for credit risk assessment like usage of non-traditional sources of data, understanding individual's motive to avail finance and evaluating cash flow patterns of borrowers. These strengths can be leveraged by their partners to optimise capital usage and improve their risk adjusted returns.

ROA Tree for NBFCs across asset classes

Asset Class	Financial Metric	FY22	FY23	FY24E and FY25P
MSME Loans	Interest income to average assets	14.5%	15.5%	15.5-16%
	Interest expense to average assets	5.6%	5.7%	5.8-6.2%
	Credit Cost	1.2%	1.3%	1.3-1.5%
	Opex	4.2%	3.6%	3.4-3.6%
	ROA	3.3%	3.7%	3.6-3.9%
	GNPA	3.1%	2.6%	2.4-2.7%
Auto Loans	Interest income to average assets	12.0%	12.4%	13.2-13.4%
	Interest expense to average assets	6.0%	5.8%	6.9-7.1%
	Credit Cost	2.5%	1.8%	1.6-1.8%
	Opex	1.6%	2.5%	2.0-2.2%
	ROA	1.9%	2.3%	2.4-2.6%
	GNPA	6.6%	5.0%	4-4.5%
Gold Loans	Interest income to average assets	16.4%	14.9%	15-17%
	Interest expense to average assets	5.6%	5.2%	5.1-5.3%
	Credit Cost	0.1%	0.1%	0.2-0.3%
	Opex	5.1%	4.9%	4.9-5.1%
	ROA	5.6%	4.7%	5.4-5.6%
	GNPA	2.8%	3.0%	2.5-2.7%
Housing Loans	Interest income to average assets	8.7%	9.2%	9.5-9.7%
	Interest expense to average assets	5.7%	5.9%	6.2-6.4%
	Credit Cost	0.6%	0.5%	0.3-0.5%
	Opex	0.9%	0.9%	0.8-1.0%
	ROA	1.5%	1.9%	1.9-2.1%
	GNPA	2.1%	1.6%	1.1-1.2%
Affordable Housing Loans	Interest income to average assets	9.9%	10.3%	10.8-11.0%
	Interest expense to average assets	5.4%	5.4%	5.8-6.0%
	Credit Cost	0.7%	0.4%	0.2-0.4%
	Opex	1.5%	1.7%	1.7-1.9%
	ROA	2.3%	2.8%	2.8-3.0%
	GNPA	3.0%	2.0%	1.5-1.7%
MFI Loans	Interest income to average assets	15.8%	17.3%	17.8-18%
	Interest expense to average assets	7.1%	7.2%	7.4-7.6%

Asset Class	Financial Metric	FY22	FY23	FY24E and FY25P
	Credit Cost	2.9%	2.4%	1.7-1.9%
	Opex	4.6%	4.8%	4.4-4.6%
	ROA	1.2%	2.9%	4-4.2%
	GNPA	6.0%	2.9%	1.8-2%
Personal Loans	Interest income to average assets	16.4%	16.8%	16.6-17.0%
	Interest expense to average assets	6.5%	6.7%	6.6-6.8%
	Credit Cost	3.6%	3.2%	2.8-3.2%
	Opex	4.5%	4.4%	4.2-4.4%
	ROA	3.6%	3.2%	2.8-3.2%
	GNPA	8.1%	8.2%	9.8-10.2%

Source: CRISIL MI&A, Company Documents, Note: Ratios on average total assets

3. MSME Loans

3.1 Overview of MSME sector in India

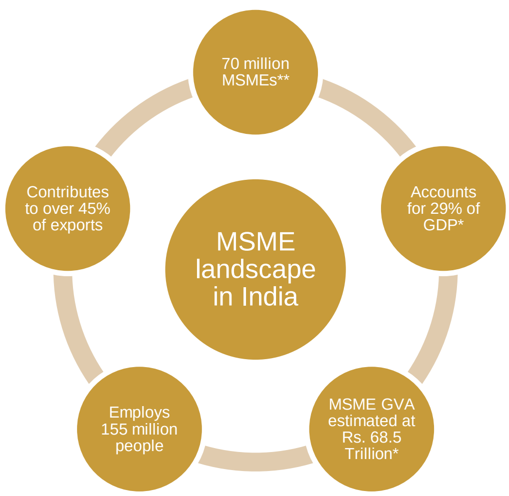
The estimated number of MSMEs in India is around 70 million as of FY22. MSMEs complement large corporates as suppliers or directly cater to end users. The MSME sector contributes to India's socio-economic development by providing huge employment opportunities in rural and backward areas, reducing regional imbalances, and assuring equitable distribution of national wealth and income. The Government expects that MSMEs' contribution to GDP to increase from 29.2% in Fiscal 2022 to 40-50% by Fiscal 2030. As of FY23, 43.6% of exports are by MSMEs and as of September 2023, 45.6% of exports are by MSMEs thus supporting economic development and growth. Further, as on December 2023, the total employment recorded on the UDYAM registration portal (since inception July 1, 2020 to December 6, 2023) is 155.0 million.

MSME segment accounts for about 29% of India's GDP

Rs trillion	Total MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	All India GDP	Share of MSME in All India GDP (in %)	Number of MSMEs (in millions)*
FY16	41	11.0%	126	32.3%	138	29.7%	63.5
FY17	45	10.9%	140	32.2%	154	29.2%	65.5
FY18	51	13.0%	155	32.8%	171	29.8%	66.5
FY19	57	12.9%	172	33.5%	190	30.0%	68.5
FY20	61^	7.6%	184	33.4%	201	30.5%	NA
FY21	54^	-12.0%	182	29.7%	198	27.2%	NA
FY22	69^	27.1%	214	32.0%	235	29.2%	70.0

Note: (*) – Estimated, All India GDP as of current prices, (^) Calculated numbers
Source: MSME Ministry Annual reports, Role of MSME Sector in India- Ministry of Micro, Small & Medium Enterprises (Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1946375),CRISIL MI&A

Snapshot of MSMEs in India



*Note: *Data as of FY22, ** The numbers are estimated*
Source: MSME Ministry Annual report for FY21, MSME Ministry Annual report for FY21, Role of MSME Sector in India- Ministry of Micro, Small & Medium Enterprises (Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1946375), CRISIL MI&A

The RBI has adopted the definition of MSMEs in line with the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. This definition is based on investments in plant and machinery in the manufacturing and services sectors. To bring in more enterprises under the ambit of MSMEs and widen the definition of MSMEs considering inflation over the past few years, in June 2020, the Government revised the MSME investment limit across each category and introduced an alternate and additional criterion of turnover buckets to the definition. It further removed the difference between the definition of manufacturing based and services based MSMEs.

In June 2021, the Indian government has included retailers and wholesalers under the MSMEs definition to extend the benefits of priority sector lending to traders as well. The move is structurally positive from long-term perspective, as it will enable entities operating in the segment to register on Government's Udyam portal, participate in government tenders and also avail financing options/benefits available to the category.

New MSME definition removed distinction between manufacturing and services

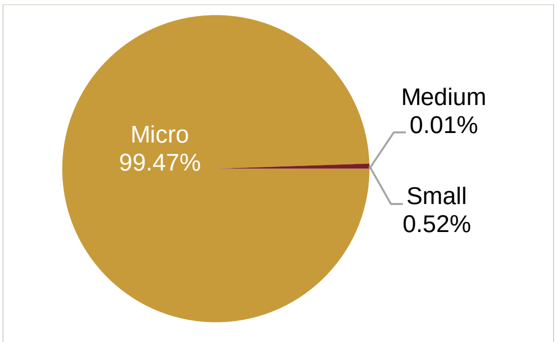
Old MSME classification			
Criteria: Investment in plant and machinery or equipment			
Classification	**Micro**	**Small**	**Medium**
Manufacturing enterprises	Investment < Rs. 2.5 million	Investment < Rs. 50 million	Investment < Rs. 100 million
Services enterprises	Investment < Rs. 1 million	Investment < Rs. 20 million	Investment < Rs. 50 million
Revised MSME classification			
Composite Criteria: Investment and annual turnover			
Classification	Micro	Small	Medium
Manufacturing and Services enterprises	Investment < Rs. 10 million and Turnover < Rs. 50 million	Investment < Rs. 100 million and Turnover < Rs. 500 million	Investment < Rs. 500 million and Turnover < Rs. 2.5 billion

Source: MSME Ministry, CRISIL MI&A

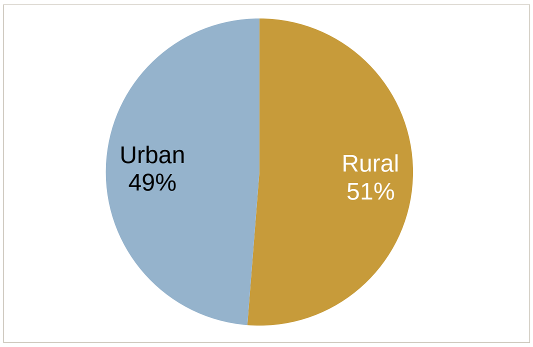
According to the National Sample Survey's 73rd round dated June 2016, micro segment accounted for as much as approximately 99.47% of total estimated number of MSMEs in India. Small and medium sector accounted for 0.52% and 0.01%, respectively of the total estimated MSMEs. At a region level, rural regions accounted for marginally higher share of 51% as compared to urban region. Out of 63.05 million micro MSMEs, 51% micro MSMEs are present in rural areas. MSMEs units are largely dominated by bigger states including Uttar Pradesh, Rajasthan, Tamil Nadu, Maharashtra, and Gujarat.

In terms of constitution, close to 94% of the entities in the MSME universe in India are estimated to be sole proprietorship firms, wherein a small business undertaking is run and managed by the business owner and the business, and the owner can virtually not be separated.

Micro segment account for dominant share as percentage of total number of MSMEs



Rural region accounts for marginally higher share as percentage of total number of MSMEs



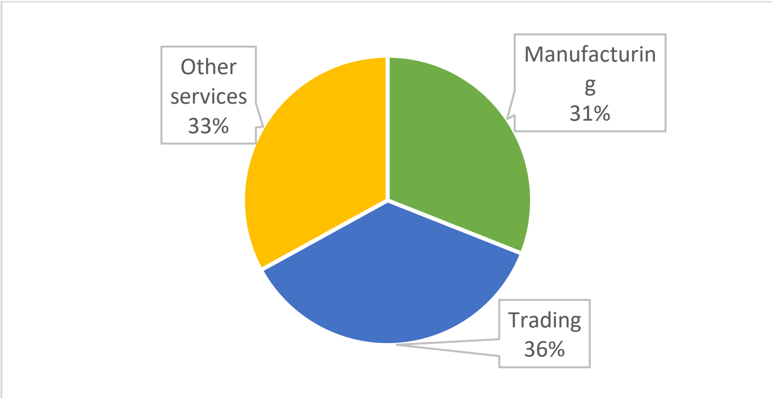
Source: National Sample Survey (NSS) 73rd round dated June 2016, CRISIL MI&A

MSMEs are largely dominated by individuals (2017)

Entities	Share in number of MSMEs
Proprietorship	93.83%
Partnership	1.53%
Private Company	0.23%
Cooperative	0.13%
Public Company	0.04%
Others	4.24%

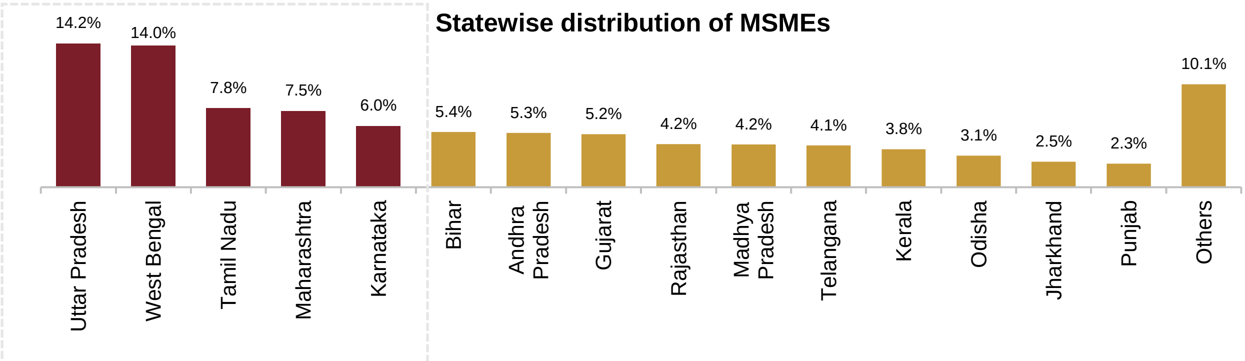
Source: IFC report dated November 2018, CRISIL MI&A

Nature of activity wise distribution of MSMEs



Source: National Sample Survey (NSS) 73rd round dated June 2016, CRISIL MI&A

Top 5 states together form approximately 50% of total MSME units



Source: National Sample Survey (NSS) 73rd round dated June 2016, CRISIL MI&A

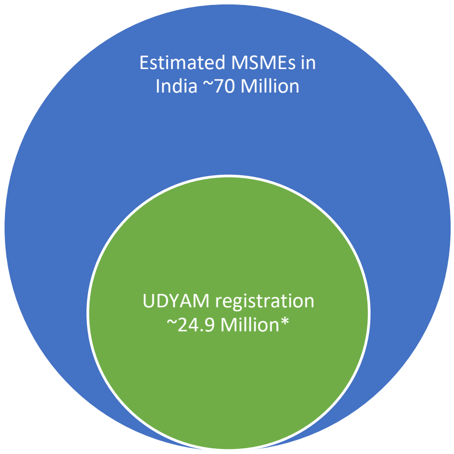
Behavioural shift in MSMEs

Due to various initiatives and schemes by the Government, MSMEs have witnessed a behavioural shift which is expected to help them in gaining more access to credit. Few examples of behavioural shifts are:

Formalization of MSMEs - Around 36% of total estimated number of MSMEs in India are registered under UDYAM system

After the government revised the definition of MSMEs (in June 2020), MSMEs that had an existing MSME registration (Udyog Aadhaar Number or UAN), or Enterprise Memorandum ("EM") were required to re-register themselves under UDYAM. Thereafter, in August 2020, the RBI issued a notification allowing financiers to obtain the UDYAM certificate from entrepreneurs for lending purposes.

There has been a large push for formalization of MSMEs in recent years. In Fiscal 2016, MSMEs registered on the UDYAM portal (similar government portals) were almost 0.5 million which increased to approximately 24.9 million in Fiscal 2023, a growth of ~4,925%. As of April 2, 2024, close to 24.9 million MSMEs (~36% of estimated number of total MSMEs in India) are registered on UDYAM. Around 10.2 million – were registered on the erstwhile UAN system. Like UAN, UDYAM also offers free, paperless online and instant registration through a web portal. Small businesses are not required to upload any documents or proof except the Aadhaar number for registration. Earlier GST registration was mandatory for UDYAM Registration but from March 2021 onwards, it is exempted for those units who are not eligible for GST registration. UDYAM certificate will be required by MSMEs for taking benefit of any scheme of the Central government. The UDYAM portal is also integrated with the Government e-Marketplace ("GeM") and the Trade Receivables and Discounting System ("TReDS") so that enterprises can participate in government procurement and have a mechanism for discounting their bills.



*Note: *As of April 2, 2024, Source: MSME Ministry, CRISIL MI&A*

Probable reasons for low registration rates

1. Earlier, the requirement was that companies that wanted to register under UDYAM had to provide their GSTIN. Since many entities have a turnover of less than Rs. 4 million and hence do not need to be GST compliant, they were ineligible to register on the UDYAM system. This requirement was removed by the MSME Ministry in early March 2021. It can be noted that, as per Ministry of MSME and Ministry of Finance, the number of MSMEs having GSTINs are 13.62 million as of July 2023.

2. Low levels of awareness regarding the roll-out of schemes, their eligibility conditions, paperwork requirements and grievance redressal mechanisms could have also impacted the registration of MSMEs. As per the NCAER Business Expectations Survey ("BES") in December 2020, 75% of MSMEs were not even aware of ECLGS launched by the Government post-COVID.

Year-wise and MSME category-wise registration of MSMEs

Year/Category	FY16	FY17	FY18	FY19	FY20	FY21*	FY22^	FY23$	FY24**
Micro	421,516	2,147,908	1,344,612	1,870,932	2,248,730	3,595,577	4,975,082	12,617,959	24,204,355
Small	70,866	216,558	166,259	241,187	302,299	400,525	172,432	435,885	612,878
Medium	2,631	8,592	6,584	9,426	11,229	35,541	11,294	39,854	55,745
Total	**495,013**	**2,373,058**	**1,517,455**	**2,121,545**	**2,562,258**	**4,031,643**	**5,158,808**	**13,093,698**	**24,872,978**

*Note: * Based on UAN and UDYAM registrations, ^Based on UDYAM registrations, $ Based on Udyam registrations as on December 2022 as stated in the MSME Annual Report 2022-23; ** UDYAM registrations as of April 2, 2024; Source: Development Commissioner Ministry of Micro, Small & Medium Enterprises (DCMSME), UDYAM Registrations, CRISIL MI&A*

Top 10 State-wise UDAYM registration of MSMEs

State	Cumulative MSME Registration *	Share in overall MSME registration
MAHARASHTRA	41,79,249	17%
TAMIL NADU	24,66,205	10%
UTTAR PRADESH	23,50,559	9%
RAJASTHAN	17,82,284	7%
GUJARAT	17,77,652	7%
KARNATAKA	14,08,409	6%
MADHYA PRADESH	11,76,864	5%
WEST BENGAL	10,03,208	4%
BIHAR	10,02,995	4%
PUNJAB	9,30,556	4%

Note: (*) Based on Cumulative MSME registration as of April 2, 2024 (https://dashboard.msme.gov.in/Udyam_Statewise.aspx)
Source: UDYAM Registrations, CRISIL MI&A

The top 5 states together accounted for approximately 50% of the total number of MSMEs registered on UDYAM as of April 2, 2024.

Increased data availability and transparency

With increased digital initiatives by the MSMEs, the shift towards their formalisation and digitisation has created a plethora of data points for lenders that would help improve the efficacy of credit assessment and gradually enable provision of credit to hitherto underserved customer segments. The lenders now have access to several data points through financial statements, Income tax returns, banking statements, GST returns, bureau checks, etc.

For example, within UPI, the quantum of person-to-merchant payments has zoomed from Rs. 6.2 trillion in FY21 to Rs. 30.7 trillion in FY23 and as of 9MFY24 reached around Rs. 35.6 trillion. UPI has increased banking transactions materially, impacting significant increase in tax compliance. This increase has created a digital footprint of customers, which can be potentially used for credit decision making, along with other relevant parameters such as customer demographics, business details, credit score, and personal situation of the borrower. Demonetisation and GST have further accelerated formalization of the Indian economy.

3.2 Overview of MSME financing in India

Modes of funding for MSMEs

MSMEs need credit for various purposes including term loan for expansion of business and working capital for daily operational activities. These credit needs are being fulfilled by banks and NBFCs (including Fintech companies).

Additionally, there are several schemes by the Government and institutions like NABARD and SIDBI which are offered to MSMEs for supporting them in their businesses. Such schemes support MSMEs by facilitating collateral free loans, subsidies on term loans for setting-up and/or expanding the business, promotion of innovation, marketing assistance, technology enhancements, etc.

Banks and NBFCs offer various credit products based on the need of MSMEs. Such products include Loan against property, Supply chain financing, Inventory funding, Unsecured business loans, etc.

Loan against property: It is a secured business loans which is disbursed by financial institutions against the mortgage of property. The property act as collateral / security and therefore the financial institution charges comparatively lesser interest rates than unsecured loans.

Supply chain finance (SCF): SCF consists of financing MSMEs against invoices and receivables as intermittent collaterals. It includes providing cash to suppliers against receivables from buyers.

Inventory funding: Inventory acts as one of the most important factors for running business smoothly. Inventory financing facilitate MSMEs to buy adequate inventories which could act as collateral for the loan. It helps MSMEs in maintaining optimal stock levels without impacting their cash flows.

MSME credit gap

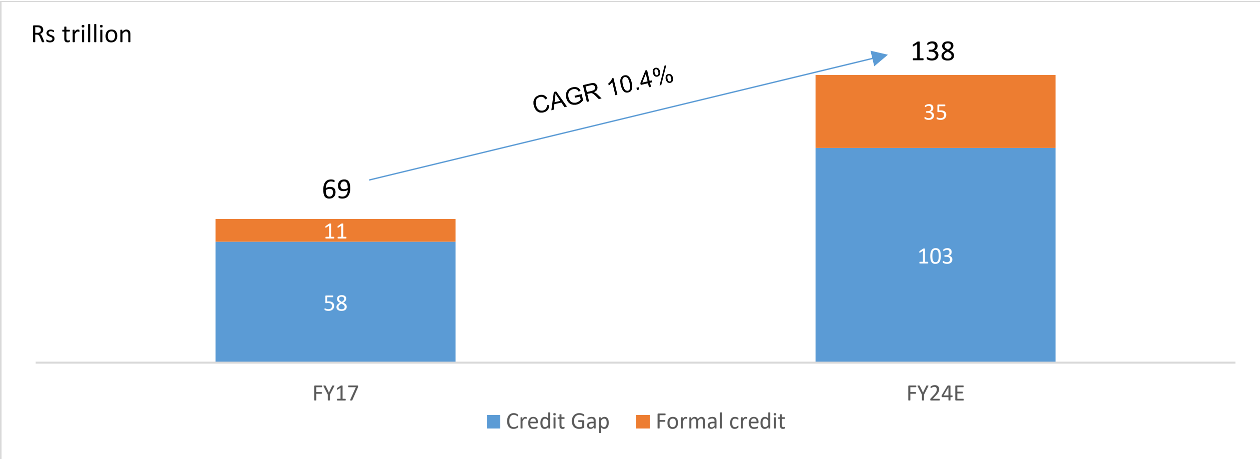
High risk perception and prohibitive cost of delivering services physically have constrained formal lending to MSMEs. The emerging self-employed individuals and micro, small and medium enterprise segment is largely unaddressed by lending institutions in India. MSME bureau coverage (Number of MSME borrowers to Total number of estimated MSMEs in India) is around 15% as of December 31, 2023 (*Source: TransUnion CIBIL Bureau, CRISIL MI&A*).

An IFC report titled Financing India's MSMEs (November 2018) estimated the MSME credit demand at Rs. 69.3 trillion in FY17, of which only approximately 16% of demand was met through formal financing and consequently, the MSME credit gap *(defined as the gap between the demand for funds amongst MSMEs and the supply from formal financiers)* was estimated at Rs. 58.4 trillion. This gap was met through informal sources including moneylenders, chit funds and personal sources from friends and relatives. The interest rate for these sources generally ranges between 30-60% per annum.

The credit gap is estimated to have further widened over the last 4 years due to slower economic growth in FY20, followed by the COVID-19 pandemic in FY21. In FY21, the nationwide lockdown to contain the spread of the COVID-19 pandemic disrupted economic activity, hurt demand, impacted working capital needs and supply chain along with future investments and expansions. Furthermore, government schemes post the COVID-19 pandemic such as the ECLGS scheme provided relief only to MSME units with existing loans from a formal financial institution.

As of FY24, the MSME credit demand is estimated to be around Rs. 138 trillion, of which 25% of demand is met through formal financing. Assuming an increase of around 10% annually in the demand for credit and the availability of credit from formal sources, CRISIL MI&A estimates the credit gap to have increased to Rs. 103 trillion as of FY24.

Despite increase in MSME loans outstanding, large credit gap still exists



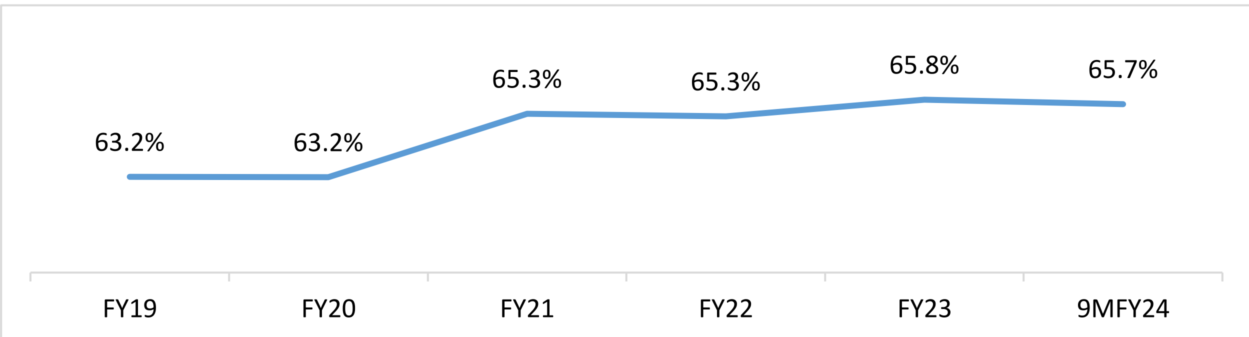
Note: E: Estimated, Source: IFC report on Financing India's MSMEs dated November 2018, CRISIL MI&A estimates

As per the IFC report titled Financing India's MSMEs (November 2018), out of total MSME credit demand of Rs. 69.3 trillion in FY17, the addressable credit demand was at Rs. 36.7 trillion after removing demand from new MSMEs, commercially unviable MSMEs and micro MSMEs that do not seek formal financing as these types of MSMEs voluntarily go for informal source of credit on account of the process being much faster, some MSMEs are quite young with no operational track record to prove their credit worthiness to the lender and MSMEs which are estimating near term bankruptcy. Out of the total addressable credit demand of Rs. 36.7 trillion (53% of the total credit demand of Rs. 69.3 trillion) in FY17, formal source accounted for Rs. 10.9 trillion taking potentially addressable credit demand gap to Rs. 25.8 trillion (FY17) which represented MSME credit gap that could have been addressed by Financial Institutions in the near term.

On the similar lines, as of FY24, CRISIL MI&A estimates the total addressable credit demand at Rs. 67.5 trillion out of which current formal financing stands at Rs. 35 trillion taking the total addressable MSME credit gap to Rs. 32.5 trillion which needs to be met by Financial Institutions. CRISIL MI&A expects total addressable credit demand to have increased on account of higher bank support, favourable government policies and increased lender focus with tailored products and technological advancements. Technology and use of various data sources are helping lenders analyse cash flow for NTC (New to Credit) MSME customers faster and bring many MSMEs into the formal financing network. Further, this demand is expected to grow as the Government expects MSMEs' contribution to GDP to increase in the coming years.

Even while the credit gap has increased, new MSME units continue to be set up across India. Between FY16 and FY22, 18.3 million units were set up, according to the Indian government registration data of MSMEs. Thus, though a myriad of small businesses is set up every day in India, access to credit remains a challenge. However, the industry has witnessed an increase in access to formal credit to MSME, which could be attributed to the increase in the number of UDYAM registered MSMEs.

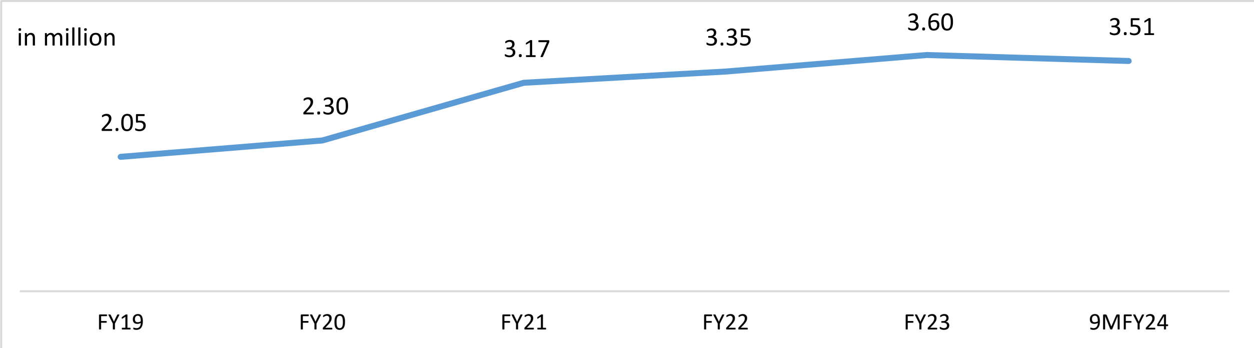
Share of MSME borrowers (%) from outside top 50 cities



Note: MSME portfolio considered as reported in the commercial bureau for the following borrower types: very small, micro, small and medium. Top 50 cities for each year are considered as top 50 districts as per MSME portfolio outstanding in that particular year.
Source: TransUnion CIBIL, CRISIL MI&A

Share of MSME borrowers from outside top 50 cities have increased from 63.2% in FY19 to 65.8% in FY23 which indicates increasing penetration of lenders outside top 50 cities.

Number of micro enterprises which have formal credit



Note: MSME Credit considered as reported in the commercial bureau for the borrower type: Micro
Source: TransUnion CIBIL, CRISIL MI&A

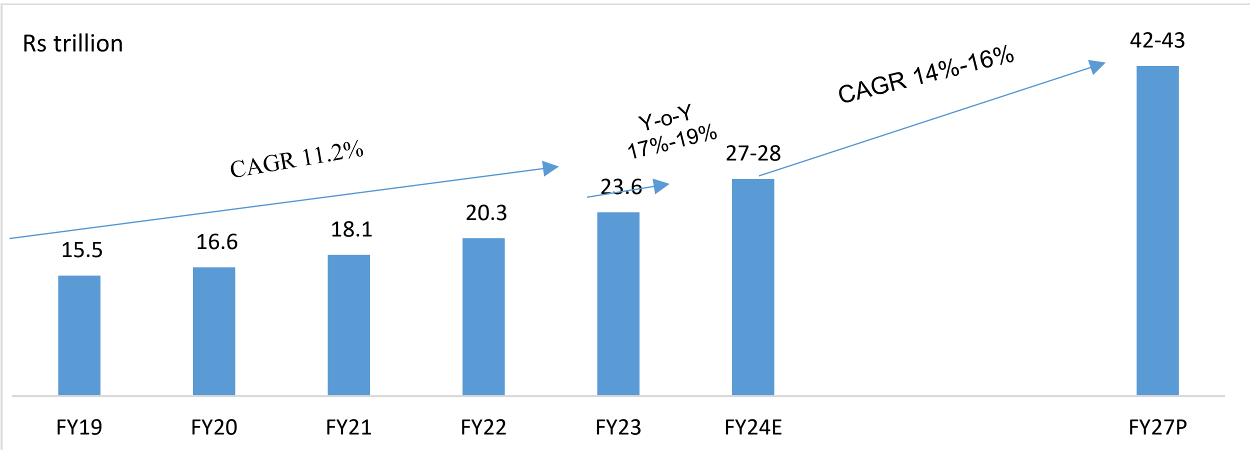
Total number of micro enterprises having UDYAM registrations as of December 2022 are 12.6 million. Therefore, it can be noted that only about 29% of micro enterprises have formal credit outstanding as of FY23.

MSME finance market size and trends

In this section, CRISIL MI&A has considered loans (Term loan and Working capital) extended to MSMEs as reported in the commercial bureau.

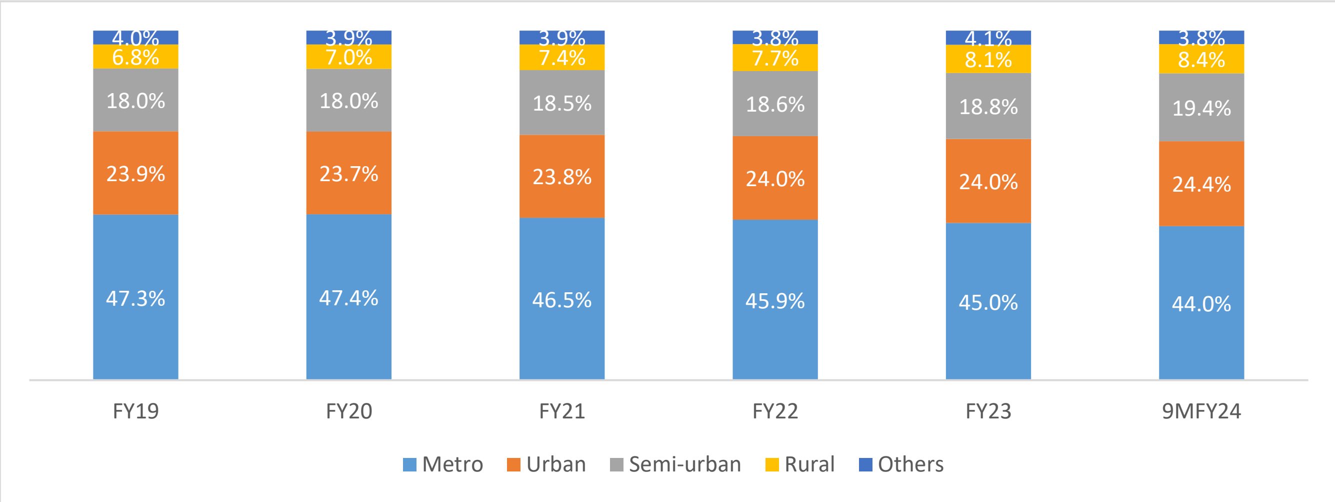
The two pandemic waves were particularly tough for the MSMEs on account of no or fewer economic activities. The pandemic led frequent lockdowns and restrictions interrupted supply chains, demand and hence profitability of the MSMEs hence impacting the MSME portfolio outstanding. During FY23, the economy normalised with industrialisation and urbanisation picking up. As a result, revenue increased 19-21% for corporate India, while for SMEs the growth was in the range of 11-13%. In line with the overall growth, MSME portfolio increased by 16.4% year-on-year in FY23. This growth is driven by government support via the Emergency Credit Line Guarantee Scheme, the reduction in turnaround time with the use of technology and the increased loan supply from NBFCs. In line with the growth of MSMEs, total MSME loan portfolio in the market have increased from Rs 15.5 trillion in Fiscal 2019 to Rs 23.6 trillion in Fiscal 2023 at a CAGR of 11.2% and expected to grow to Rs 42 to 43 trillion by Fiscal 2027. The growth estimated is on account of recovery in economic activities and increasing demand from MSMEs.

Portfolio outstanding (Rs trillion) for MSME portfolio to grow at 14-16% CAGR between FY24 and FY27



Note: E: Estimated, P: Projected, MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: micro, very small, small and medium.
Source: TransUnion CIBIL, CRISIL MI&A

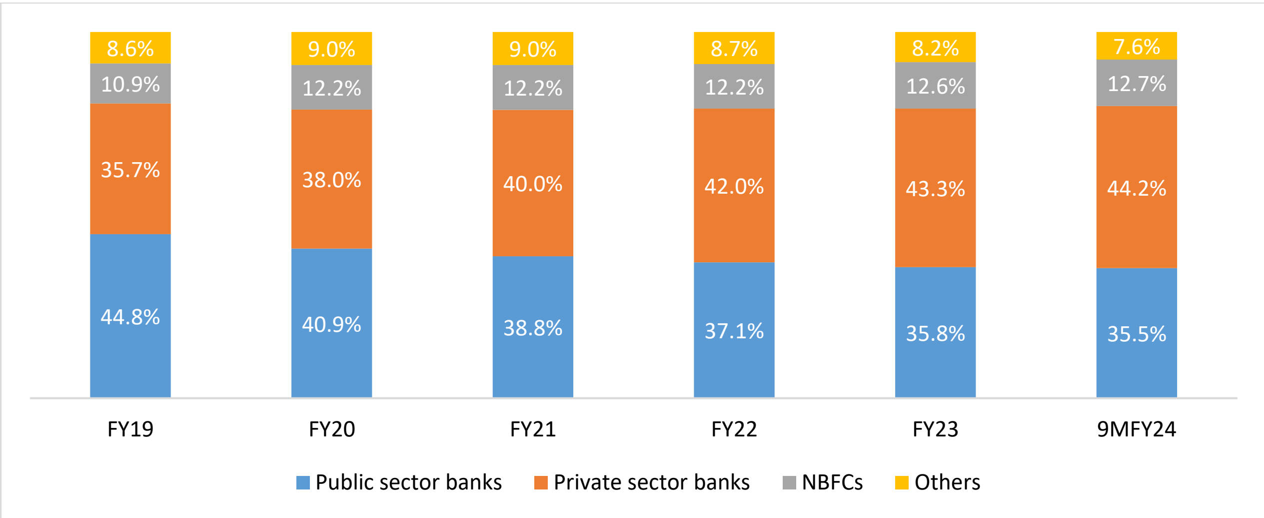
Portfolio outstanding of semi urban and rural areas increasing over the last few years



Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium. Source: TransUnion CIBIL, CRISIL MI&A

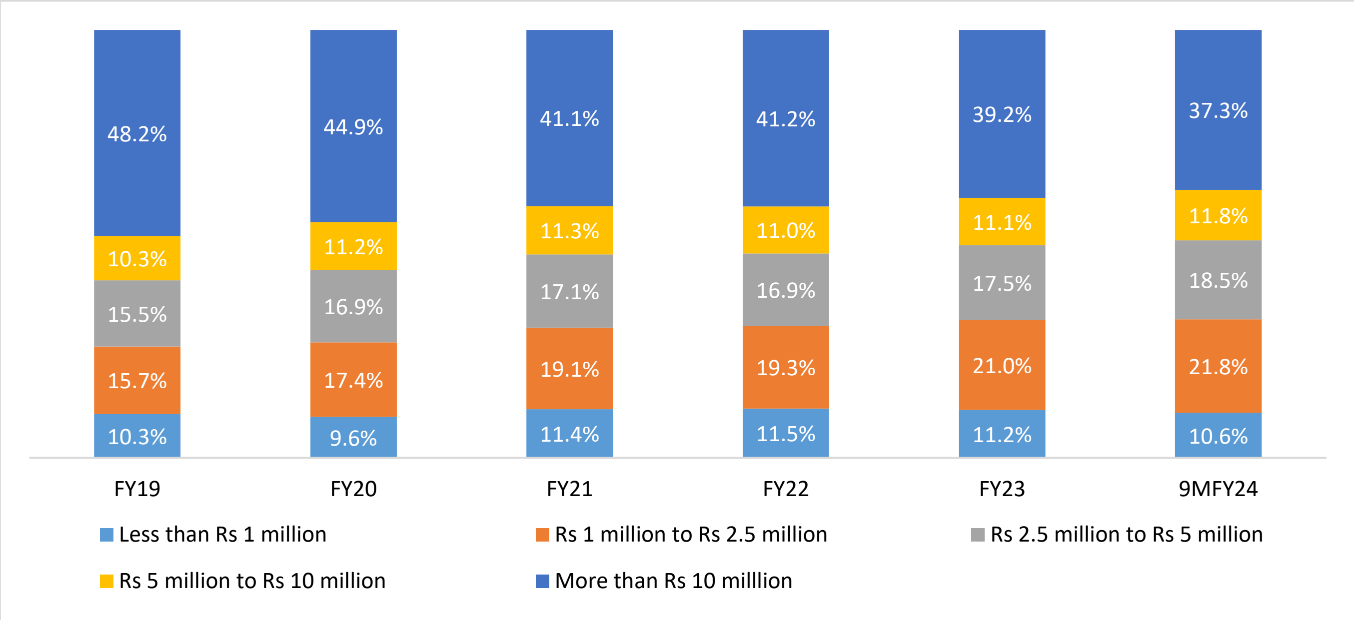
NBFCs have managed to carve out a strong presence in MSME loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. Over the years, the MSME portfolio of NBFCs have grown at a faster rate than the overall MSME portfolio at a systemic level. Thus, the share of NBFCs in total credit to MSMEs has increased to 12.6% at end of FY23 from 10.9% as of FY19. Going forward CRISIL MI&A expects the competitive positioning of NBFCs to remain strong, given their strong target customer and product focus.

NBFCs have 12.7% market share in MSME loan portfolio as of 9MFY24



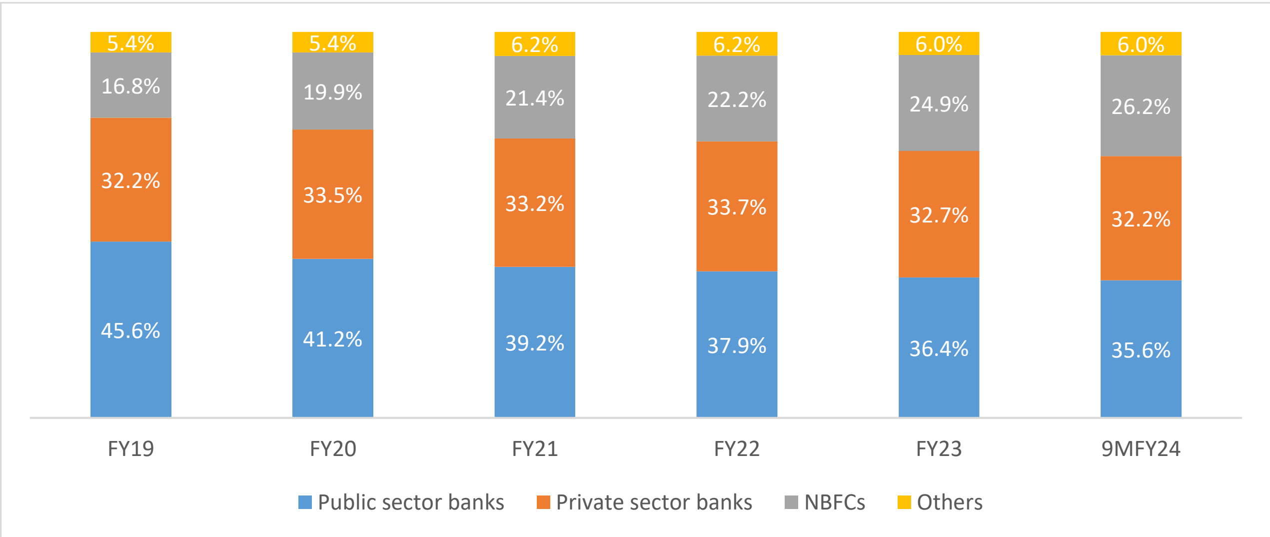
Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium. Others include Foreign banks, SFBs, Cooperative banks and RRBs; Source: TransUnion CIBIL, CRISIL MI&A

Share of ticket sizes (Less than Rs 1 million, Rs 1 million to Rs 2.5 million, Rs 2.5 million to Rs 5 million and Rs 5 million to Rs 10 million) loans in NBFCs' MSME portfolio outstanding increased from FY19 to 9MFY24



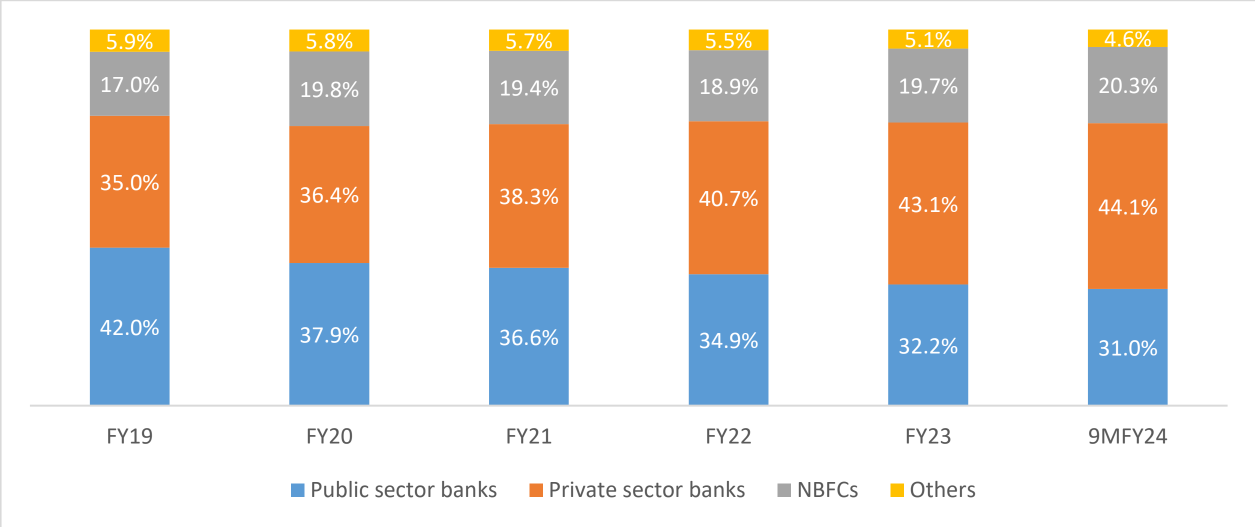
Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium.
Source: TransUnion CIBIL, CRISIL MI&A

Share of NBFCs in MSME portfolio of ticket size Rs 1 million to Rs 2.5 million has increased from 16.8% in FY19 to 26.2% in 9MFY24



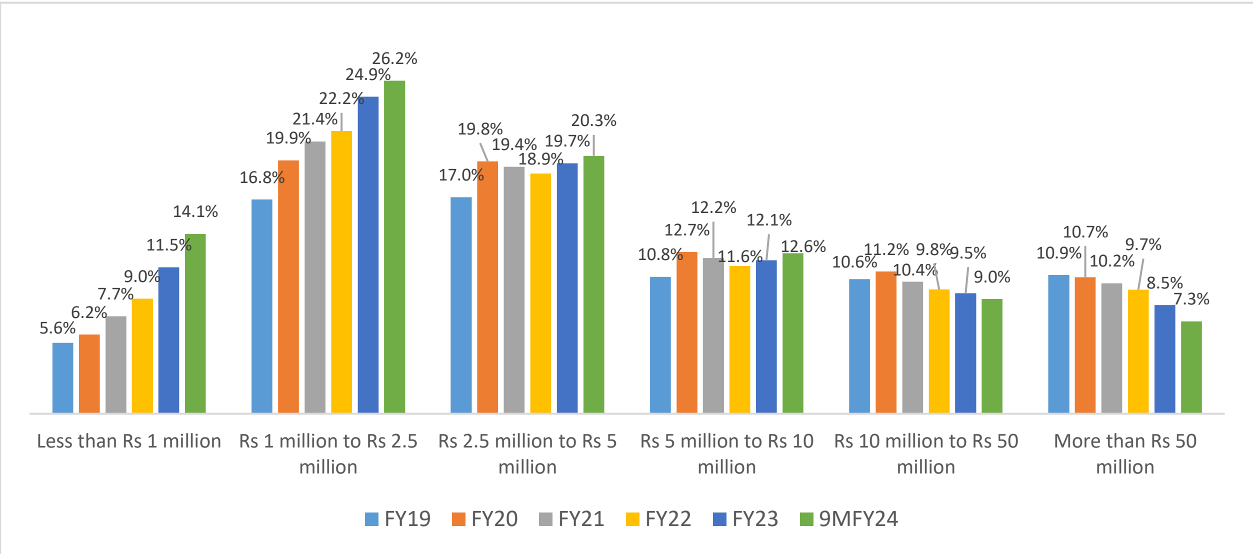
Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium. Others include Foreign banks, SFBs, Cooperative banks and RRBs; Source: TransUnion CIBIL, CRISIL MI&A

Share of NBFCs in MSME portfolio of ticket size Rs 2.5 million to Rs 5 million has increased from 17.0% in FY19 to 20.3% in 9MFY24



Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium. Others include Foreign banks, SFBs, Cooperative banks and RRBs; Source: TransUnion CIBIL, CRISIL MI&A

Share of NBFCs in various ticket size brackets



Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium. Source: TransUnion CIBIL, CRISIL MI&A

NBFCs MSME portfolio in various ticket size brackets

Ticket size wise MSME portfolio of NBFCs (Rs billion)	FY19	FY20	FY21	FY22	FY23	9MFY24	CAGR (FY19-9MFY24)
Less than Rs 1 million	174.1	193.2	252.9	285.3	335.6	322.2	13.8%
Rs 1 million to Rs 2.5 million	266.0	349.9	423.9	478.1	626.5	664.9	21.3%
Rs 2.5 million to Rs 5 million	262.7	341.0	379.6	418.3	522.2	563.5	17.4%
Rs 5 million to Rs 10 million	175.0	225.0	251.9	272.0	332.4	359.4	16.3%
Rs 10 million to Rs 50 million	509.2	578.1	592.5	654.8	771.6	779.9	9.4%
More than Rs 50 million	306.2	325.4	322.2	364.2	399.1	358.3	3.4%
Total	**1,693.2**	**2,012.7**	**2,222.9**	**2,472.6**	**2,987.3**	**3,048.3**	**13.2%**

Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium.
Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90+ Days Past Due) of MSME portfolio

90+DPD ratio	FY19	FY20	FY21	FY22	FY23	9MFY24
Public sector banks	14.5%	16.1%	16.3%	18.1%	16.9%	15.9%
Private sector banks	5.0%	5.4%	6.1%	5.5%	4.8%	4.4%
NBFCs	4.8%	7.4%	8.9%	10.0%	8.3%	7.5%
Others	16.0%	16.8%	16.8%	16.6%	15.0%	16.3%
Overall	10.2%	11.0%	11.3%	11.7%	10.4%	9.8%

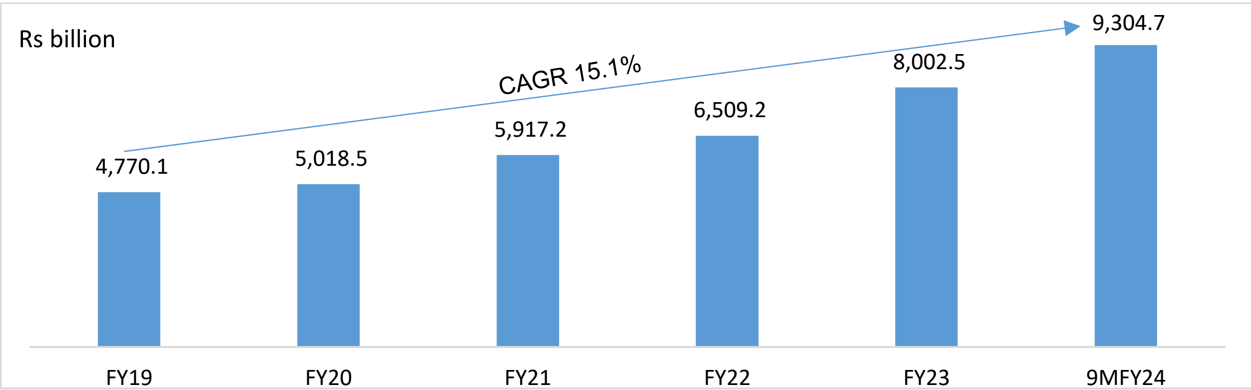
Note: MSME portfolio outstanding as reported in the commercial bureau for the following borrower types: very small, micro, small and medium, Others include SFBs, Foreign banks, RRBs, etc.
Source: TransUnion CIBIL, CRISIL MI&A

Loan against property (LAP) market size and trends

In this section, CRISIL MI&A has considered LAP as reported in the consumer bureau. LAP segment grew at a strong pace with portfolio registering a CAGR of 15.1% from FY19 to 9MFY24. Over the last few years, expansion in branch network, more data availability and government initiatives like GST, UDYAM, and increasing formalisation of the MSME segment has led to increasing focus of lenders, especially the NBFCs, on this space. NBFCs (including HFCs, NBFC-Fintech) enjoy a market share of 35.4% as of December 2023 in LAP outstanding.

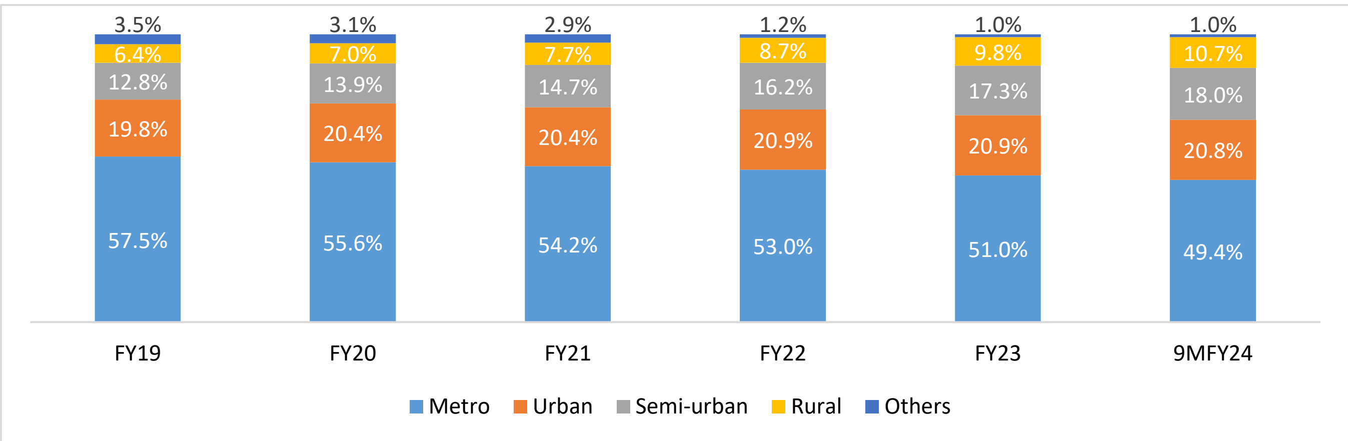
Loan against property can be obtained by mortgaging a residential or commercial real estate with the lender. The loan product can be used for personal or business objectives, and both salaried and self-employed individuals are eligible to apply. The main purpose of the loan is not strictly regulated and as it offers the financier security in the form of real estate. As it is a secured loan, lenders offer a lower interest rate than a personal or unsecured business loans.

Portfolio outstanding for LAP grew at 15.1% CAGR between FY19 and 9MFY24



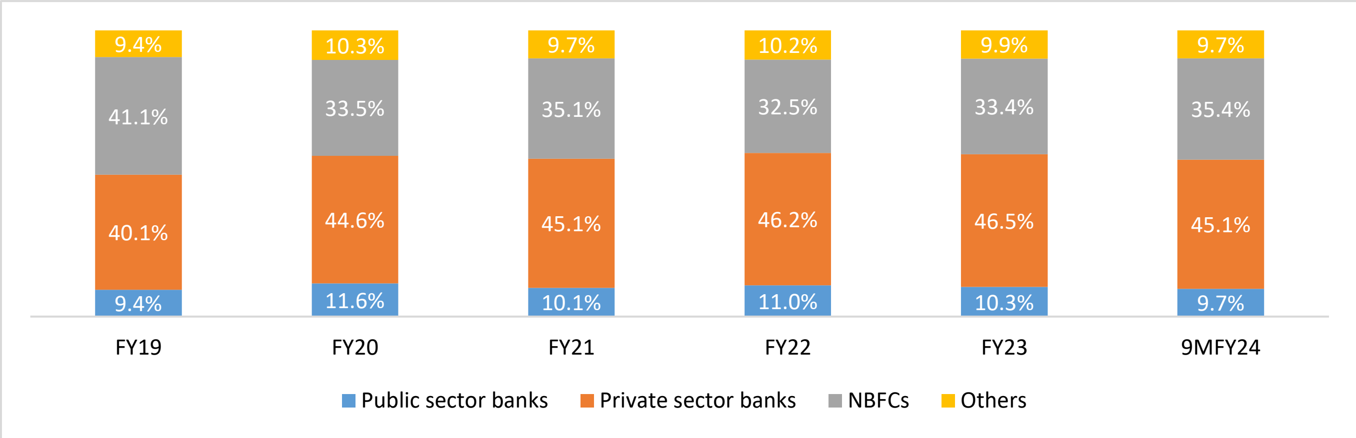
Source: TransUnion CIBIL, CRISIL MI&A

LAP portfolio outstanding of semi urban and rural areas increasing over the last few years



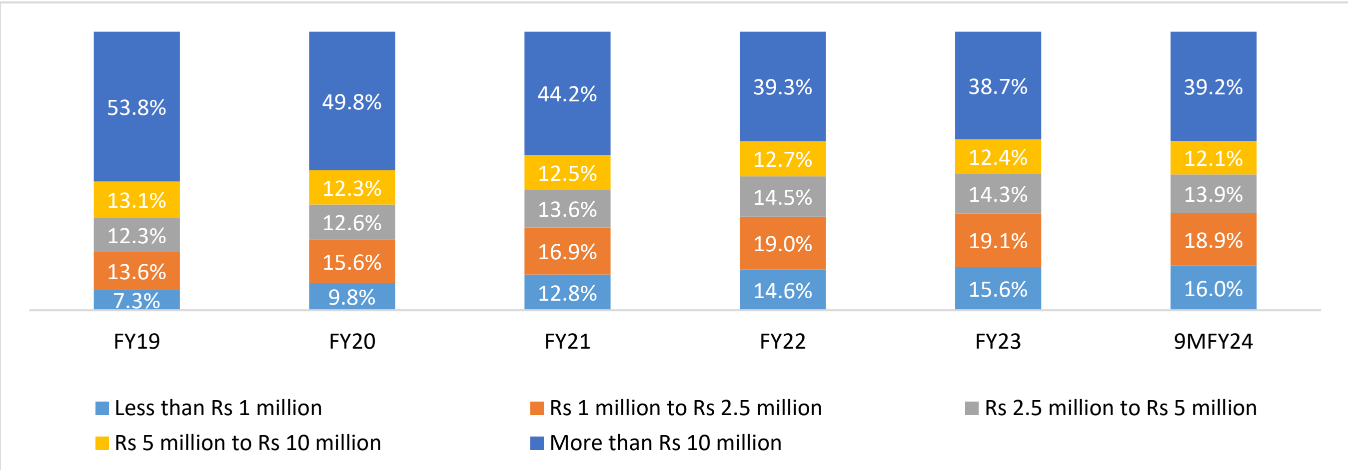
Source: TransUnion CIBIL, CRISIL MI&A

NBFCs have 35.4% market share in LAP portfolio as of 9MFY24



Note: Others include Foreign banks, SFBs, RRBs, Cooperative banks, etc.
Source: TransUnion CIBIL, CRISIL MI&A

Share of ticket sizes (Less than Rs 1 million, Rs 1 million to Rs 2.5 million and Rs 2.5 million to Rs 5 million) loans in NBFCs' LAP portfolio outstanding increased from FY19 to 9MFY24



Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90+ Days Past Due) of LAP portfolio

90+ DPD ratio	FY19	FY20	FY21	FY22	FY23	9MFY24
Public sector banks	6.3%	6.9%	7.4%	6.9%	5.9%	5.2%
Private sector banks	1.6%	1.3%	2.1%	1.4%	1.1%	1.1%
NBFCs	3.2%	5.2%	6.5%	6.7%	4.4%	4.0%
Others	3.9%	6.3%	12.1%	11.0%	9.8%	10.1%
Overall	2.9%	3.8%	5.1%	4.7%	3.6%	3.4%

Source: TransUnion CIBIL, CRISIL MI&A

Digital penetration

The lenders have been increasingly leveraging technology solutions and alternative data to source and underwrite MSME loans. Such changes in MSME lending have been driven by

Digital/technological changes:

- E-commerce platforms (B2C and B2B): Connecting buyers and sellers
- Introduction of digital lending focused NBFCs: Use of technology to provide MSME lending

- Low-cost internet data availability: Facilitating increase in internet penetration

Government led initiatives:

- Introduction of UPI: Simplified real-time digital payments
- GST implementation: Simplified business taxes, Improved formalization of businesses
- Aadhaar based e-KYC: Reduced documents requirements, faster TAT, Aadhaar-PAN linkage facilitating lenders to verify information
- ONDC: Facilitated adoption of e-commerce through open protocol

RBI-led initiatives:

- TReDS: TReDS is an electronic platform for facilitating the financing/discounting of trade receivables of MSMEs through multiple financiers
- Account aggregators: Act as a common platform which enable sharing and consumption of data from various entities with user consent

Above are some of the broad initiatives in the market which are assisting lenders to facilitate growth in MSME lending market by leveraging technologies and alternate data points.

Additionally, such technological changes have led to innovative, simple, and cost-effective processes.

Customer acquisition/Sourcing: Lenders can use big data analytics, social media campaigns, partner with various stakeholders such as e-commerce platforms, provide multilingual chatbots, mobile apps, etc. to generate leads, and acquire customers. This makes the application process convenient and quick and increases the success rate of customer onboarding.

Underwriting: Lenders can use alternative data points (direct and derived variables) to assess creditworthiness of borrowers. Usage of advanced algorithms to identify risk profiles and repayment ability of borrowers can lead to sanctioning of loans to underserved and new-to-credit customers within minutes.

Collection: Flexible repayment options can be provided with initiatives such as e-NACH, UPI and other digital payment options which make the collection process easier and increase collection efficiency.

With all these changes in the lending process, penetration of digital lending has been increasing in the past few years with lenders trying to provide all the services digitally to customers.

3.3 Growth drivers

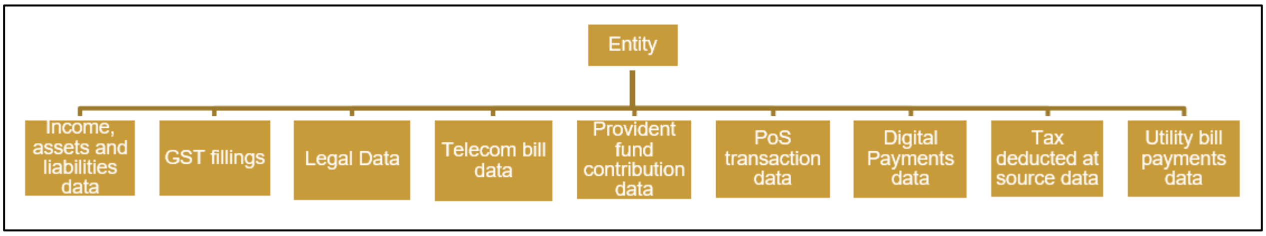
High credit gap in the MSME segment

As per estimates, less than 15% of approximately 70 million odd MSMEs have access to formal credit in any manner as of March 2022. High risk perception and the prohibitive cost of delivering services physically have constrained traditional institutions' ability to provide credit to underserved or unserved MSMEs and self-employed individuals historically. As a result, they resort to credit from informal sources. This untapped market offers huge growth potential for financial institutions. As stated earlier, the credit gap was estimated at around Rs. 58.4 trillion as of 2017 *(Source: IFC report named Financing India's MSMEs released in November 2018)* and is estimated to have widened further to around Rs. 104 trillion as of FY24.

Increased data availability and transparency

With increased digital initiatives by the MSMEs, the shift towards their formalisation and digitisation has created a plethora of data points for lenders that would help improve the efficacy of credit assessment and gradually enable provision of credit to hitherto underserved customer segments. For example, within UPI, the quantum of person-to-merchant payments has zoomed from Rs. 6.2 trillion in FY21 to Rs. 30.7 trillion in FY23 and as of 9MFY24 reached around Rs. 35.6 trillion. UPI has increased banking transactions materially, impacting significant increase in tax compliance. This increase has created a digital footprint of customers, which can be potentially used for credit decision making, along with other relevant parameters such as customer demographics, business details, credit score, and personal situation of the borrower. Demonetisation and GST have further accelerated formalization of the Indian economy.

Multiple data points can be used for credit assessment



Source: CRISIL MI&A

Increasing access and faster TAT

Due to availability of multiple data points and technology solutions, the lending process involving documentation, verification and processing of the transactions has evolved and now take much lesser time. Technology led enhancements such as use of big data analytics and social media campaigns to acquire customers, use of direct and derived variables for underwriting, automated processes, minimum documentations, Aadhar based e-KYC, Account aggregators, flexible repayment options due to simplified real-time digital payments system, have helped in reducing hassles, increasing access to credit for borrowers and faster TAT.

Growth in branch network of players in MSME segment

Over past few years, players offering MSME loans have expanded their branch network with the intent to serve a larger customer base. For example, MSME lending focused players such as Five-star Business Finance Limited, SBFC Finance Limited, Veritas Finance Private Limited and Vistaar Financial Services Private Limited have together increased their branches at CAGR of ~16% from FY21 to FY24. Share of borrowers from top cities in India has been on a declining trend indicating that lenders are shifting their focus on MSMEs in rural and semi urban areas. In the future also, CRISIL MI&A expects lenders with a strong focus on MSME lending and healthy competitive positioning to continue to invest in branch expansion. With increasing branch network, customer acquisition and credit penetration, share of MSME loans is also expected to increase.

Increasing competition with entry of new players and partnerships between them

More players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business, intensifying competition. For example, in June 2018, Amazon India launched a platform for lenders and sellers, wherein sellers can choose loan offers from various lenders at competitive rates. In August 2021, Meta (earlier known as Facebook) partnered with Indifi Technologies to provide loans to small businesses that advertise on its platform. Lenders are increasing the use of digital platforms to help automate and digitize loan sanctioning process however the borrower is required to possess documents for the initial clearance as stated by the banks. Incumbent traditional lenders will increasingly leverage the network of their partners and/or digital ecosystem to cross-sell products to existing customers, tap customers of other lenders, and also cater to new-to-credit customers. This will expand the market for MSME loans.

Robust government support

The government has special focus on the MSME sector on account of its economic contribution to the economy and number of people employed in the sector. MSMEs in India come under the purview of Government of India, Ministry of MSME, Khadi Village and Coir Industries Commission (KVIC). Government launched Udyam Assist Platform (UAP) on 11th January 2023 to enhance formalisation of the economy. As of 31st December 2023, 1.11 crore informal micro enterprises have joined UAP to come under the formal economy. Government of India has also introduced a new scheme called ‘PM Vishwakarma’ aiming to improve the quality of products and services of small artisans and craftsman and ensure that their companies are a part of national and global supply chain. The scheme was launched on 17th September 2023. The initial amount to be disbursed under the scheme is Rs. 13,000 crores for five years from FY23-24 to FY27-28.

Relaxation in the threshold under SARFAESI Act from Rs. 5 million to Rs. 2 million for NBFCs

In the Union Budget 2021-22, for NBFCs with a minimum asset size of Rs. 1 billion, the minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) Act, 2002 was proposed to be reduced from the existing level of Rs. 5 million to Rs. 2 million. The objective of this move is to improve credit discipline while continuing to protect the interest of small borrowers. This relaxation is expected to facilitate recovery from stressed books, help the NBFCs to improve their ability to recover smaller loans and strengthen their overall financial health. More importantly, it acts as a deterrent to default and enhances the enforceability of collateral for players focused on the medium ticket size LAP segment with loans of Rs. 2 million – Rs. 5 million.

Inclusion of retail and wholesale trade under MSME category

In July 2021, the Ministry of Micro, Small and Medium enterprises decided to include Retail and Wholesale trade as MSMEs for the purpose of Priority Sector Lending and they would be allowed to be registered on UDYAM Registration Portal. The move is structurally positive from long-term perspective, as it will enable entities operating in the segment to register on Government's UDYAM portal, participate in government tenders and also avail financing options/ benefits available to the category. This move will also aid in the formalisation of India's retail trade and enable financial support to small and mid-sized retail businesses. By widening the scope of MSME to cover wholesale as well as retail trade, this move also creates an additional opportunity for MSME lenders to increase their penetration and business.

Prime Minister's Employment Generation Programme (PMEGP) providing margin money to MSMEs

PMEGP is a credit linked subsidy scheme to provide employment opportunities by establishing new micro enterprises in the non-farm sector where margin money is provided to MSMEs availing loan from banks to set up new enterprises. The maximum margin money provided under the scheme for setting up a new project is Rs 5 million for manufacturing sector and Rs. 2 million for service sector. Geo-tagging for the products and services of the units set up under this scheme has been initiated. This will help the enterprises with creating market linkages. Since the scheme had been launched in 2008, and until 30th November 2023 more than 9.29 lakh micro companies have benefited from the scheme with margin money disbursed at Rs 31.17 Bn generating employment for around 6.80 lakh people.

Credit Guarantee Fund Scheme extended to cover NBFCs

One of the major reasons why MSMEs are credit-starved is the insistence by banks or financial institutions for the provision of collateral against loans. Collaterals are not easily available with such enterprises, leading to a high-risk perception and higher interest rates for these MSMEs. In order to address this issue, the government launched the Credit Guarantee Fund Scheme under the aegis of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in order to make collateral-free credit available to micro and small enterprises. In January 2017, the scheme was extended to cover systemically important NBFCs as well. Key eligibility criteria for this scheme are:

1) NBFCs should be registered with RBI and meet specified prudential norms.

2) the NBFC should have made a profit for the three preceding Fiscals at the time of enrolment.

3) the NBFC should be lending to micro and small enterprises with minimum 5 years of lending experience, minimum Rs. 1 billion of MSE loan portfolio, NPA level below 5% for MSE portfolio and average recovery ratio of 90% for preceding three Fiscals at the time of enrolment and

4) it should have long-term credit rating of at least BBB. The overall limit under the scheme has also been enhanced to Rs. 20 million.

The scheme was revamped in the year 2023 with following new features:

1) Ceiling limit of guarantee coverage raised from Rs. 20 Mn to Rs. 50 Mn

2) The annual guarantee fees was reduced from 0.75% to 0.37%

3) Increase in threshold limit from Rs. 0.5 Mn to Rs. 1 Mn for waiver of legal action

Guarantees approved under CGTMSE

Year	Number of guarantees approved	Amount of guarantees approved (Rs billion)
FY19	435,520	302
FY20	846,650	459
FY21	835,592	369
FY22	717,020	561
FY23	1,165,786	1,048
January 2023 to November 2023	12,50,000	1,460

Source: CGTMSE, CRISIL MI&A

Other government initiatives addressing structural issues in the MSME market

Some of the other government and regulatory initiatives are detailed below:

- Stand-up India: It facilitates bank loans between Rs. 1 million and Rs. 10 million to at least one scheduled caste or scheduled tribe borrower and at least one-woman borrower per bank branch for setting up a greenfield enterprise.

- Make in India: Launched with an intention to make India a global manufacturing hub, which in turn will provide employment to numerous youths in India

- Mudra loans: To fulfil funding requirement of MSMEs who were earlier left out by financial institutions; credit guarantee support also offered to financiers.

- 59-minute loan: Online marketplace that provides in-principle approval to MSME loans up to Rs. 10 million in 59 minutes.

- Unified Payments Interface 2.0 (UPI 2.0): Real-time system for seamless money transfer from account

- Trade Receivables Discounting System (TReDS): Institutional mechanism to facilitate financing of trade receivables of MSMEs from corporates and other buyers through multiple financiers.

- Factoring to support more participation from NBFCs: In an amendment to Factoring Regulation Act, 2011, the Lok Sabha passed the Factoring Regulation (Amendment) Bill in July 2021.

Further, there have been several schemes by the government such as Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship, Scheme of Fund for Regeneration of Traditional Industries, Micro and Small Enterprises-Cluster Development Programme, MSME Champions Scheme, etc.

Key factors that contributed to high LAP growth are:

- Quick turnaround time, lower interest rate, lesser documentation: LAP loans are disbursed in about half the time taken for a secured MSME loan. It is also offered at a lower interest rate than unsecured MSME loans, personal and business loans. LAPs require less documentation than other secured SME products, leading to fewer hassles for customers.

- Greater transparency in the system: Demonetization, GST, and the government’s strong push for digitization have led to higher transparency in the system. This will keep pushing up loan amount eligibility of borrowers. Formalization will also help many new borrowers come under the ambit of formal lending channels.

- Rising penetration of formal channels: Increase in penetration and availability of formal lending channels outside the top 10 cities will eat into the market share of unorganized moneylenders.

- Higher comfort for lenders: Lenders are comfortable disbursing LAP loans, as it offers favourable risk-return characteristics, compared with other MSMEs and unsecured loans. They also offer higher recovery in case of default (supported by the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002) and better asset quality, which is partly offset by lower yields.

Key factors that contributed to high supply chain finance growth are:

- Digitization: The lenders are adopting technologies to facilitate supply chain financing for MSMEs. Lenders are leveraging technology solutions to prepare their own underwriting models for borrowers whose credit history is not available. Such credit assessment processes are proving to be more efficient and cost-effective.

- TReDS: TReDS is an electronic platform for facilitating the financing/discounting of trade receivables of MSMEs through multiple financiers. It solves the cash flow problem of MSMEs and therefore is becoming popular platform and promoting supply chain financing in India.

- E-commerce platforms: E-commerce platforms (B2C and B2B) have been rapidly expanding their footprints beyond metro cities. These platforms are good marketplace for MSMEs and contribute a good share in their revenue. Lenders are utilizing such platforms to provide supply chain financing to MSMEs on these platforms.

- Government led initiatives: Various government led initiatives and policies such as UPI (simplified real-time digital payment system), Aadhaar based e-KYC (facilitating reduced documents requirements, simplifying documents verification), GST implementation (simplified business taxes, improving formalization), introduction of account aggregators, etc. are aimed at promoting financial inclusion and digitization to support MSMEs and boost supply chain financing.

Key factors that contributed to high inventory funding growth are:

- Seasonal demand fluctuations: MSMEs which are into seasonal business such as food processing often experience fluctuations in demand based on seasons or market trends. Therefore, it requires them to maintain sufficient inventory levels to meet customer needs.

- Expansion of MSMEs: MSMEs keep expanding their business as and when it is feasible for them. To expand and scale their operations, they need additional funds to procure raw materials and/or store more inventory.

- Export opportunities: MSMEs contribute almost 45% in export market. MSMEs engaging in export activities need financing to build up inventory levels to meet international demand and deliver orders within time.

Key factors that contributed to high construction finance growth are:

- Urbanization: India's ongoing urbanization leads to increased demand for infrastructure development. Growth in real estate sector driven by increasing urbanization and rising disposable incomes fuel demand for construction finance for residential and commercial projects.

- RERA implementation: Real Estate Regulatory Authority (RERA) Act, 2016, aims at increasing transparency and accountability at builders' end. The purpose of the act is to protect homebuyers by ensuring security of buyers' and investors' money and avoid delays in completing the projects which in-turn have provided a boost in real estate investments.

- Government initiatives: Government initiatives such as PMAY and Smart cities have stimulated construction activities and in-turn drive the need of construction finance. Further, the focus on infrastructure development including roads, bridges, airports, etc. creates opportunities for construction financing.

- Further, macro factors like overall economic growth, private sector participation through Public-Private Partnerships and FDI are driving growth of construction financing market in India.

Threats and challenges in MSME loan segment

MSME lending segment is expected to witness a rapid growth in the upcoming fiscals, however, there are a few risks associated with lending to this segment.

- **Inadequate credit history of borrowers:** Generally, small borrowers often lack credit history which is necessary for underwriting. Additionally, they do not have the financial capabilities to invest in maintaining proper accounts due to which it becomes difficult for lenders to assess their creditworthiness.

- **Borrowers susceptible to policy and regulatory changes:** Owing to the highly dynamic industry environment, MSMEs are vulnerable to policy and regulatory changes to which they might not have a capability to cope with.

- **Borrowers lack liquidity and are vulnerable to cash flow challenges:** MSMEs often face delays in payments which significantly impact their cash flow cycle and in-turn impact their repayment behavior.

- **Borrowers are unable or unwilling to share all information:** Borrowers usually do not have all the required information available because of which lenders cannot assess the borrowers in a better manner.

- **MSMEs lack updated technology as compared to large companies:** Large companies have higher sophistication of technology, which MSME players lack owing to low capital; hence they face the risk of getting outdated.

- **Inadequate financial literacy:** MSME owners often lack financial expertise. The lack of financial literacy may lead to poor financial planning.

- **High level of competition in the MSME Segment:** Owing to a rise in the number of NBFCs in India, the overall MSME landscape has become very competitive.

Operational Statistics of Players into MSME financing

Some of the players which are into MSME financing are as follows:

Players	MSME AUM FY20 (Rs million)	MSME AUM FY24 (Rs million)	CAGR (FY20-FY24)	MSME portfolio as % of overall portfolio (FY24)	Average ticket size (Rs million)	LTV % (FY24)	Gross Stage 3 (%) of MSME portfolio as of FY24
Hero Fincorp Limited	53,795	1,07,798.2	19.0%	20.8%	N.A.	N.A.	N.A.
Fedbank Financial Services Limited#	38,382	1,21,919	33.5%	66%	2.2 (LAP) 2.4 (Business loan)	54%	1.9%
Five Star Business Finance Limited	38,920	96,406	25.5%	100%	0.4	40%	1.4%
MAS Financial Services Limited	54,114	81,190	10.7%	80%	2.0	N.A.	2.3%^
Veritas Finance	13,007	49,225@	39.5%	86%	N.A.	N.A.	1.8%^
SBFC Finance Limited$	10,792	57,040	51.6%	84%	1.0	44%	2.4%^
Vistaar Finance	18,790	31,320&	18.6%	100%	0.68 to 2.1&	45% to 54%&	3.7%&

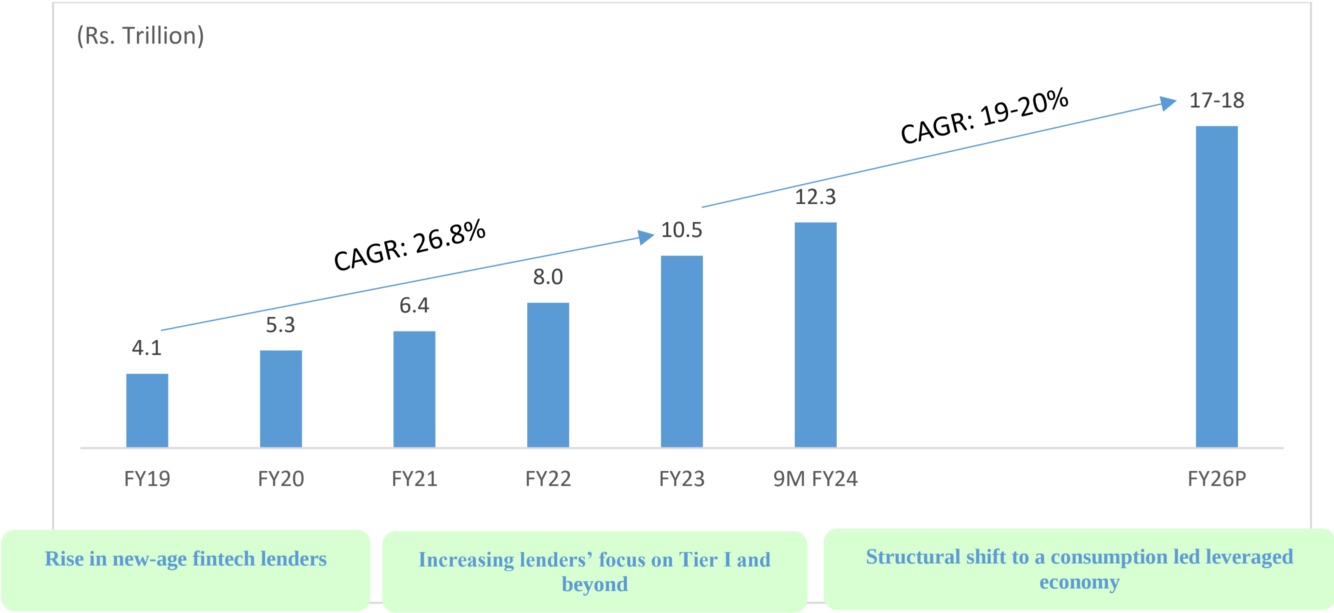
Note: ($) For Secured MSME portfolio, (@) MSME, Construction finance and Unsecured working capital loan portfolio, (#) LAP and business loan, LTV for Mortgage loans, (^) for overall portfolio, &FY23 numbers.
Source: Company Reports, CRISIL MI&A

4. Personal Loans

4.1 Strong disbursements, especially from NBFCs, and improving collections supported personal loan book growth in fiscal 2023

The amount of personal loans outstanding has increased from Rs 4.1 trillion in Fiscal 2019 to Rs 10.5 trillion in Fiscal 2023 at a CAGR of 26.8%, driven by the rise in new-age, increasing lender focus on Tier 1 customers and beyond and a structural shift to a consumption led leveraged economy. Personal loan outstanding stood at Rs. 12.3 trillion in the 9-month ending fiscal 2024 and is likely to touch ~Rs. 17-18 trillion in fiscal 2026. Personal loan segment is expected to outpace the overall retail segment with a CAGR of 19-20% in comparison to overall retail CAGR of 17-18% between fiscal 2023 and fiscal 2026. The growth is going to be driven by healthy momentum in banks supported by their higher customer base in tier 1 cities. Parallelly, NBFCs would also continue to display aggressive growth in their personal loan book. NBFCs build their retail book through lower-ticket-size personal loans and focus on growth in tier 2 and below cities. Banks focus on the salaried middle-age group borrowers and have a higher share in tier-1 cities as compared with NBFCs. End use of the personal loan can range from education loan, medical loan, travel loan, marriage loan, loan for self-employed and semi-employed and other categories as personal loan are an unsecured segment with minimal or no end-use monitoring.

Personal loan outstanding to cross Rs 17 trillion in fiscal 2026



Note: P - Projected
Source: TransUnion CIBIL, CRISIL MI&A

The personal loan industry witnessed a CAGR of 26.8% from fiscal year 2019 to 2023, exhibiting credit expansion across both banking institutions and Non-Banking Financial Companies (NBFCs). This positive trajectory was underpinned by the emergence of financial technology (fintech) companies and digital platforms. In response to this market trend, the RBI has implemented stricter regulations concerning consumer credit. Specifically, the RBI has increased the risk weight attached to unsecured consumer loans by 25 percentage points, raising it to 125%. By increasing the risk weight associated with unsecured consumer loans, the RBI is setting a foundation for a more secure and sustainable credit environment. While these measures are expected to impact growth in the short term, but it is expected to promote stability and resilience in the industry over the long term, ensuring a healthier growth trajectory in the future.

4.2 Growth Drivers

Some of the factors which are favourable to the growth of personal loans in the coming years:

Low penetration in India

As discussed in NBFC section, India has the lowest household Credit to GDP ratio compared to many other economies. India's household credit to GDP ratio is low at about 37% as of Q3-CY2023. The indebtedness of households, or more precisely household-Credit-to-GDP ratio of a country, is a suitable indicator to measure the future potential of the personal loan segment. With lenders focusing on increasing penetration in under-penetrated areas and amongst under-penetrated customer segments and with personal loans increasingly becoming more accessible to consumers with digital customer acquisition and engagement channels, this ratio is expected to increase over the medium term.

Changing lifestyles and spending habits

Favourable consumer demographics, rising incomes, and higher aspirations, coupled with increasing comfort in availing loans to meet funding needs augur well for the personal loan market. This has been one of the prominent factors in personal loan growth. With the rise in disposable incomes and favourable consumer demographics, this trend is expected to continue going forward.

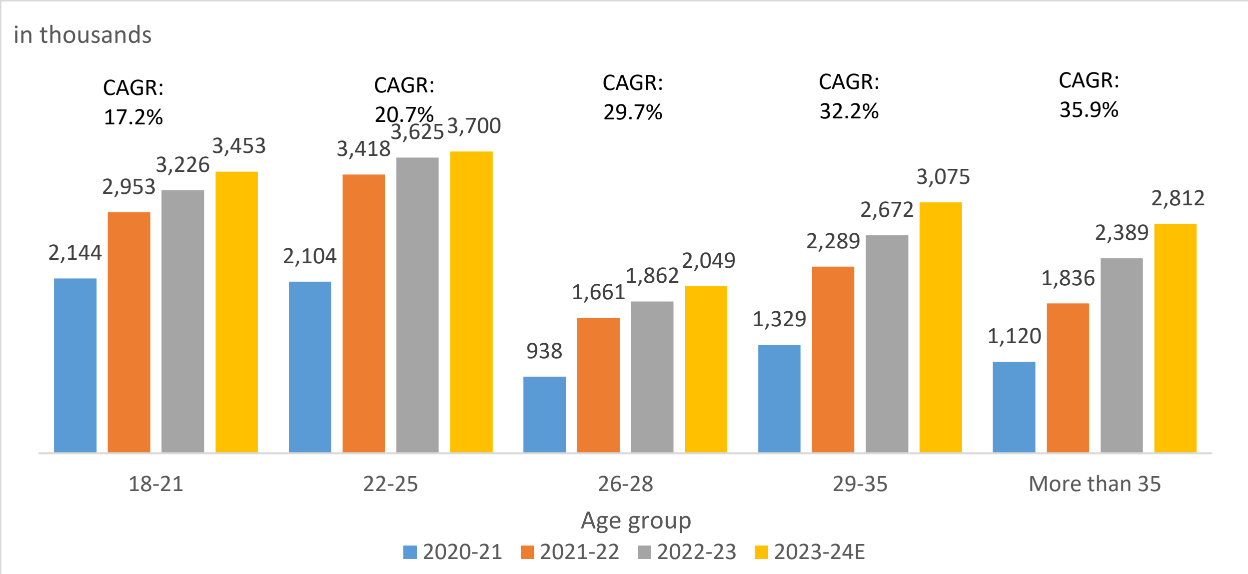
Increased participation from semi-urban and rural area

As Banks will continue to focus on the salaried middle-age-group borrowers to grow the loan book and retain a higher share in Tier 1 cities, On the other hand, NBFCs will build their retail book via lower-ticket-size personal loans and maintain focus on growing their Tier 2 and lower city base (semi-urban and rural areas) while focusing on bridging the financing gap for self-employed, low-income, younger generation, and smaller-ticket-size borrowers though wise spread branch network in remote areas.

Increase in potential customer base through higher formal sector employment

The number of employees registered with the Employee Provident Fund Office (EPFO) has risen over the years. Another notable factor is that the proportion of employees in EPFO in the 18-35 age bracket are in the majority. This uptick in the population of young individuals with purchasing power entering the formal sector has aided personal loan growth in the past and will continue doing so in the future.

Age wise numbers of employees registered with EPFO



Source: EPFO, CRISIL MI&A

Increasing usage of non-traditional data in credit decision-making, enhancing the comfort level of lenders

Digital lending has significantly reduced the document collection time and streamlined the entire lending process thereby reducing the TAT. The introduction of paperless procedures in India has revolutionized loan applications. Credit assessments can now be conducted without the need for physical documentation. Moreover, there is a growing trend of utilizing alternative data, such as mobile phone usage, payment behavior, and social interactions, for credit decision-making. NBFCs and fintechs are at the forefront of leveraging predictive analytics such as AI and machine learning to analyse digital footprint mobile phone data as a valuable source of customer information in order to assess the creditworthiness of the borrower. This data provides valuable insights into customer location, travel habits, income and expenditure patterns, available cash flow, and repayment history which can be utilized to underwrite the borrowers and provide personal loans.

4.3 Personal loan market size

The personal loans segment, with its attractive risk-reward potential, has become highly competitive over the past few years with aggressive competition from both banks and NBFCs. The market is dominated by banks on account of their wide presence, large customer base which helps with cross selling and lower interest rates as compared to NBFCs. Up to fiscal 2020, NBFCs have grown much faster than banks in this space, partly supported by low base and the advent of new players in this segment. In recent years, players have been focusing more towards retaining their customer base as the majority of unsecured loans originate through cross selling. Apart from traditional lenders (banks and NBFCs), entry of several other players such as P2P lenders, fintech companies, etc. in the segment makes the segment more competitive.

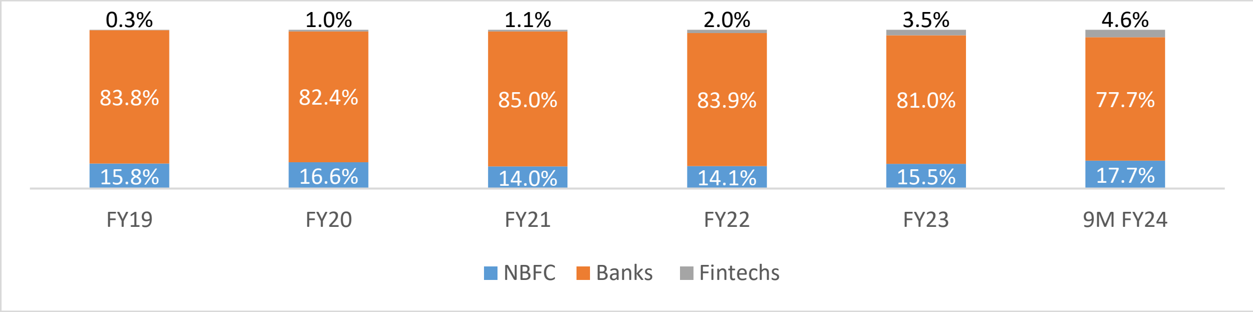
Where banks are offering pre-approved loans to their existing customers, NBFCs on the other hand are trying to increase their focus by diversifying portfolios through cross selling. New age digital NBFCs are focusing on acquiring and lending to customers which are largely underserved by the incumbents like traditional NBFCs and banks and penetrate deeper into hitherto unpenetrated segments.

Large NBFCs focus on individuals with good repayment capabilities (mostly salaried customers). However, there are many small NBFCs and fintech companies that extend small ticket sized personal loans to customers with lower or no credit score and charge relatively higher interest rates to compensate for the risk. Small and mid-sized NBFCs have also been innovative with products such as pay as you go, check out financing, tie-up with card companies, and very short tenure loans (3-6 months). This has helped them stay relevant despite higher interest rates, even among salaried customers. A number of NBFCs also cross sell personal loans to existing customers who have taken other loans from them and have a good repayment track record.

NBFCs have outpaced banks in terms of growth in credit outstanding, leveraging their specialized focus and extensive branch network to reach remote areas. This coupled with high contribution from the digital platforms, drove year on year growth to a significant 57% leap in fiscal 2023. The credit growth of banks on a higher base was healthy around 27% in fiscal 2023 spurred by credit demand and aggressive focus on retail portfolio. Additionally, with a salaried customer base coupled with relatively higher share of tier-1 cities in the portfolio, the banks' borrower segment faced lower cashflow disruptions, thereby realizing a relatively better asset quality performance compared to NBFCs. In the case of NBFCs, with a higher share of the self-employed segment coupled with higher share of tier 2 and lower cities in the portfolio, the asset quality was relatively weaker compared to banks.

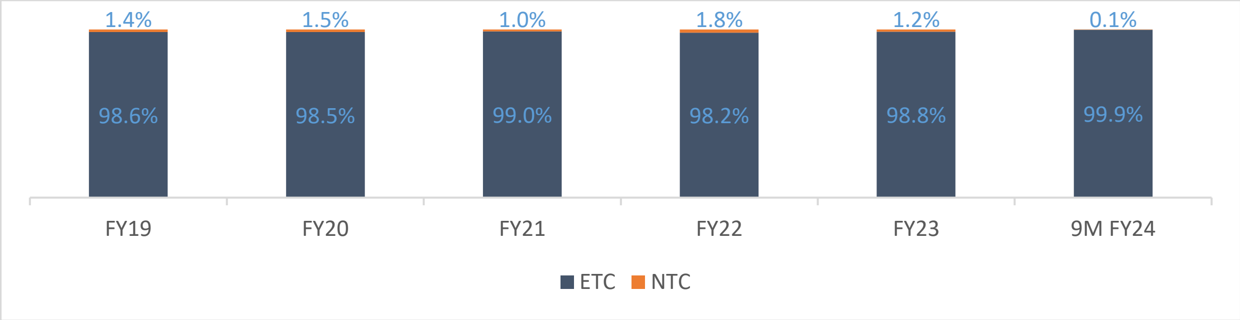
With NBFCs growing faster than banks, CRISIL MI&A expects NBFCs to increase their market share further in fiscal 2024. NBFCs have seen a sharp rise on account of an aggressive strategy and a low base. CRISIL MI&A expects NBFCs to sustain the pace of growth and capture share from banks. Fintech companies and NBFCs compete fiercely with banks even though they cater to different consumer segments.

Share of NBFCs and fintechs in personal loan outstanding has increased in the past few years



Source: TransUnion CIBIL, CRISIL MI&A

Share of NTC and ETC for NBFCs in personal loan outstanding

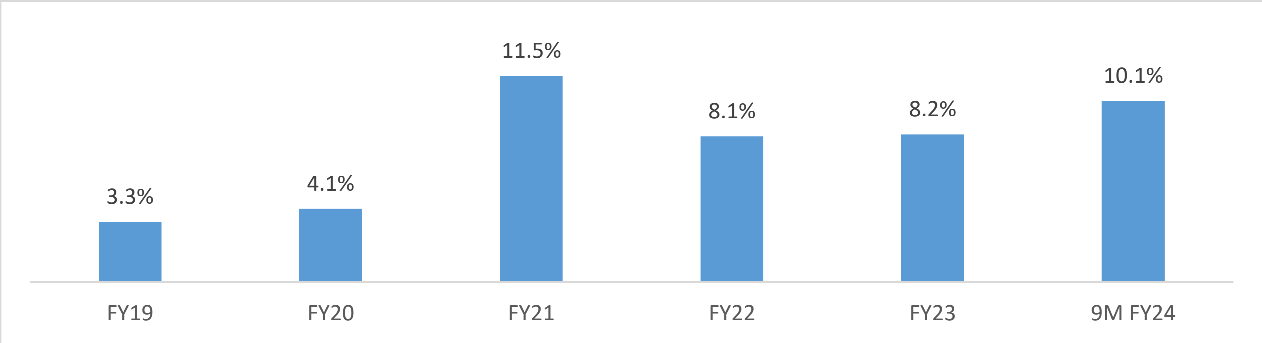


Source: TransUnion CIBIL, CRISIL MI&A

Asset quality of NBFCs closer to pre-pandemic levels in fiscal 2023

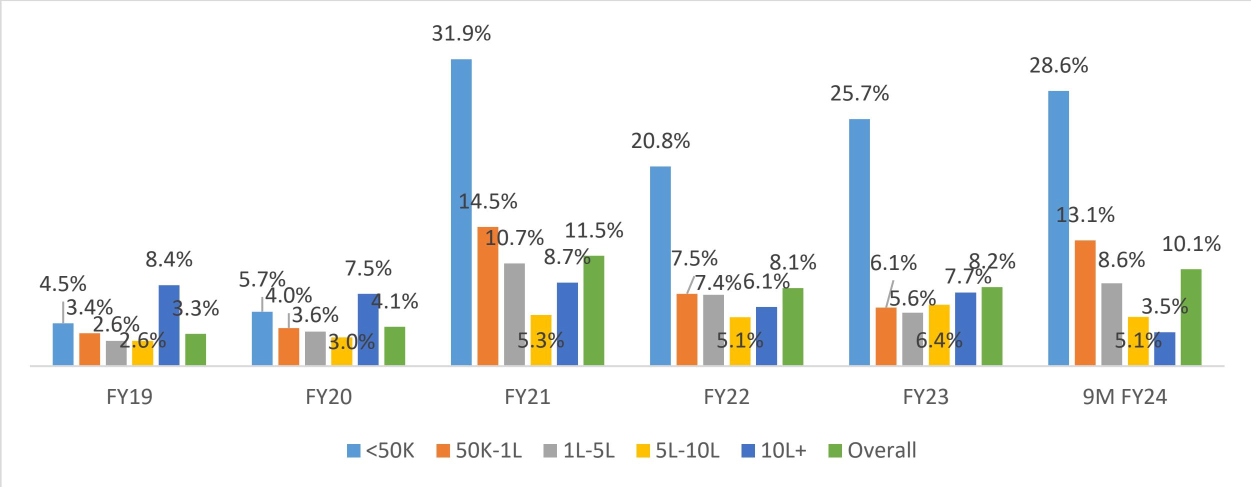
Personal loans are an unsecured segment with minimal or no end-use monitoring. Gross non-performing assets (GNPAs) of major players increased in FY21 and FY22 on account of the pandemic with cashflow disruptions for borrowers with already weaker credit profiles. The collection efficiency improved in the second half of FY22 and stabilized in FY23. In line with this, GNPAs for NBFCs stood at 8.2% as of March 2023, as compared to 8.1% as of March 2022. As of 9-months ending fiscal 2024, GNPAs for NBFCs increased to 10.1% on account of increase in GNPAs from rural, semi-urban and urban areas in the portfolio. Given the unsecured nature of segment, asset quality will always be a key monitorable.

GNPAs (90+ DPD) trend for NBFCs in personal loan segment



Source: TransUnion CIBIL, CRISIL MI&A

Ticket wise GNPAs (90+ DPD) trend for NBFCs in personal loan segment



Source: TransUnion CIBIL, CRISIL MI&A

Threats and challenges in personal loan segment

Unsecured loans

Personal loans are unsecured in nature and carry very high risk for lenders. In case of defaults by borrowers, it becomes very difficult for the lenders to recover the loan amount and therefore NPAs in the segment are quite high as compared to other segments. This may affect the overall profitability of lenders.

RBI increases risk weight on assets for unsecured lending – encompassing personal loans and credit card loans

The RBI has heightened the risk weight attached to unsecured consumer loans by raising it to 125%. This move is intended to temper growth in the rapidly growing consumer credit segment & monitor dependence on bank borrowings of NBFCs. This move is to have considerable impact across the player group such as banks, NBFCs and Fintechs. For banks, impact on capital adequacy ratio (CAR) will not be material, as banks are well capitalized and would hold sufficient capital buffers in managing the impact but could see the possible increase in lending rates for personal loans, and slight impact on incremental loan growth. For NBFCs, there would be an increase in cost of funds because of increase in risk weight for bank exposure to NBFCs. In result, NBFCs could increase reliance on non-convertible debentures (NCDs) or bonds in the medium term. Also increase in capital buffers to lead to decline in CARs across NBFCs which are not well capitalized resulting dilution of return on equity (RoE). As RBI urged underwriting models of fintechs players to be strengthened and to be relooked at, this could result in an increase in operating expenses, reduction in loan origination in unsecured personal loan segment and increase in need to raise capital for maintaining CAR levels. In effect, this regulatory adjustment is anticipated to have a notable impact on the growth momentum in the short to medium term across the player group.

The exuberant growth and entailing risks

Ease of borrowing, innovative products such as travel now, pay later (TNPL), no-cost equated monthly instalments, burgeoning lifestyle expenses, etc., have contributed significantly to the rise in demand for personal loans. Broader factors driving growth also include demographic shifts, especially the younger demographic, formalization of economy, evolution of fintechs, adoption of digital payment systems, influence of India stack and digital footprints, along with broader coverage of credit bureaus. On the supply side, banks and NBFCs have put an aggressive focus on the retail segment, including housing, retail, auto and unsecured personal loans. For personal loans, improved underwriting capabilities of banks and NBFCs (including fintechs), due to better availability of information and technology, have been the primary growth drivers. Personal loans are inherently riskier due to the absence of collateral, which means in cases of borrower default, the lender's ability to recover the outstanding amount is compromised.

From an asset-quality perspective, higher caution is required for non-bank lenders since GNPAs continue to be elevated. With focused high double-digit growth in unsecured loans, lenders need to be cautious when onboarding loans with a weaker credit profile to prevent asset quality deterioration or higher write-offs. Higher inflation, coupled with stagnant income, could also cramp a borrower's repayment capability. On top of that, the rise in personal loans was also driven by overleveraging of borrowers in addition to tapping new customers. This overleveraging at the borrower end could augment asset quality vulnerability.

Profitability of NBFCs in personal loan segment estimated to improve subsequently

In the personal loans segment, the NIMs remain reasonably attractive at 9-10%. However, the impact of credit costs associated with unsecured lending continues to influence the overall profitability. In FY20, the Return on Assets (RoA) for personal loan portfolios stood at a healthy 2.5%, reflecting strong performance. However, FY21 saw a decline to 1.3% due to elevated credit costs driven by uncertainties related to the Covid-19 pandemic.

In FY22 and FY23, there was an improvement in profitability which can be attributed to recovery in demand, increasing spreads and improving credit cost. Additionally, operational efficiencies are expected to increase as players embrace technological advancements, resulting in lower operating expenses (Opex). Notably, there is a shift in sourcing practices. NBFCs are reducing their reliance on Direct Selling Agents (DSAs) in favor of cross-selling strategies and digital sourcing modes. This transition aims to reduce costs and improve customer acquisition efficiency. In FY24, profitability is expected to improve further largely on account of the improvement in credit cost. Nevertheless, credit costs are expected to remain elevated in the near term as players continue to expand their customer base and target tier-2 and tier-3 areas.

ROA estimated to have improved in FY23 and is expected to remain stable in near term

	FY20E	FY21E	FY22E	FY23E	FY24E
NIMs	9.8%	9.6%	9.9%	10.1%	10.1%
Opex	4.4%	4.6%	4.5%	4.4%	4.3%
Credit costs	2.7%	4.2%	3.6%	3.2%	3.0%
Post-tax RoA	2.5%	1.3%	1.9%	2.4%	2.6%

Note: E – Estimated, P – Projected
Source: Company reports, CRISIL MI&A

5. Overview of Vehicle Finance Sector in India

Vehicle finance segment is closely linked with the macroeconomic environment and underlying asset sales. The segment witnessed muted growth during FY21 and FY22 on account of pandemic induced disruptions and shortage of semi-conductors. During FY23, with easing of semiconductor shortage and pent-up demand of passenger vehicles supported uptick in car and utility vehicle (UV) volumes. In the two-wheeler segment, sales are expected to be driven by scooter and bike sales with recovery in rural demand and improving urban sentiments along with rise in EV penetration. Commercial vehicle sales are expected to experience a resilient growth in FY24, this growth is supported by increased government spending, robust replacement demand. Along with new vehicles, used vehicle sales are also gathering momentum which is expected to continue over the medium term primarily with entrance of new players in the segment.

Vehicle financing constitutes a significant portion of the NBFCs and banks' lending portfolio. NBFCs face fierce competition from banks, particularly in the new car loan category as the lending rates offered are lower as compared to NBFCs. However, within the vehicle financing segment, NBFCs have established a strong holding in the used car, two-wheeler and commercial vehicle financing segments over time due to their greater ability to tap rural markets by offering loans at rates much lower than those of unorganised peers.

5.1 Overview of vehicle sales

Two-wheeler sales stood at 18.5 million units in FY24, expected to record strong long-term growth

Two-wheeler sales stood at 17.4 million units in FY20, in FY21 & FY22, sales continued to be under pressure with sales witnessing a fall of ~17% and ~13% in FY21 and FY22 respectively, due to the debilitating impact of Covid-19 on consumer incomes, especially in the lower middle-class segment, and emergence of work from home model. In rural India as well, the decline in manufacturing and service sector activity in the immediate aftermath of Covid-19 hurt demand, albeit lesser than in urban areas.

Sales of two-wheelers in India has grown from 15.2 million units in Fiscal 2021 to 18.5 million units in Fiscal 2024 at a CAGR of 6.8%, spurred by the rise in personal mobility needs and growing financial inclusion. In FY23, two-wheeler sales witnessed significant growth of 19% year-on-year on a low base due to improving demand sentiments and normalization of economic activities and mobility. Growth continued in FY24, with two-wheeler sales reaching 18.5 million units growing at 13.5% year-on-year from Fiscal 2023. Generally, retail economic activities increase in India post monsoon period that is post September (if normal monsoon happens). In particular, demand for two-wheelers generally peaks during the festive season between August and November.

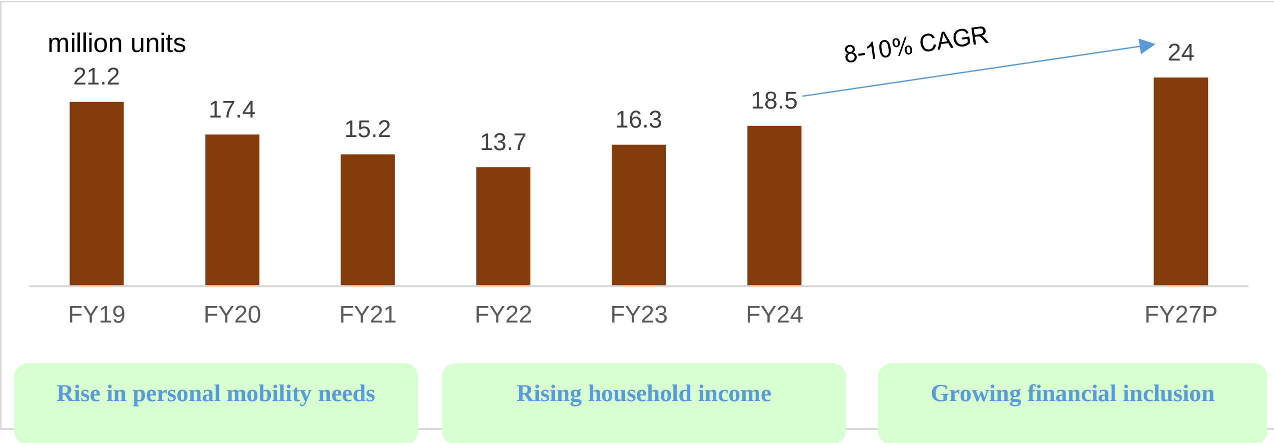
The reason for this decline in growth is attributed to significant price hikes witnessed in the two-wheeler segment over the past few fiscals, affecting both ownership and acquisition costs and subsequently dampening consumer sentiment. The acquisition price for an entry-level two-wheeler has surged by approximately 40-45% since FY19 due to the implementation of safety norms, BS-VI compliance, and higher input costs.

Hero MotoCorp Ltd. was the largest two-wheeler manufacturer in India in terms of domestic unit sales of two-wheeler in Fiscal 2024 followed by Honda Motorcycle & Scooter India (Pvt) Ltd.

Two-wheeler domestic sales (in million units)	FY24
Hero MotoCorp Ltd.	5.4
Honda Motorcycle & Scooter India (Pvt) Ltd	4.5
TVS Motor Company Ltd.	3.3
Bajaj Auto Ltd.	2.3

Note: Sales include Internal combustion engine (ICE) two-wheeler and Electric two-wheeler. Two-wheeler EV data excludes Telangana and does not include low speed sales.
Source: SIAM, SMEV, CRISIL MI&A

Two-wheeler sales stood at 18.5 million units in FY24, expected to grow at a CAGR of 8-10% till FY27

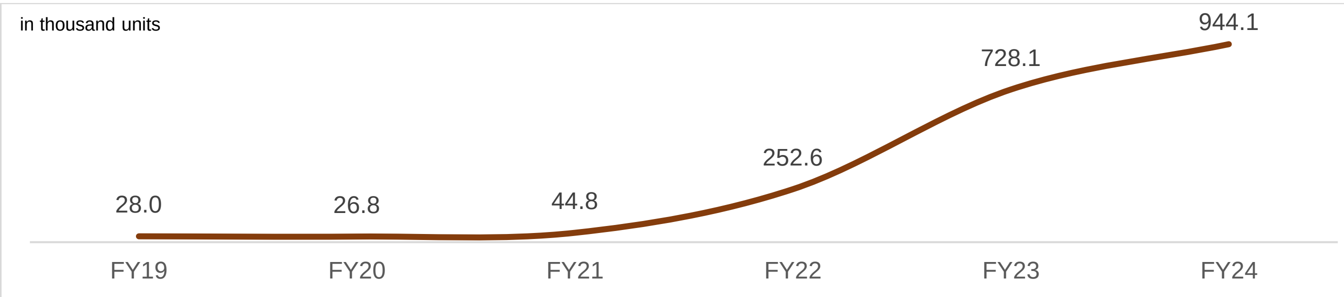


Note: P: Projected, Source: SIAM, SMEV, CRISIL MI&A

Electric two-wheelers expected to contribute ~27-32% of domestic two-wheeler sales by FY28, adoption to ramp up

In order to curb pollution levels, electric vehicles (EV) are gaining global interest. In India as well, electric vehicles are gaining popularity as the government is extending support via Faster Adoption and Manufacturing of Hybrid and Electric (FAME)-2 vehicles and tax rate cuts to give a boost to EV adoption. Electric two-wheeler sales stood at 944 thousand units in FY24, witnessing an ~30% rise from last fiscal while in FY23 electric two-wheeler sales rose ~188% from 252 thousand units in FY22. Electric two-wheelers now account for 5% share in overall two-wheeler sales witnessing a significant rise in market share from ~0.1% in FY19.

Two-wheeler electric vehicle sales stood at 944 thousand units in FY24, rising 30% from last fiscal



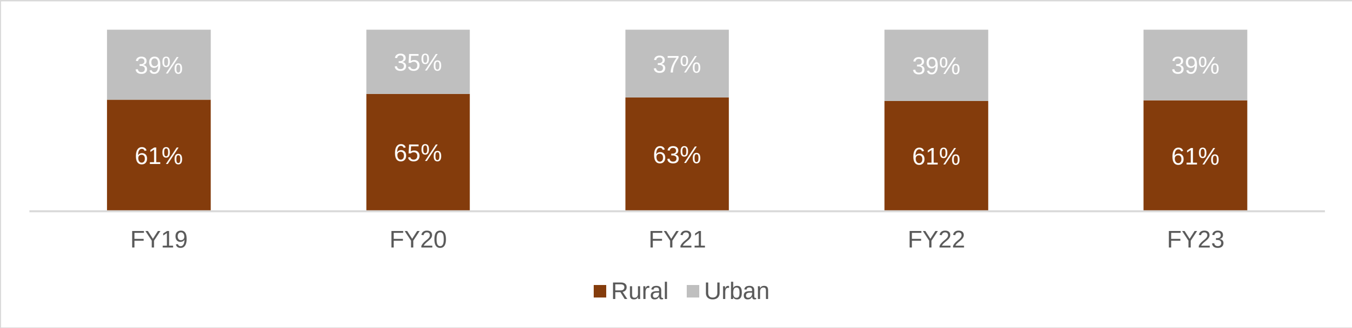
Source: SIAM, SMEV, CRISIL MI&A

Rural regions accounted for 61% share of total two wheelers registered in FY23

Rural regions account for ~61% of total two wheelers registered as per Vaahan in FY23, primarily dominated by motorcycles while the scooter segment has a higher penetration in the urban segment. Rural regions have been able to dominate the two-wheeler segment primarily due to rising finance penetration due to a deeper distribution network and improving incomes on back of three of five normal monsoons.

Rural road connectivity has also played an important role in driving two-wheeler sales, acting as an income multiplier in the rural economy. In the urban areas, demand is expected to be aided from multiple ownership and increase in demand from Tier 2 cities and rising EV penetration in the scooter segment.

Rural regions dominated the two-wheeler segment with 61% share as of FY23



Source: Vaahan Registration, CRISIL MI&A

Factors influencing two-wheeler demand

Industry grappling with price hike due to BS VI transition in times of subdued demand

In FY21, with the launch of BS VI models, prices of motorcycles increased by 10-15% depending upon models. Due to the introduction of fuel injection technology in place of carburettor, the price of BS VI two wheelers went up. It must be noted that price impact in economy segment models is the highest because it required maximum technology upgradation.

Rural demand recovered in FY23 and FY24 after being under pressure in FY21 and FY22

It has been observed that rural income growth is an important determinant of two-wheeler demand. Rural income is a major driver for motorcycle sales as it contributes about ~55-60% of total sales. As of FY23, motorcycles account for ~63% of overall two-wheeler volumes whereas scooters account for ~30% and the rest are mopeds and EVs. In FY24, farm family income is expected to decline marginally. However, other sources of income such as MNREGA, remittances will improve leading to uptick in incomes.

Income per farm family has been analyzed which includes income from cultivation, MGNREGA and dairy accounting for around 45-50% of the total rural income. In FY23, it increased by ~10% due to higher acreage, productivity, and increased government procurement. Income from MGNREGA reduced by ~9% year-on-year whereas income from dairy increased year-on-year on account of increased production and realization. The remaining share of the rural income comes from activities such as construction, poultry, and other informal jobs where income levels are expected to have contracted.

Looking at the non-farm income, rural infrastructure also has a pronounced impact on rural incomes and, in turn, two-wheeler sales. As of June 2023, 6.45 Lakh km road length was sanctioned under Pradhan Mantri Gram Sadak Yojana (PMGSY-I) out of which 6.22 Lakh km road has been completed. Under PMGSY-II, a total of 0.50 Lakh km road length was sanctioned and 0.49 Lakh kms has been completed as of June 2023. Under PMGSY-III, a total of 1.02 Lakh km road length was sanctioned, and 0.62 Lakh km has been completed as of June 2023.

Structural reforms in the electric vehicle space

FAME Scheme Phase I – The Ministry of Heavy Industries, launched FAME (Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India) Scheme Phase I in 2015 as part of its National Electric Mobility Mission Plan 2020, with an aim to promote electric vehicles in India by providing subsidies to manufacturers and infrastructure providers of electric vehicles.

FAME Scheme Phase II – Phase II of the FAME Scheme commenced from 1st April 2019 with an outlay of Rs. 100 billion, this phase aims to generate demand by supporting 0.07 lakh eBuses, 5 lakh e-3 Wheelers, 0.55 lakh e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. The scheme focuses on electrification of public & shared transportation and creation of charging infrastructure. On June 1, 2023, the government reduced the FAME subsidy incentive cap from 40 percent of a vehicle's value to 15 percent and capped the subsidy to Rs 0.1 Lakh per kWh of battery from Rs 0.15 Lakh per kWh earlier. Due to which, manufacturers had to increase the prices of their electric scooters, the scheme ended on 31st March 2024.

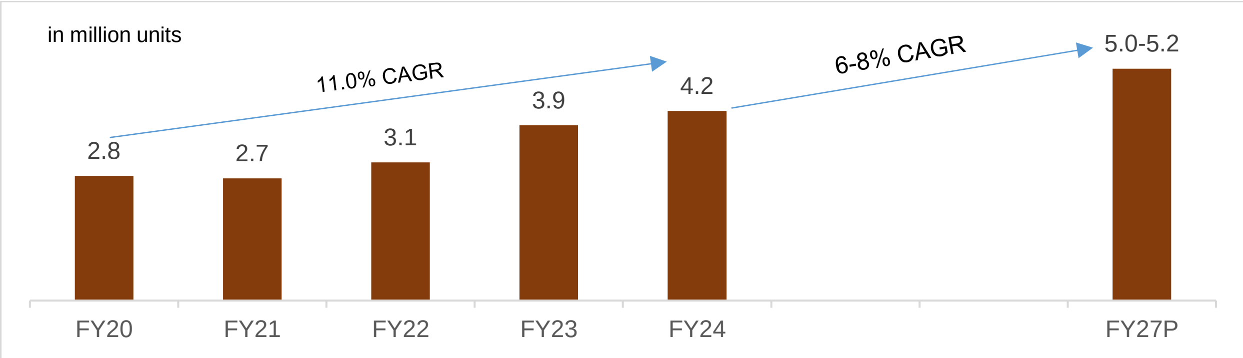
PLI Scheme: The key objectives of the PLI Scheme are to provide financial incentives to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. It focuses specifically on EVs and Hydrogen fuel cell vehicles and their components. The PLI scheme, introduced for the vehicle and vehicle components sector has gathered proposed investments worth Rs 676.9 billion against the target estimate of investment of Rs 425 billion over a period of five years.

GST reduction on EVs: The 36th GST Council Meeting held in July 2019 reduced the GST rate on electric vehicles from 12% to 5%. However, lithium-ion batteries and charging stations attract 18% GST.

Passenger Vehicle sales stood at 4.2 million units as of FY24, witnessing a growth of ~8% from FY23

In FY24, passenger vehicle sales stood at 4.2 million units growing at 8% from FY23, steady rise in income, robust sales from new models launched and facelifts of existing popular models are expected to contribute to incremental sales coupled with healthy demand from the cab segment. New model launches in the popular UV category along with healthy demand for other models launched recently supported sales.

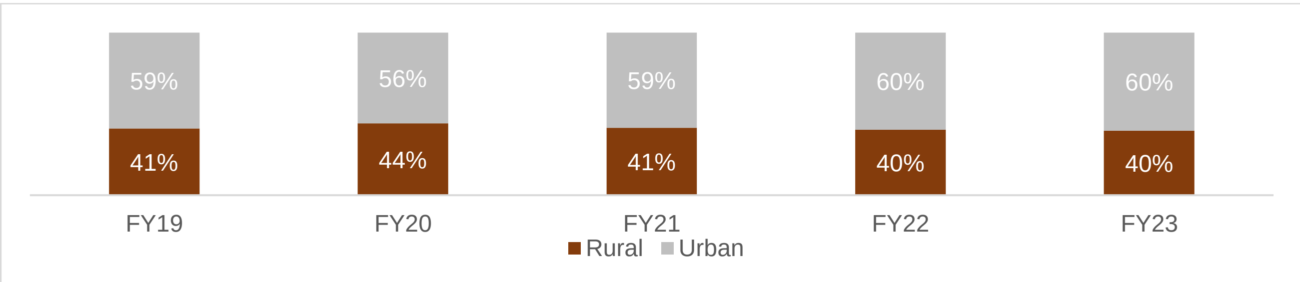
Passenger vehicle sales stood at 4.2 million units as of FY24, witnessing a growth of ~8% from FY23



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

The number of households owning cars grew to 8% (National Family Health Survey, 2019-21) from 6.3% (National Family Health Survey, 2015-16). Increased focus on mid SUV segment, timely facelifts of existing models, and the availability of a wide range of variants across the price spectrum, along with higher finance penetration, have enabled positive demand sentiment in the PV segment. Going forward, CRISIL MI&A expects car sales to grow at 6-8% CAGR from FY24 to FY27, anticipating continuous improvement of economic activities, increasing average income and affordability of vehicles, moreover entry of new players in the UV segment is expected to aid traction with rise in replacement demand as car owners opt for newer models due to higher affordability and easy availability of financing.

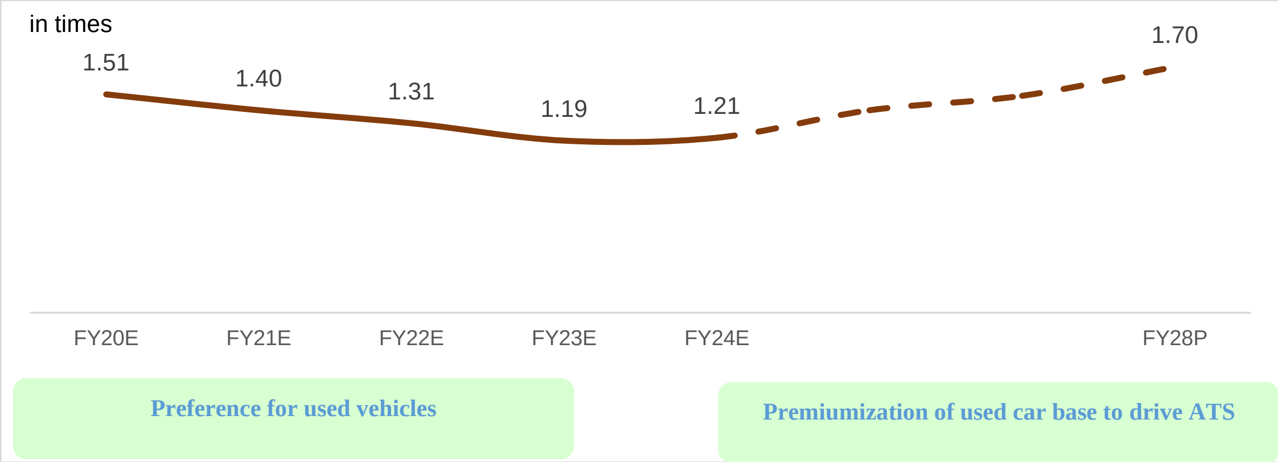
Urban regions account for 60% of total car registrations as of FY23



Source: Vaahan Registration, CRISIL MI&A

Used to New Vehicle Proportion in India

As per CRISIL MI&A estimates, used to new vehicle proportion in India stood at 1.21 in fiscal 2024. Used to new vehicle proportion in India witnessed a steep fall from FY20 till FY23, falling from 1.51 in FY20 to 1.19 in FY23, post FY23 the ratio is estimated to reach 1.21 in FY24. Consumers increasingly prefer used cars over new cars, with demand for used cars expected to outpace the demand for new cars by over 1.7 times by Fiscal 2028.



Note: Estimations basis passenger vehicle sales, E: Estimated; Source: CRISIL MI&A Estimates

5.2 Growth drivers for Overall Vehicle Financing

Favorable Macroeconomic Conditions

The Indian vehicle finance sector is set to grow which shall be driven by factors like a rising population, increasing households, urbanization, and growing per capita GDP. The surge in urbanization fosters infrastructural development, complemented by a rising middle-income class with enhanced purchasing power. These elements collectively propel demand for vehicles, offering substantial opportunities for financial institutions, including NBFCs and banks, to cater to the evolving needs of this expanding consumer base.

Market penetration for vehicles offer a potential for healthy rise in the long run

India's vehicle market exhibits a notable under-penetration when compared to both developed economies and certain developing nations. The vehicle penetration rate in India is considerably lower than that of developed countries and emerging markets like Brazil, Russia, and China. This suggests substantial untapped growth opportunities for vehicle manufacturers in the Indian market.

Escalating ownership costs of new vehicles

Annual price escalations undertaken by OEMs to offset rising material costs and comply with evolving safety and emission standards contribute to increased ownership expenses. The rise in the price of new cars and the increased cost of ownership of new cars makes used cars an attractive option for customers seeking vehicle ownership at a lower cost.

Increasing preferences for premium vehicles

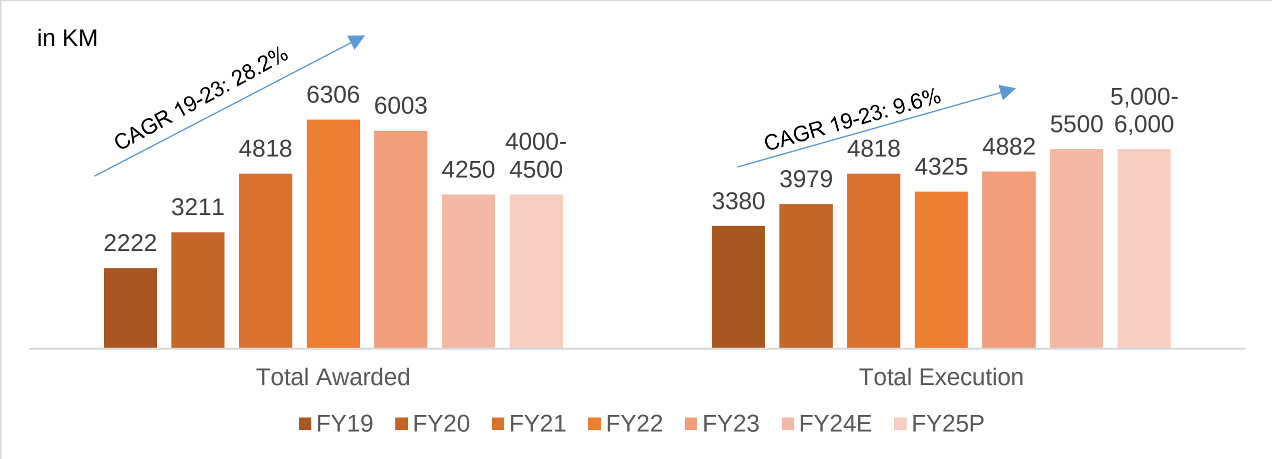
Over the past few years, there has been a growing preference for premium vehicles such as UVs over entry level PVs. Similarly, in case of two-wheelers, there has been a growing preference for >125cc vehicles than <125cc vehicles. Such a change in preferences is expected to drive higher loan ticket size.

Government's increased investment in infrastructure

One of the primary drivers is the increased infrastructure spends by the government, creating a robust foundation for the industry's expansion. Government initiatives, such as the development of new highways, expressways, and urban infrastructure projects, not only stimulate economic growth but also boost demand for a diverse range of vehicles, including commercial and passenger vehicles.

Annual Kms of Highways executed and awarded by NHAI from FY19

Annual highways awarded witnessed a CAGR of 28% from FY19-23, rising from 2222 Kms in FY19 to 6003 in FY23, while execution of highways witnessed a CAGR of 9.6% during the same duration rising from 3380 Km to 4882 Km in FY23.



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

Surge in last-mile connectivity needs

With the increasing need for efficient logistics and transportation solutions, there is a growing demand for smaller commercial vehicles and two-wheelers that facilitate seamless last-mile connectivity. Transport aggregators such as Uber, Ola, etc., e-commerce aggregators such as Amazon, Flipkart, Myntra etc. along with hyper local delivery aggregators such as Zepto, Blinkit, Swiggy Instamart, food delivery aggregators such as Swiggy, Zomato, etc. are expanding rapidly. These players require cars, two-wheelers, trucks, EV scooters, to sustain their operations. The trend is expected to continue with these aggregators deepening their penetration in the coming years.

Broadening Financial Inclusion

The Vehicle financing landscape is witnessing substantial growth, propelled by the influx of new participants, notably NBFCs, strategically entering markets left by conventional banks. Moreover, NBFCs associated with automotive manufacturers are predominantly targeting non-metro regions. This strategic focus has enabled the finance industry to expand its customer base. Specifically, for used vehicles, rising support from financial institutions, coupled with advantageous interest rates is poised to elevate the extent of financial inclusion.

New vehicle models help drive industry growth

The introduction of new vehicle models, especially for cars and two wheelers serves as a catalyst for industry expansion in various ways. The rollout of new vehicles sparks consumer interest, drawing potential buyers, as these models often integrate the latest technologies and enhancements, showcasing advancements in safety, connectivity, and fuel efficiency. Embracing newer vehicles enables companies to stay competitive by aligning with evolving customer preferences and regulatory shifts, ultimately enhancing sales volumes.

Adoption of technology in Vehicle Financing

Technology has been playing an increasing role in sourcing, underwriting and collection processes for lending companies. Technology helped lending companies in automation and improvement in customer experience. Technology not only includes providing products and services digitally but also include use of analytics to provide right products to right customers. Some of the key technology trends which are being used by lending companies are AI & ML for underwriting and fraud detection and big data analytics for providing personalized products and services based on consumers' behavioural pattern.

Key areas in lending processes where technology is being used

Sourcing and distribution	Products	Underwriting and risk management	Collection
• Smarter ways to target customers based on their behavioural pattern and through various social media • AI-driven chatbots to solve customer queries • Lead management system (LMS) with data analytical models enabling sales team to tap in to existing and new opportunities	• Leverage analytics for providing pre-approved offerings to customers • Personalized products to customers as per their needs • Innovating the products based on data analytics	• Digital verification of KYC documents • Implementation of AI to evaluate various customer data points thus enabling more efficient credit underwritting • Alternate data based lending algorithm • Use of predictive analytics to assess and mitigate risks associated with lending	• Companies use multiple digital enablers like WhatsApp and mobile app to remind customers about EMIs • Can send personalized payments link directly to borrowers for making payments

Based on all such technology solutions available, vehicle financing companies are continuously increasing their focus on data and analytics through the expanded use of machine learning models for decision making process. Lenders are focusing on creating a credit underwriting model for vehicle loan customers which shall use minimum data for credit risk assessment thereby reducing the turnaround time to few minutes. Further, the lenders are developing the models that predict repayment behaviour of customers which increases the collection efficiency. Additionally, residual price estimation models are also being used by some lenders which help in getting appropriate bids for the repossessed vehicles and enables better negotiations.

Further, lenders are providing Chatbot in regional languages also which help them in acquisition of customers and enhance customer experience. The increasing penetration of smartphones and internet has helped significantly in bringing technology in rural and semi-urban areas. With Aadhar enabled KYC system, verification of the borrowers has become a simpler task for the lenders which now can be done in few minutes.

Aspiration to own a vehicle

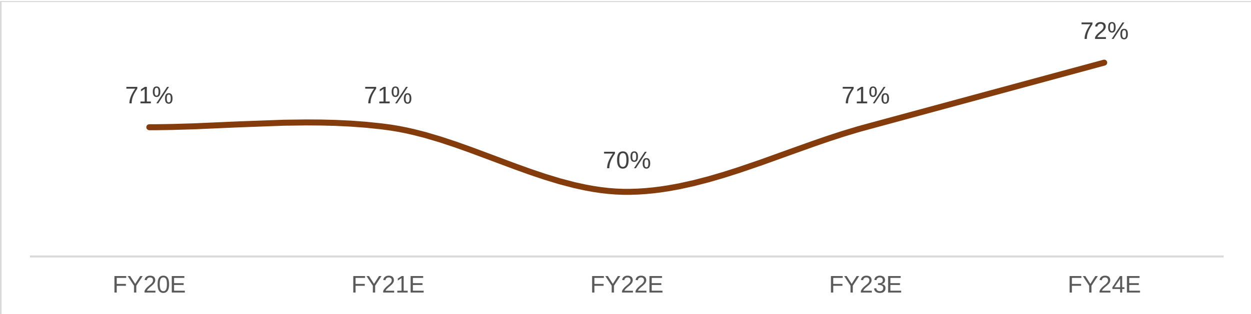
Along with a vehicle providing comfort and convenience to the owner, owning a vehicle is considered an aspiration for individuals, while it is also considered as a status symbol often seen as a sign of success and financial stability.

LTVs to improve in-line with demand recovery

Cash transactions continue to dominate two-wheelers sales, as compared with other vehicle segments, given the industry's smaller ticket sizes, relatively lower-income profile of customers, high default rates, and difficulty in repossessing vehicles. The industry has witnessed strong competition with new players in the form of NBFCs targeting those markets exited by banks, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros and rural markets, while delinquencies remain key monitorable.

LTVs dipped to 70% in FY22 and are expected to rise with simultaneous rise in two-wheeler sales and are expected to reach 72% in FY24. During covid, financiers were being more apprehensive in providing two-wheeler loans. Lending was available more to customers with stable income and good track record. In FY23, Subdued demand owing to high-cost increase led to financiers offering a wide range of schemes and promotions like low down payment, attractive EMI options, no charge on processing fees, etc., in order to attract more customers for small ticket size purchases. Additionally, OEMs started offering discounts across various models in order to push sales.

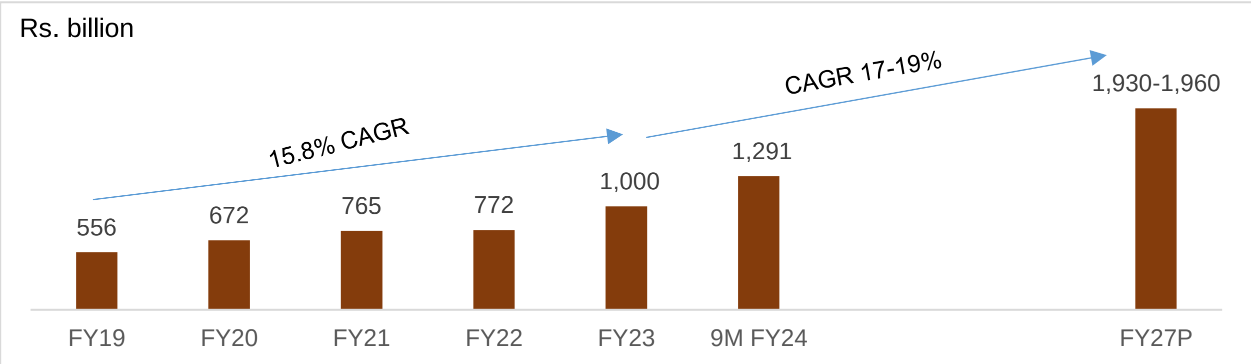
Loan-to-value in the two-wheeler segment



Note: E: Estimated, Source: CRISIL MI&A Estimates

5.3 Two-wheeler financing market

Two-wheeler financing is expected to grow at a CAGR of 17-19% from FY23-27



Source: TransUnion CIBIL, CRISIL MI&A

Two-wheeler financing witnessed a CAGR of 15.8% from FY19-23, reaching Rs 1,000 billion in FY23 and Rs 1,291 billion by 9M FY24. During the fiscals, growth in two-wheeler financing was robust in FY20 and FY21, witnessing a year-on-year growth of ~21% and ~14% respectively, while growth completely slowed down in FY22 primarily due to Covid-19 pandemic and lockdowns across the nation, with outstanding growing at 1% in FY22. Post FY22 financing again picked up pace with outstanding growing at ~30% in FY23 from the past fiscal. By 9M FY24, outstanding touched Rs. 1,291 billion. Going forward, two-wheeler financing is expected to grow at a CAGR of 17-19% from FY23-27 and is expected to reach Rs. 1,930-1,960 billion by FY27.

NBFCs witnessed the fastest growth among major lenders in two-wheeler financing from FY19-23

NBFCs witnessed a CAGR of 17.1% from FY19-23 witnessing fastest growth among major lenders in two-wheeler financing, this was followed by private sector banks witnessing a growth of 13.0% from FY19-23. NBFCs also accounted for highest share in credit outstanding among lenders, accounting for 68% as of 9M FY24, rising from 63% market share in FY19, followed by private sector banks accounting for second highest share (28%) as of 9MFY24, declining from 34% in FY19.

NBFCs witnessed a CAGR of 17.1% from FY19-23 in two-wheeler credit outstanding

Lender	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR (FY19-23)
NBFCs	350.6	429.0	488.4	505.5	659.0	879.9	17.1%
Public Sector Banks	10.3	12.8	12.0	12.5	13.2	14.3	6.3%
Private Sector Banks	187.3	220.0	247.4	235.2	304.9	365.4	13.0%
Others	7.3	9.9	16.6	18.8	22.8	31.5	32.8%

Source: TransUnion CIBIL, CRISIL MI&A

NBFCs account for the highest share in two-wheeler financing across FY19-23

Lender	FY19	FY20	FY21	FY22	FY23	9M FY24
NBFCs	63%	64%	64%	65%	66%	68%
Public Sector Banks	2%	2%	2%	2%	1%	1%
Private Sector Banks	34%	33%	32%	30%	30%	28%
Others	1%	1%	2%	2%	2%	2%

Source: TransUnion CIBIL, CRISIL MI&A

NBFCs had GNPA % (90+ DPD) of 10.8% as of 9M FY24

Among lenders, public sector banks had the better asset quality with GNPA (%) at 3.0% as of 9MFY24, which declined from 4.6% in FY19. This was followed by private sector banks with 4.0% GNPA (%) as of 9M FY24 while NBFC had GNPA % (90+ DPD) at 10.8% as of 9MFY24. GNPAs for NBFCs rose significantly from FY19 (7.7%) to 13.5% in FY22, post which it declined to 10.5% in FY23.

Among lenders, public sector banks had the lowest GNPA % (90+ DPD) as of 9M FY24

Lender	FY19	FY20	FY21	FY22	FY23	9M FY24
NBFCs	7.7%	8.6%	12.6%	13.5%	10.5%	10.8%
Public Sector Banks	4.6%	3.0%	3.4%	3.7%	3.4%	3.0%
Private Sector Banks	3.3%	2.2%	4.4%	4.4%	3.4%	4.0%
Others	7.3%	7.4%	17.0%	20.8%	10.8%	12.5%

Source: TransUnion CIBIL, CRISIL MI&A

Loans between Rs. 75K to 1 Lakh witnessed the fastest growth among ticket brackets from FY19-23 (58%)

Loans between Rs. 75K to 1 lakh which account for ~38% of overall two-wheeler finance outstanding, witnessed the fastest growth among ticket brackets from FY19-23, growing at a CAGR of ~58. Fast growth in this ticket bracket could have been primarily due to rise in average price of two wheelers along with majority of new two-wheeler launches in the past also fall in this ticket bracket.

Loans above Rs. 1.5 lakhs which witnessed a CAGR of ~51%. In terms of market share, loans between Rs.75K to 1.0 lakh had the highest share accounting for 38% of overall credit outstanding, followed by loans between Rs. 50 to 75k with 25% share in credit outstanding.

Ticket size breakup	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR (FY19-23)
Less than Rs. 25K	1.4	1.6	2.5	3.0	2.4	2.1	13.7%
Rs. 25K to 35 K	16.9	10.4	6.6	4.6	4.2	5.3	-29.5%
Rs. 35 to 50 K	149.7	111.4	79.3	43.7	30.8	40.7	-32.6%
Rs. 50K to 75K	263.4	341.0	398.2	362.4	334.5	323.9	6.2%
Rs 75K to 1.0 Lakh	56.8	101.9	148.4	200.2	353.3	497.1	57.9%
Rs. 1 to 1.5 Lakhs	44.3	66.9	80.8	91.1	153.4	246.9	36.4%
More than Rs. 1.5 lakhs	23.2	38.5	48.9	67.2	121.5	175.2	51.2%

Source: TransUnion CIBIL, CRISIL MI&A

Loans between Rs. 75K to 1 Lakh accounted for highest share among ticket brackets as of 9MFY24 (38%)

Ticket size share	FY19	FY20	FY21	FY22	FY23	9M FY24
Less than Rs. 25K	0.3%	0.2%	0.3%	0.4%	0.2%	0.2%
Rs. 25K to 35 K	3%	2%	1%	1%	0%	0%
Rs. 35 to 50 K	27%	17%	10%	6%	3%	3%
Rs. 50K to 75K	47%	51%	52%	47%	33%	25%
Rs 75K to 1.0 Lakh	10%	15%	19%	26%	35%	38%
Rs. 1 to 1.5 Lakhs	8%	10%	11%	12%	15%	19%
More than Rs. 1.5 lakhs	4%	6%	6%	9%	12%	14%

Source: TransUnion CIBIL, CRISIL MI&A.

Competitive landscape of the two-wheeler financing segment

Major captive NBFCs in the segment are Bajaj Finance Limited, Hero Fincorp Limited, and TVS Credit Services Limited and major non-captive ones are Shriram Finance Limited, L&T Finance Limited and Cholamandalam Investment and Finance Company Limited, among others.

Players (Two-wheeler AUM in Rs. Bn.)	AUM (FY22)	AUM (FY23)	AUM (FY24)	LTV (FY23)
Bajaj Finance Limited	101.9	129.8	197.4	Up to 100%
Shriram Finance Limited	87.8	103.6	125.5	65-80%
L&T Finance Limited	74.6	89.6	112.0	74%
Hero Fincorp Limited	80.7	87.3	95.8	N.A.
TVS Credit Services Limited	43.12	55.6	N/A	Up to 95%
Cholamandalam Investment and Finance Company Limited	34.6	38.9	58.2	Up to 100%

Note: Bajaj Finance Limited AUM includes two and three-wheeler finance, Source: Company Reports, CRISIL MI&A

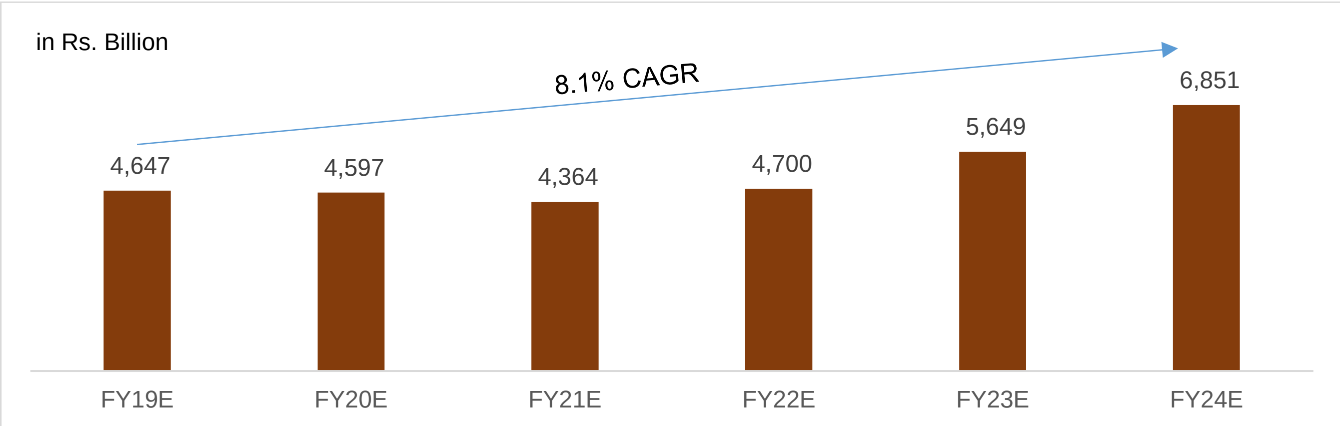
Profitability of NBFCs operating in two-wheeler financing

Based on CRISIL MI&A estimates, NBFCs operating in the two-wheeler financing segment had high operational expenses at 6.1% as of FY24, along with high credit costs at 4.8% as of FY24, which were offset by the higher NIMs enjoyed by these players with NIMs at 16.9% for FY24, these higher NIMs help two-wheeler financing NBFCs to achieve an ROA of 4.0% as of FY24.

Ratios	FY20	FY21	FY22	FY23	FY24
NIMs	17.0%	16.6%	16.1%	16.8%	16.9%
Operating Expenses	6.0%	5.9%	6.0%	6.2%	6.1%
Credit costs	4.7%	7.0%	6.5%	5.0%	4.8%
Return on Assets (RoA)	4.2%	2.5%	2.4%	3.7%	4.0%

Note: E: Estimated, Source: Company Reports, CRISIL MI&A

New Car financing market estimated at Rs. 6,851 billion as of FY24

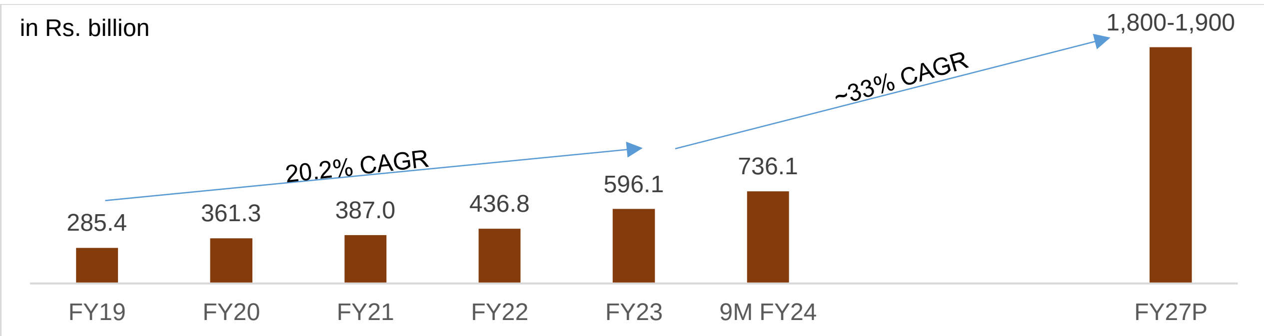


Source: CRISIL MI&A Estimates

New car financing stood at Rs. 6,851 Bn. as of FY24, witnessing a CAGR of 8.1% from FY19 to FY24, as per CRISIL MI&A estimates. During FY20 and 21, new car financing witnessed a degrowth of 1% and 5% respectively, post which outstanding grew at 8% in FY22, followed by 20% and 21% in FY23 and FY24.

5.4 Used Car Financing

Used Car financing stood at Rs. 596 Bn. as of FY23, witnessing a CAGR of 20% from FY19



Source: TransUnion CIBIL, CRISIL MI&A

Used car financing credit outstanding witnessed a CAGR of 20.2% from FY19-20, reaching Rs. 596 billion by FY23.

Growth in used car financing slowed down during FY21, primarily due to Covid-19 pandemic and nation-wide lockdown, post which the segment has witnessed significant recovery with 13% year-on-year growth in FY22 and 36% in FY23, as of 9M FY24 used car financing credit outstanding reached Rs 736 Bn. The increase in demand for used cars is expected to be primarily driven by the sale of new cars, which perpetuates more used vehicles to be available, to cater to the needs of the customer.

Going forward, CRISIL MI&A expects used car financing market to grow at a CAGR of 33% from FY23 to FY27 and reach Rs. 1,800 billion to Rs 1,900 billion by FY27, primarily due to rise in used to new vehicle proportion in India, which is aided by rising financial penetration in the segment and rising LTVs of financiers.

NBFCs witnessed second fastest growth among lenders from FY19-23 witnessing a CAGR of 34%

Among lenders, fastest growth in the used car financing market was witnessed by public sector banks growing at a CAGR of 37% from FY19-23, accounting for 0.1% share in used car financing credit, while NBFCs which account for 34% share in used car financing as of 9M FY24, witnessed a CAGR of 34% from FY19-23.This growth was witnessed primarily due to strong presence of NBFCs in the rural and semi-urban areas of the country, which otherwise will not be accessible through banking channels. Among lenders, private sector banks accounted for the highest share in credit outstanding across fiscals accounting for 58% share as of 9MFY24.

NBFCs witnessed second fastest growth among lenders from FY19-23 witnessing a CAGR of 34%

Lender	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR (FY19-23)
NBFCs	58.2	85.7	90.7	114.3	186.8	246.8	34%
Public sector banks	0.1	0.2	0.2	0.3	0.4	0.6	37%
Private sector banks	209.8	248.3	261.8	285.9	353.8	424.0	14%
Others	17.3	27.1	34.3	36.4	55.1	64.7	34%

Source: TransUnion CIBIL, CRISIL MI&A

NBFCs have been increasing their market share in used car financing portfolio

Lender	FY19	FY20	FY21	FY22	FY23	9M FY24
NBFCs	20%	24%	23%	26%	31%	34%
Public sector banks	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Private sector banks	74%	69%	68%	65%	59%	58%
Others	6%	8%	9%	8%	9%	9%

Source: TransUnion CIBIL, CRISIL MI&A

NBFCs had GNPA % (90+ DPD) at 3.3% as of 9MFY24

Among lenders public sector banks which account for just 0.1% share in used car financing outstanding witnessed a significant fall in its GNPA (%) falling from 30.3% in FY19 to 1.1% in 9MFY24. While private sector banks witnessed a rise in its GNPA (%) from 1.5% in FY19 to 1.9% in 9MFY24. NBFCs had GNPA (%) of 3.3% in 9MFY24, falling from 3.7% in FY19.

Among lenders, public sector banks had the lowest GNPA % (90+ DPD) as of 9M FY24

Lender (90+ DPD)	FY19	FY20	FY21	FY22	FY23	9M FY24
NBFCs	3.7%	4.1%	6.3%	5.0%	2.6%	3.3%
Public sector banks	30.3%	15.5%	12.5%	11.1%	1.0%	1.1%
Private sector banks	1.5%	1.4%	3.0%	2.3%	1.8%	1.9%
Others	2.3%	1.6%	6.5%	6.8%	2.4%	1.1%

Source: TransUnion CIBIL, CRISIL MI&A

Loans above Rs. 10 lakhs witnessed the fastest growth during FY19-23 witnessing a CAGR of 33%

Among ticket size brackets, loans above Rs. 10 lakhs accounting for 34% share in outstanding credit, witnessed the fastest growth among ticket size brackets, witnessing a CAGR of 33% from FY19-23. Loans between Rs. 5 to lakhs, accounted for the highest share in outstanding credit as of 9MFY24 with 35% share while loans between Rs. 2 to 5 lakhs accounted for the third highest share of 28% as of 9MFY24.

Loans above Rs. 10 lakhs witnessed the fastest growth during FY19-23 witnessing a CAGR of 33%

Ticket-wise breakup	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR (FY19-FY23)
Less than Rs. 1 Lakh	1.5	1.9	1.9	2.0	1.8	1.5	4.7%
Rs. 1 to 2 lakhs	18.3	20.1	19.1	18.9	22.8	18.6	5.7%
Rs. 2 to 5 lakhs	120.5	141.1	145.1	155.6	192.6	208.6	12.4%
Rs. 5 to 10 lakhs	89.0	115.2	125.6	144.7	202.1	257.0	22.8%
More than Rs. 10 lakhs	56.2	83.0	95.4	115.7	176.8	250.5	33.2%

Source: TransUnion CIBIL, CRISIL MI&A

Loans between Rs. 5 to 10 lakhs, account for highest share in credit outstanding (35%) as of 9MFY24

Ticket-wise breakup	FY19	FY20	FY21	FY22	FY23	9M FY24
Less than Rs. 1 Lakh	1%	1%	0%	0%	0%	0%
Rs. 1 to 2 lakhs	6%	6%	5%	4%	4%	3%
Rs. 2 to 5 lakhs	42%	39%	37%	36%	32%	28%
Rs. 5 to 10 lakhs	31%	32%	32%	33%	34%	35%
More than Rs. 10 lakhs	20%	23%	25%	26%	30%	34%

Source: TransUnion CIBIL, CRISIL MI&A

Profitability of NBFCs operating in passenger vehicle financing

Ratios	FY20E	FY21E	FY22E	FY23E	FY24E
NIMs	6.8%	6.8%	6.5%	7.5%	7.6%
Operating Expenses	2.3%	2.0%	2.3%	2.8%	2.9%
Credit cost	2.4%	3.4%	2.0%	1.2%	1.3%
Return on Assets (RoA)	1.6%	1.0%	1.8%	3.0%	3.0%

Note: E: Estimated, Source: Company Reports, CRISIL MI&A

Key Risks in the vehicle financing segment

The financial performance of vehicle-finance companies depends on the offtake of vehicles, which depends on the overall macroeconomic factors. Insufficiency of data for credit appraisal also creates challenge for the financiers. The absence of an established and transparent secondary market makes it difficult to recover the value in many cases.

Economic Scenario

Cars and utility vehicles (UVs), being aspiration purchases with large ticket sizes, depend largely on the disposable incomes of individuals. Thus, for the overall passenger vehicle (PV) industry, the dependence on economic growth is high. As a large segment of the Indian population has high income dependence on the monsoon, the PV industry is linked to the vagaries of the monsoon too.

Regulatory Environment

Changing regulatory framework for vehicle-finance companies has been crucial in determining growth path of NBFCs. Over years, regulations of NBFCs have been converging with those of banks; this could lead to keener competition in the future. Also, higher provisioning requirements may impact the profitability of these companies.

Insufficient data for credit appraisal

In several cases, borrowers lack formal income-proof documents. This makes it difficult to judge the ability of borrowers to repay.

6. Housing Finance sector in India

Housing is regarded as the engine of economic growth and can give a big push to the economy through its forward and backward linkages with several ancillary industries. The sector has strong inter-industry linkages and investments in housing can have multiplier effects on generation of income and employment in the country. Recognising the importance of housing as a basic human need, the government has also been supporting the sector through multiple schemes.

The housing finance sector has been growing in India led by the aspirations of a growing young population with rising disposable income migrating to metro cities and elevated demand in Tier 2 and 3 cities as well. Despite, support from the government, India still has huge housing shortage and housing finance demand which is unmet that could increase with a rising population.

6.1 Overview of housing in India

As per 2011 census, India has 331 million houses of which only 130 million houses were good habitable condition

As per 2011 census, India has 331 million houses of which 245 million houses were used for residence purpose or residence-cum-other use purpose. Further, 130 million (53%) houses amongst the occupied ones were classfiied as 'good habitable condition', followed by 101 million (41%) as 'liveable habitable condition' and remaining 13 million (5%) as ''dilapidated habitable condition'. The number of Pucca houses in India were 153 million while the number of kutcha houses in India were 34 million.

Housing Scenario in India (in millions) (2011)

Area	Total Number of Census Homes	Occupied Census House	Distribution of Occupied Census Houses			
			Residence	Residence cum other use	Total of Residence and Residence cum other use	All other Non-Residential Use
Rural	220.7	207.1	159.9	6.2	166.2	41.0
Urban	110.1	99.0	76.1	2.4	78.5	20.6
Total	330.8	306.2	236.1	8.6	244.6	61.5

**Other use – Shop, Office, School, College, Hotel, lodge, guest house, hospital dispensary, Factory, workshop, work shed, place of worship, etc; Source: Census 2011, Ministry of Housing and Urban Poverty Alleviation National Buildings Organisation; Planning Commission, CRISIL MI&A*

Pucca and Kutcha Household Mix in India (in millions) (2011)

	Pucca		Kutcha		Unclassified	Total Pucca	Total Kutcha	Total
	Permanent	Semi-Permanent	Serviceable Kutcha	Non-Serviceable Kutcha				
Rural	55.4	48.3	19.92	11.4	0.03	103.7	31.32	135.05
Urban	41.17	8.08	1.7	1.04	0.02	49.25	2.74	52.01
Total	96.57	56.38	21.62	12.44	0.05	152.95	34.06	187.06*

Note(*): This Table excludes Census houses occupied by the institutional households for which data on condition of houses were not collected
Source: Census 2011, Ministry of Housing and Urban Poverty Alleviation National Buildings Organisation; Planning Commission, CRISIL MI&A

The share of Pucca houses (houses made with high quality materials throughout, including the floor, roof, and exterior walls are called pucca houses) across India rose from 54.8% in Fiscal 2015-16 (as per NFHS 2015-16) to 59.0% between Fiscal 2019-21 (as per NFHS 2019-21).

Housing shortage in India

Despite the constant focus on the housing segment, housing in India is far from adequate. The shortage of housing in India has been a perpetual problem, deterring the economic growth of the country. The shortage of overall house is at 62.5 million (as per twelfth five-year plan 2012-17) due to changing social and demographic pattern in India such as nuclearization of families and rapid growth of urbanisation. As per Ministry of Rural development, Planning commission, Urban housing shortage is due to more from congestion and rural housing shortage is due to non-serviceable and kutcha house (low quality house) followed by congested houses.

In its Twelfth Five Year Plan (2012-2017), the Government accorded this issue utmost importance and focused on increasing the amount of housing units available both in the urban as well as the rural sector. As per the estimates of the Twelfth Five Year Plan, the shortage of housing in the urban segment of the society stood at 18.78 million. The economically weaker section (EWS) accounts for ~56% of the shortage. Lower Income Group (LIG) approximately accounts for ~39% of housing shortage in urban regions.

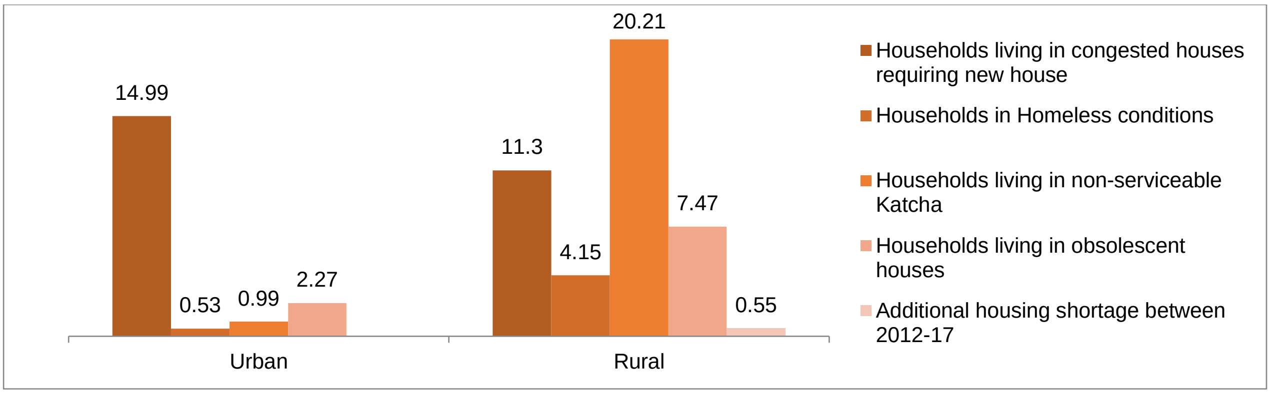
Urban Housing shortage split among Socio-Economic Group (2012) – million

Category	Urban Housing Shortage	(in %)
EWS	10.55	56.2%
LIG	7.41	39.5%
MIG & HIG	0.82	4.3%
Total	18.78	100%

Note: 2012 Estimates; Source: Ministry of Rural development, Ministry of Housing and Urban Poverty Alleviation National Buildings Organisation; Planning Commission, CRISIL MI&A

The erstwhile Planning Commission and Ministry of Rural Development, Government of India, has taken official initiative to assess the quantum of housing shortage in rural India. As per the estimates of the Twelfth Five Year Plan, the shortage of housing in the rural segment of society stood at 43.13 million.

Housing shortage split between urban-rural (2012) (in million)

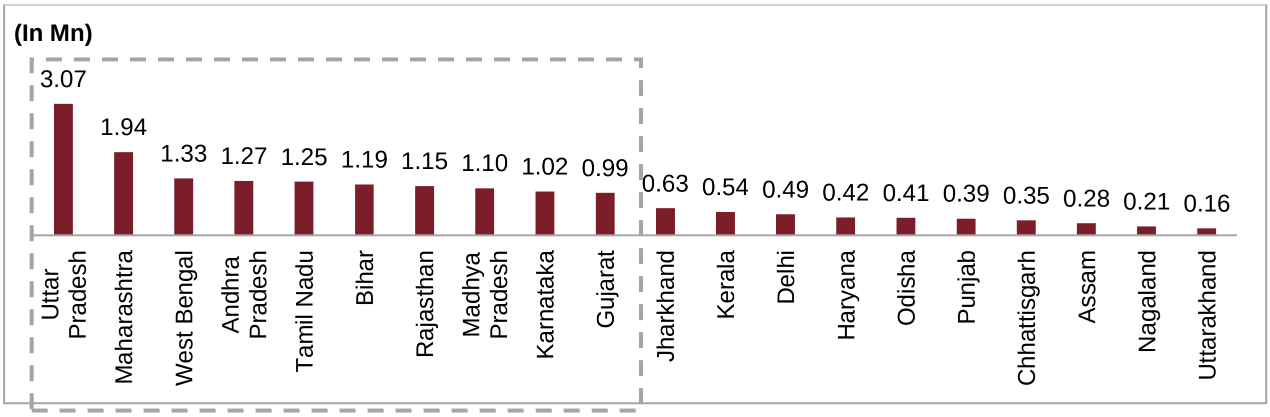


Note:
• A congested house is one such dwelling where the total dwelling carpet space is less than or equal to 300 square feet wherein married couples do not have a separate room for themselves
•Homeless Households refer to those households who do not live in buildings or census houses but live in the open on roadside, pavements, in pipes, under fly-overs and staircases, or in the open in places of worship, mandaps, railway platforms, etc.
•Kutcha houses refer to dwellings where the walls and/or roof is made up of materials such as unburnt bricks, bamboos, mud, grass, reeds, thatch, loosely packed stones.
•Non-Serviceable Kutcha households refer to Kutcha dwellings with walls and/or roofs made up of straw, cloth, etc.
•An obsolescent house is one such dwelling where the age of the dwelling is greater than 40 years old and the condition of the dwelling is poor
Source: 2012 Estimates, Ministry of Rural development, Planning commission, CRISIL MI&A

76% of total urban housing shortage is contributed by top 10 states (2012)

As per the estimates of the Twelfth Five Year Plan, 10 states accounted for ~76% of the urban housing shortage. Uttar Pradesh has a housing shortage of over 3.07 million, followed by Maharashtra (1.94 million), West Bengal (1.33 million), Andhra Pradesh (1.27 million) and Tamil Nadu (1.25 million).

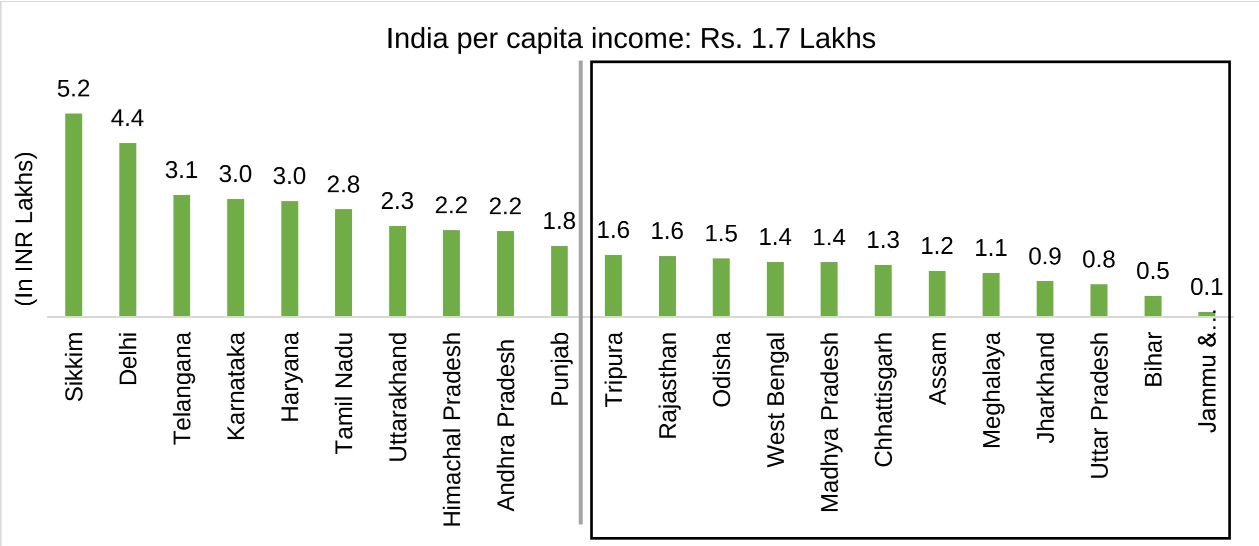
State-wise housing shortage



Source: Report of the Technical Urban Group on Urban Housing Shortage (TG-12), CRISIL MI&A

Amongst the top states with high shortage of homes, some states such as Uttar Pradesh, Bihar, West Bengal, Rajasthan & Madhya Pradesh have a lower per capita net state domestic product (at current prices) or per capita income, as compared to the national average. This shows that there is significant headroom for growth in terms of increasing per capita income and reducing the housing shortage in the country.

State wise per capital income (per capita net state domestic product at current prices) (FY23)



Source: RBI, CRISIL MI&A

Estimated shortage and requirement of ~100 million houses in 2022

The housing shortage in India has only increased since the estimates at the time of the Twelfth Five-year plan. As per the report of RBI-appointed Committee on the Development of housing finance securitisation market (September 2019), the housing shortage in India was estimated to increase to 100 million units by 2022. Majority of the household shortage is for Lower income group (LIG) and Economic weaker section (EWS) with a small proportion of shortage (5-7%) of the shortage coming from middle income group or above. Total incremental housing loans demand is estimated to be in the region of Rs 50 trillion to Rs 60 trillion, as per the Committee report. This indicates the immense latent potential of the market, in case, a concrete action is taken for addressing the shortage of houses in the country.

Note: E: Estimated; Source: RBI, Planning Commission, CRISIL MI&A

Aggregate demand for loans in low-income housing (LIG and EWS sections) estimated to be around Rs. 35 trillion

As per the report of RBI-appointed Committee on the Development of housing finance securitisation market (September 2019), the total value of housing units to fulfil the entire shortage is estimated at Rs. 149 trillion, out of which Rs. 58 trillion is estimated to be the aggregate loan demand for housing.

Estimates for aggregate demand for Housing by 2022

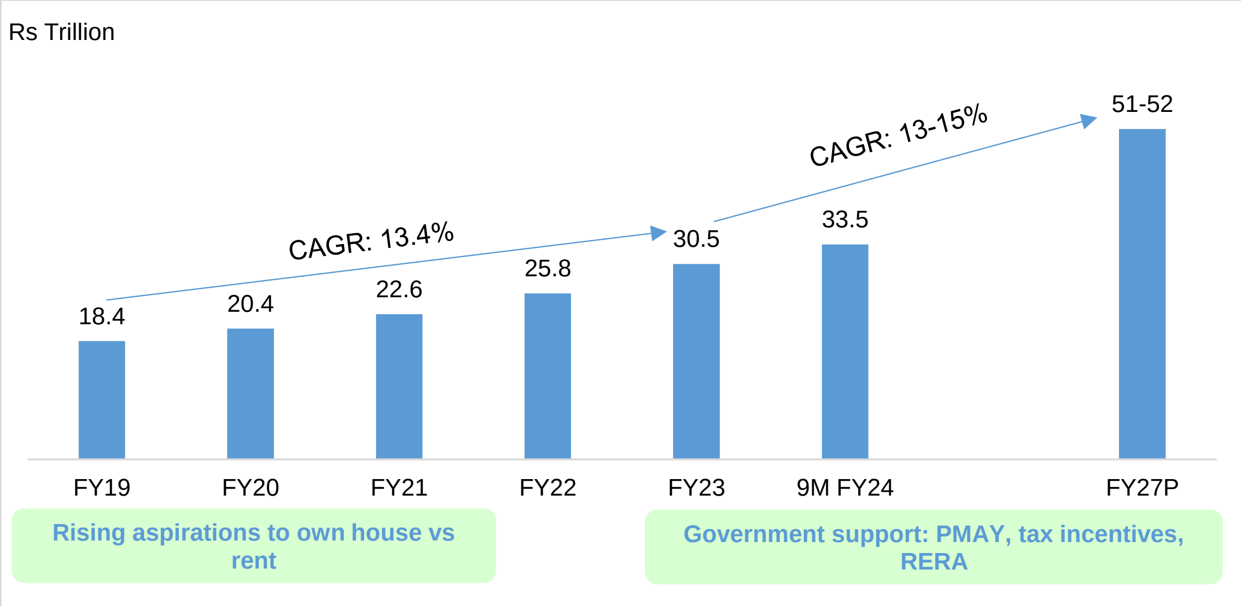
Income Segment	Housing Shortage (in Mn)	Average ticket size (Rs. Mn)	Value of Units (in Rs. Tn)	LTV	Credit Penetration	Aggregate loans demand (in Rs. Tn)
EWS	45	0.75	34	40%	40%	5
LIG	50	1.5	75	50%	80%	30
MIG & above	5	8	40	65%	85%	22
Total	**100**		**149**			**58**

Source: RBI Committee Discussion (Sept 2019), CRISIL MI&A

6.2 Indian Housing Finance Market

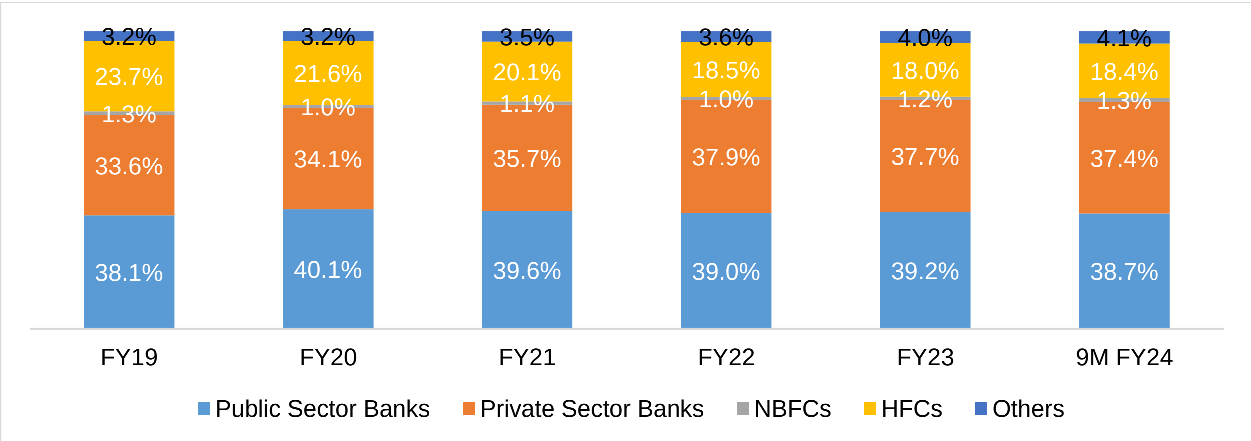
Overall Housing Finance projected to grow at CAGR 13-15% to reach Rs 51-52 trillion by fiscal 2027

The overall housing finance market loan book is estimated grew at a CAGR of 13.4% between the fiscals 2019 and 2023, and it is projected to grow at a CAGR of 13-15% between the fiscal 2023 and 2027. More individuals are aspiring to own a home, backed by government support and tax incentives, the amount of outstanding home loans has increased from Rs 18.4 trillion in Fiscal 2019 to Rs 30.5 trillion in Fiscal 2023 at a CAGR of 13.4%. The government support from policies such as Pradhan Mantri Awas Yojna (PMAY), the Real Estate (Regulation and Development) Act (RERA) have provided impetus to the housing finance market.



Source: TransUnion CIBIL, CRISIL MI&A

NBFCs and HFCs together have ~20% of the market share in housing finance as of 9MFY24



Source: TransUnion CIBIL, CRISIL MI&A

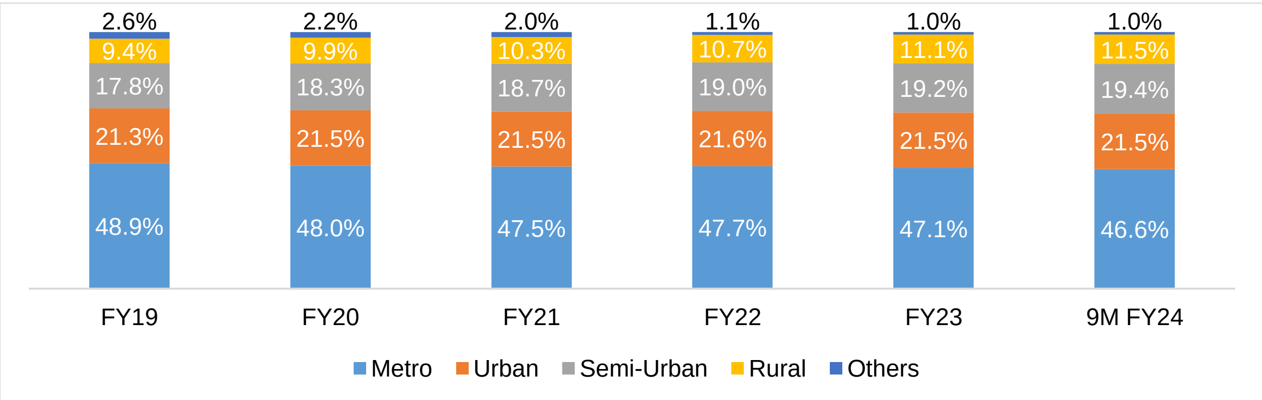
Top 5 states account for ~57% of the housing finance portfolio in 9MFY24

	(Rs Billion)							% of Total	
States	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR (FY19-23)	FY23	9MFY23
Maharashtra	4,253	4,612	5,137	5,871	6,857	7,397	12.7%	22.5%	22.1%
Karnataka	1,935	2,097	2,305	2,657	3,148	3,474	12.9%	10.3%	10.4%
Tamil Nadu	1,709	1,851	2,021	2,264	2,608	2,808	11.2%	8.6%	8.4%
Gujarat	1,440	1,626	1,845	2,146	2,484	2,736	14.6%	8.2%	8.2%
Telangana	1,116	1,333	1,525	1,893	2,322	2,644	20.1%	7.6%	7.9%
Uttar Pradesh	1,153	1,271	1,407	1,596	1,890	2,088	13.1%	6.2%	6.2%
Andhra Pradesh	733	856	968	1,130	1,345	1,557	16.4%	4.4%	4.7%
Delhi	852	901	971	1,089	1,283	1,396	10.8%	4.2%	4.2%

States	(Rs Billion)							% of Total	
	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR (FY19-23)	FY23	9MFY23
Rajasthan	643	740	852	993	1,199	1,344	16.8%	3.9%	4.0%
Kerala	723	802	905	1,016	1,184	1,263	13.1%	3.9%	3.8%
Haryana	657	712	784	900	1,078	1,179	13.2%	3.5%	3.5%
West Bengal	593	670	753	879	1,040	1,135	15.1%	3.4%	3.4%
Madhya Pradesh	558	634	708	803	954	1,022	14.3%	3.1%	3.1%
Punjab	305	337	372	430	508	560	13.6%	1.7%	1.7%
Bihar	178	216	249	296	373	428	20.4%	1.2%	1.3%
Chhattisgarh	177	204	225	256	307	335	14.8%	1.0%	1.0%
Odisha	174	196	211	259	291	356	13.7%	1.0%	1.1%
Uttarakhand	158	183	194	233	278	302	15.2%	0.9%	0.9%
Others	451	416	405	228	256	273	-13.3%	0.8%	0.8%
Jharkhand	109	124	138	160	190	210	14.9%	0.6%	0.6%
Assam	120	137	152	171	186	216	11.5%	0.6%	0.6%
Chandigarh	78	85	94	111	130	140	13.8%	0.4%	0.4%
Himachal Pradesh	74	83	82	104	124	135	13.8%	0.4%	0.4%
Jammu & Kashmir	53	67	83	100	122	139	23.4%	0.4%	0.4%
Goa	64	68	72	79	89	95	8.9%	0.3%	0.3%
Pondicherry	28	31	33	36	42	45	10.3%	0.1%	0.1%
Tripura	11	18	21	25	29	35	28.6%	0.1%	0.1%
Sikkim	17	19	21	24	28	29	13.1%	0.1%	0.1%
Mizoram	6	12	17	18	25	20	42.6%	0.1%	0.1%
Dadra & Nagar Haveli	11	13	13	16	19	20	14.9%	0.1%	0.1%
Manipur	9	11	13	15	18	20	18.3%	0.1%	0.1%
Meghalaya	9	10	12	12	15	16	11.6%	0.0%	0.0%
Arunachal Pradesh	4	5	7	9	11	12	24.3%	0.0%	0.0%
Andaman & Nicobar Islands	7	8	8	9	10	11	11.5%	0.0%	0.0%
Daman & Diu	4	5	6	7	7	8	16.2%	0.0%	0.0%
Nagaland	4	4	5	5	7	7	14.8%	0.0%	0.0%
Lakshadweep	0	0	0	0	1	1	22.5%	0.0%	0.0%
Total	**18,415**	**20,356**	**22,613**	**25,847**	**30,458**	**33,455**	**13.4%**	**100.0%**	**100.0%**

Source: TransUnion CIBIL, CRISIL MI&A

Rural and Semi-Urban areas have ~30% market share in housing finance portfolio as of 9M2024



Source: TransUnion CIBIL, CRISIL MI&A

Ticket size wise housing finance portfolio outstanding

Ticket size	Ticket-size wise loan outstanding (Rs. Trillion)						Ticket-size wise loan outstanding mix					
	FY19	FY20	FY21	FY22	FY23	9M FY24	FY19	FY20	FY21	FY22	FY23	9M FY24
Less than Rs. 1.0Million	1.9	2.0	2.0	2.0	2.0	2.1	10.4%	9.6%	8.9%	7.7%	6.7%	6.2%
Rs. 1.0Million – 2.5Million	6.3	6.8	7.3	7.9	8.6	8.9	34.2%	33.5%	32.4%	30.4%	28.1%	26.7%
Rs. 2.5Million – 5.0Million	5.4	6.2	7.1	8.3	9.9	10.9	29.4%	30.4%	31.2%	32.1%	32.5%	32.6%
Rs. 5.0Million – 7.5Million	1.8	2.1	2.5	3.2	4.1	4.7	10.0%	10.6%	11.2%	12.2%	13.3%	14.0%
Rs. 7.5Million – 10Million	0.8	0.9	1.0	1.3	1.7	2.1	4.1%	4.3%	4.5%	5.0%	5.7%	6.2%
Rs. 10Million – 20Million	1.1	1.3	1.5	1.8	2.4	2.8	6.2%	6.2%	6.5%	7.0%	7.8%	8.3%
Greater than Rs. 20Million	1.0	1.1	1.2	1.5	1.8	2.0	5.7%	5.4%	5.4%	5.6%	5.9%	6.0%
Overall	18.4	20.4	22.6	25.8	30.5	33.5	100.0%	100.0%	100.0%	100.0%	100.0%	100.0 %

Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90+ DPD) has improved for all the lenders

Lender type	FY19	FY20	FY21	FY22	FY23	9M FY24
Public Sector Banks	2.0%	1.9%	2.0%	1.6%	1.6%	1.3%
Private Sector Banks	0.8%	0.8%	1.4%	0.9%	0.8%	0.8%
NBFCs	2.7%	2.5%	2.4%	2.8%	1.3%	1.6%
HFCs	2.1%	2.9%	3.6%	3.5%	2.5%	3.1%
Others	3.1%	5.3%	9.1%	8.5%	7.4%	6.1%
Overall	1.7%	1.9%	2.4%	2.0%	1.7%	1.6%

Source: TransUnion CIBIL, CRISIL MI&A

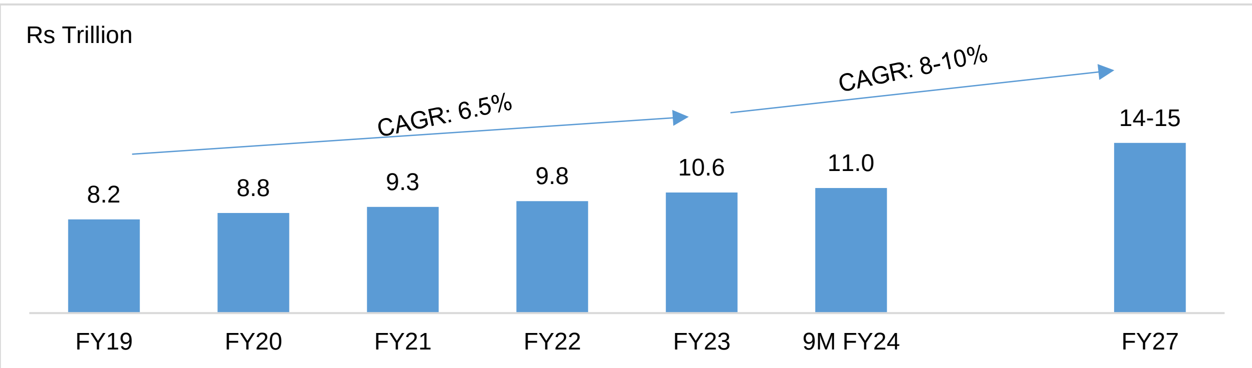
Ticket Size Wise Asset Quality (90+ DPD)

Ticket size	FY19	FY20	FY21	FY22	FY23	9M FY24
Less than Rs. 1.0Million	3.4%	4.1%	4.7%	4.5%	4.4%	4.6%
Rs. 1.0Million – 2.5Million	1.5%	1.6%	2.2%	2.0%	2.0%	1.9%
Rs. 2.5Million – 5.0Million	1.3%	1.4%	1.8%	1.5%	1.3%	1.3%
Rs. 5.0Million – 7.5Million	1.4%	1.4%	1.8%	1.4%	1.1%	1.0%
Rs. 7.5Million – 10Million	1.6%	1.7%	2.1%	1.6%	1.2%	1.0%
Rs. 10Million – 20Million	1.6%	1.7%	2.3%	1.6%	1.2%	1.1%
Greater than Rs. 20 Million	2.4%	3.3%	4.2%	3.0%	2.2%	2.2%
Overall	1.7%	1.9%	2.4%	2.0%	1.7%	1.6%

Source: TransUnion CIBIL, CRISIL MI&A

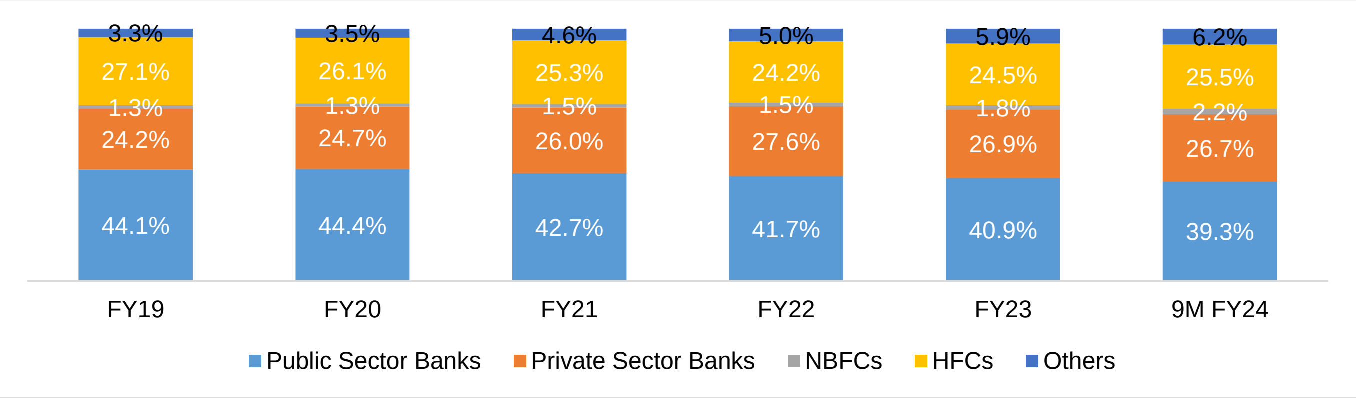
6.3 Indian Affordable Housing Finance Market

Affordable Housing Finance (less than Rs. 2.5 Million) forecasted to grow at 8-10% to reach Rs 14-15 Trillion by fiscal 2027



Source: TransUnion CIBIL, CRISIL MI&A

HFCs and NBFCs have ~28% market share in the affordable housing finance portfolio as of 9MFY24



Source: TransUnion CIBIL, CRISIL MI&A

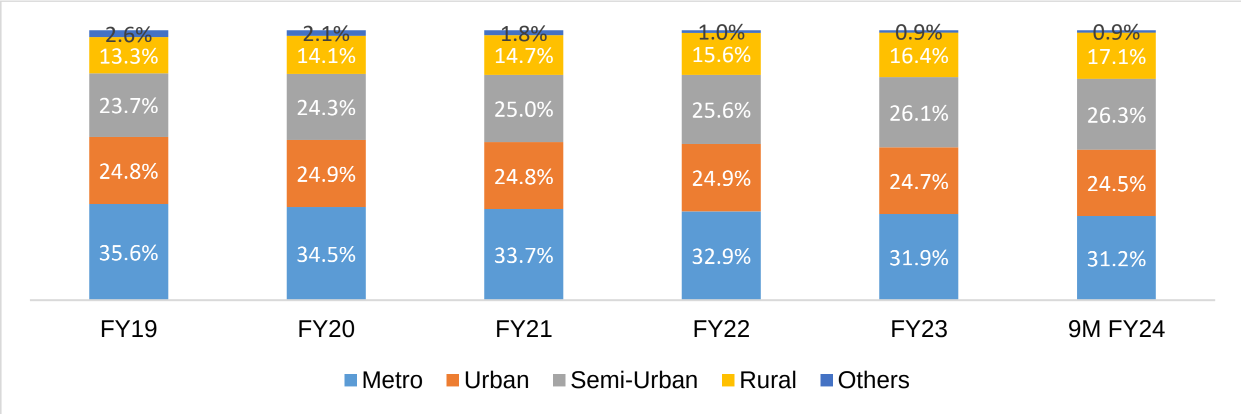
Top 5 states account for ~52% of the affordable housing portfolio as of 9MFY24

State	(Rs Billion)							% share	
	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR(FY19-23)	FY23	9M FY24
Maharashtra	1,599	1,673	1,781	1,856	1,977	2,012	5.5%	18.7%	18.3%
Gujarat	856	948	1,047	1,141	1,216	1,279	9.2%	11.5%	11.6%
Tamil Nadu	762	809	861	903	951	967	5.7%	9.0%	8.8%
Uttar Pradesh	552	590	628	663	726	760	7.1%	6.9%	6.9%
Karnataka	558	570	578	604	641	667	3.5%	6.1%	6.1%
Rajasthan	385	432	485	537	611	663	12.2%	5.8%	6.0%
Kerala	421	448	497	524	571	574	7.9%	5.4%	5.2%
Madhya Pradesh	373	417	455	493	550	570	10.2%	5.2%	5.2%
Telangana	416	440	453	478	502	519	4.8%	4.7%	4.7%
Andhra Pradesh	396	427	440	463	495	535	5.8%	4.7%	4.9%
West Bengal	343	373	402	437	485	508	9.1%	4.6%	4.6%
Haryana	197	214	226	234	254	260	6.6%	2.4%	2.4%
Delhi	211	219	230	234	250	256	4.3%	2.4%	2.3%
Punjab	183	196	209	223	243	256	7.4%	2.3%	2.3%
Bihar	105	119	126	136	155	167	10.4%	1.5%	1.5%
Chhattisgarh	108	120	126	135	151	156	8.6%	1.4%	1.4%
Uttarakhand	100	111	112	128	141	145	9.1%	1.3%	1.3%
Odisha	97	104	105	119	120	137	5.4%	1.1%	1.3%
Assam	83	91	97	100	97	105	4.0%	0.9%	1.0%
Others	200	173	155	83	83	84	-19.6%	0.8%	0.8%
Jharkhand	61	65	67	70	74	75	4.9%	0.7%	0.7%
Jammu & Kashmir	38	48	55	63	71	76	16.6%	0.7%	0.7%
Himachal Pradesh	51	55	50	62	67	68	6.8%	0.6%	0.6%
Chandigarh	28	29	31	34	35	35	5.6%	0.3%	0.3%
Goa	25	25	24	24	24	24	-1.0%	0.2%	0.2%
Tripura	7	13	14	15	16	17	20.7%	0.2%	0.2%
Sikkim	12	13	14	14	15	14	4.4%	0.1%	0.1%
Pondicherry	13	13	13	14	14	14	2.7%	0.1%	0.1%
Dadra & Nagar Haveli	8	10	10	12	13	14	12.7%	0.1%	0.1%
Mizoram	4	9	11	10	12	8	29.9%	0.1%	0.1%
Manipur	6	7	7	7	8	8	6.3%	0.1%	0.1%
Meghalaya	5	5	6	6	6	6	1.8%	0.1%	0.1%
Daman & Diu	3	3	4	4	5	5	12.0%	0.0%	0.0%

State	(Rs Billion)							% share	
	FY19	FY20	FY21	FY22	FY23	9M FY24	CAGR(FY19-23)	FY23	9M FY24
Andaman & Nicobar Islands	3	3	3	3	3	3	0.9%	0.0%	0.0%
Arunachal Pradesh	2	2	2	2	3	3	7.7%	0.0%	0.0%
Nagaland	2	2	2	2	2	2	3.1%	0.0%	0.0%
Lakshadweep	0	0	0	0	0	0	7.1%	0.0%	0.0%
Total	**8,217**	**8,780**	**9,327**	**9,832**	**10,590**	**10,992**	**6.5%**	**100.0%**	**100.0%**

Source: TransUnion CIBIL, CRISIL MI&A

Affordable Housing loan portfolios of Rural and Semi Urban geographies grew from 37% in fiscal 2019 to 43.3% in 9MFY24



Source: TransUnion CIBIL, CRISIL MI&A

Asset quality (90+ DPD) of NBFCs for affordable housing loan portfolio have improved to 1.8% as of 9MFY24

	FY19	FY20	FY21	FY22	FY23	9M FY24
Public Sector Banks	2.1%	2.1%	2.4%	2.1%	2.3%	1.9%
Private Sector Banks	1.1%	1.0%	1.8%	1.4%	1.4%	1.3%
NBFCs	2.0%	2.0%	2.5%	3.1%	1.5%	1.8%
HFCs	2.0%	2.5%	3.1%	3.2%	2.6%	3.2%
Others	5.1%	8.6%	9.5%	8.8%	7.9%	7.9%
Total	1.9%	2.2%	2.8%	2.5%	2.4%	2.5%

Source: TransUnion CIBIL, CRISIL MI&A

6.4 Growth drivers for Housing Finance

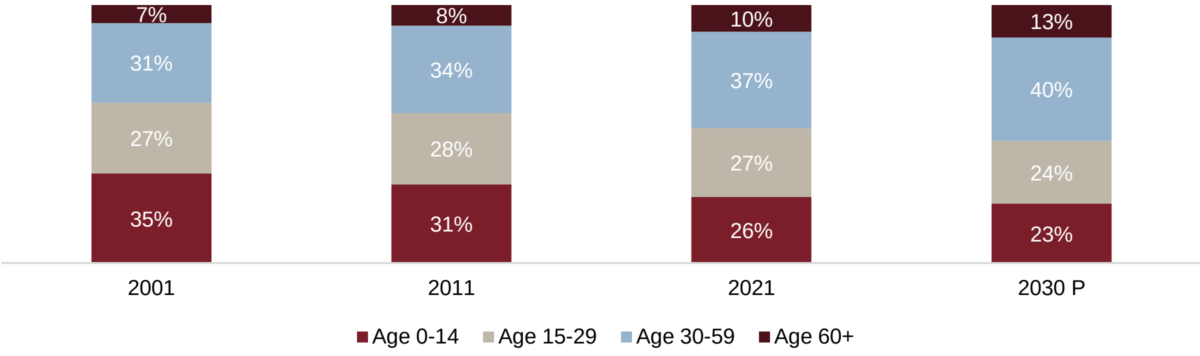
India has the world's largest population

As discussed in earlier section, as per Census 2011, India's population was ~1.25 billion, and comprised nearly 245 million households, is expected by CRISIL MI&A to increase to 1.52 billion by 2031, and number of households are expected to reach ~385 million over the same period which will increase demand for housing in India.

Favourable demographics

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

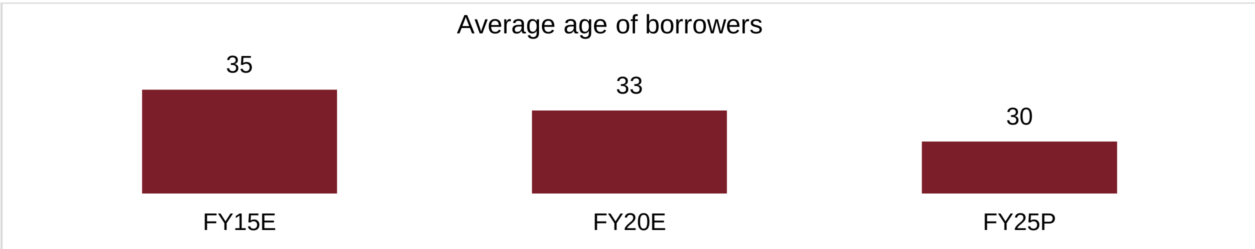
India's demographic dividend



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

Average age of borrowers has been declining over the years and was estimated at 33 years in FY20. We expect this figure to decline further with growth in salaries and people's strengthening preference for accumulating assets, both for investment purpose and tax benefits. India's demographic profile is expected to favour the Housing industry, leading to growth in the Housing Finance market.

Declining age of borrowers

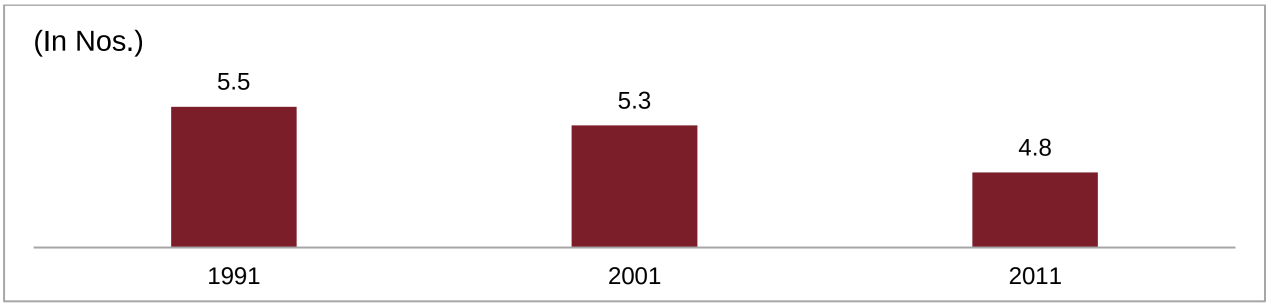


Note: E – Estimated, P – Projected, Source: CRISIL MI&A

Rise in number of nuclear families leads to formation of new houses

Nuclearization refers to formation of multiple single families out of one large joint family. Each family lives in a separate house, while the ancestral house may be retained or partitioned to buy new houses. Nuclearization in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes, and increased mobility of labour in search of better employment opportunities. These trends are expected to continue in future.

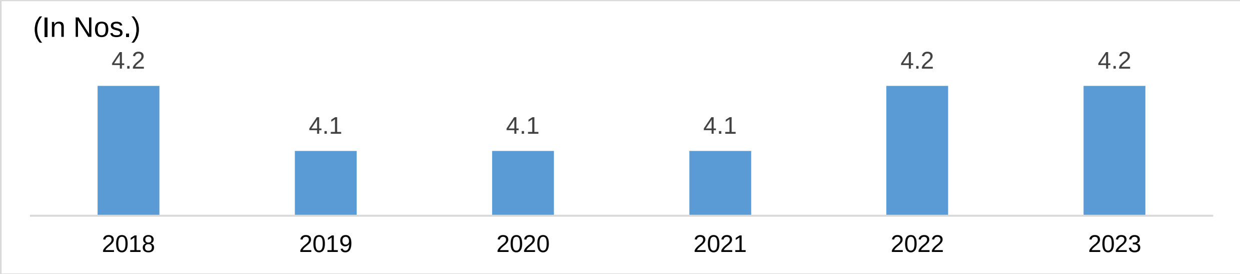
Trend in average household size (In numbers)



Source: Census 2011, CRISIL MI&A

Furthermore, according to the Census 2011, majority of the Indian households live in a one-room or two-room house. According to the NSSO Survey on Housing Conditions conducted in 2012, the average floor area of a dwelling unit was 40.03 sq. m in rural India and 39.20 sq. m in urban India during 2012. According to the Periodic Labour Force Survey 2022-2023, the average household size in India was 4.2, in rural India it was 4.4 and in urban India it was 3.7.

Trend in average household size (In numbers)



Source: Periodic Labour Force Survey (PLFS), MOSPI, CRISIL MI&A

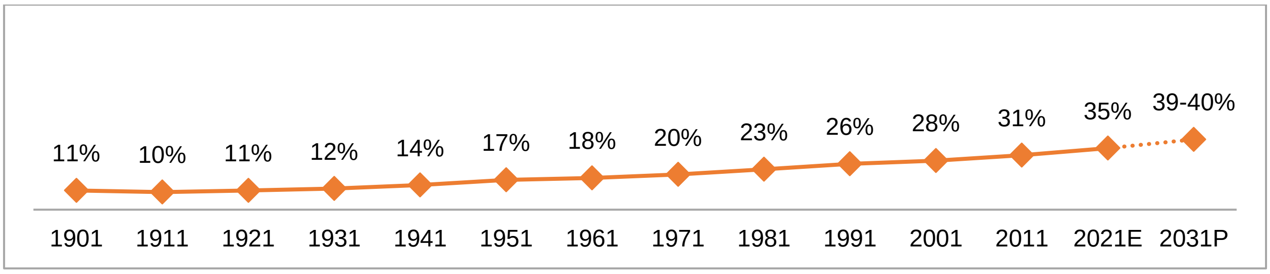
The states of Uttar Pradesh and Jammu and Kashmir had the highest average household size of 5.9 and 5.6 respectively, whereas in the states of Andhra Pradesh and Tamil Nadu, the average household size was 4.1 and 4.0 respectively.

Urbanization

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

The share of urban population in relation to the total population has been consistently rising over the years. People from rural areas move to cities for better job opportunities, education, better life, etc. Entire families or only a few people (generally earning member or students) may migrate, while a part of the family continues to hold on to the native house. The urban population was 377 million in 2011, marking a CAGR (2001-2011) of 2.8%; rural population was 833 million, up at a CAGR (2001-2011) of 1.15%. Urbanisation levels rose from 28% in 2001 to about 31% in 2011. It is expected to have reached about 39-40% in 2031. This percentage is expected to increase further in the years to come, thereby translating into higher demand for housing and related amenities in the urban areas.

Urban population as a percentage of total population



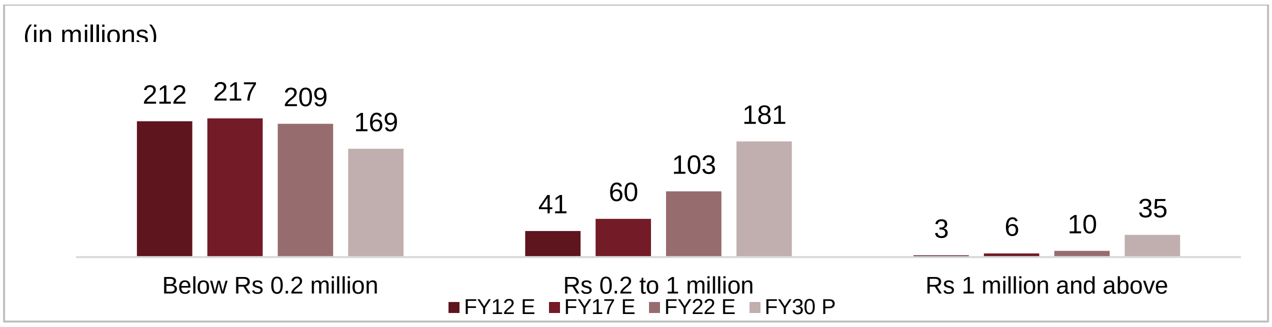
Note: E: Estimated, P: Projected; Source: Census 2011, World Urbanisation Prospects: The 2011 Revision (UN), CRISIL MI&A

Rising Aspiring India (middle income) population to help sustain growth for the country

Proportion of Aspiring India (Middle India, defined as households with annual income of between Rs 0.2 to 1 million) has been on a rise over the last decade and is expected to grow further with continuous increase in the GDP and household incomes. CRISIL MI&A estimates that there were 41 million Aspiring India (middle income) households in India as of FY12, and by FY30, they are projected to increase to 181 million households. A large number of these households, which have entered the Middle-Income bracket in the last few years, are likely to be from semi-urban and rural areas.

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

Aspiring India households (middle India - annual income between Rs. 0.2 to 1 million) expected to grow by 1.75 times between FY22 to FY30



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

Higher affordability

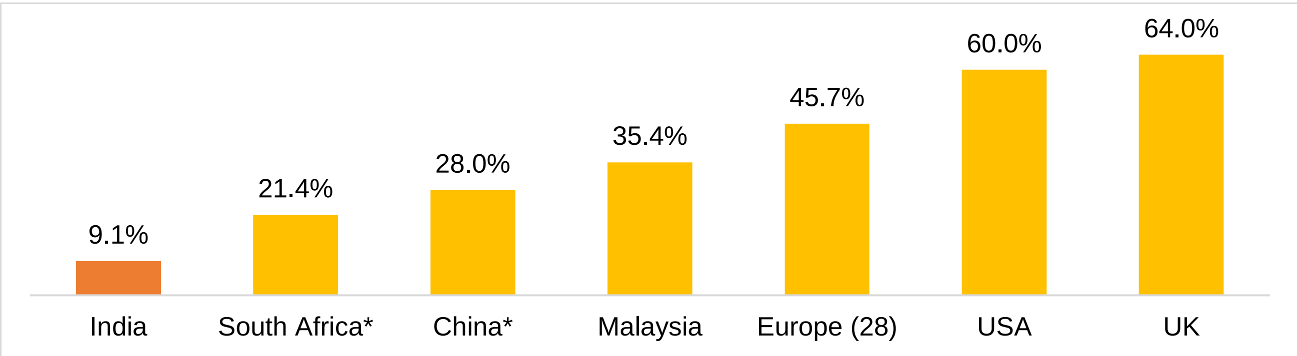
CRISIL forecasts that the per capita income will gradually improve with a pick-up in GDP growth and sustained low inflation. This will be an enabler for domestic consumption leading to rise in demand for housing. Further, increase in household savings over the last decade coupled with availability of underwrite and provide credit to the vulnerable or informal segment owing to advancement in technology has also led to higher demand for housing.

Comparison of Mortgage-to-GDP ratio with global peers and expected growth drivers

India's mortgage penetration is lower than other economies

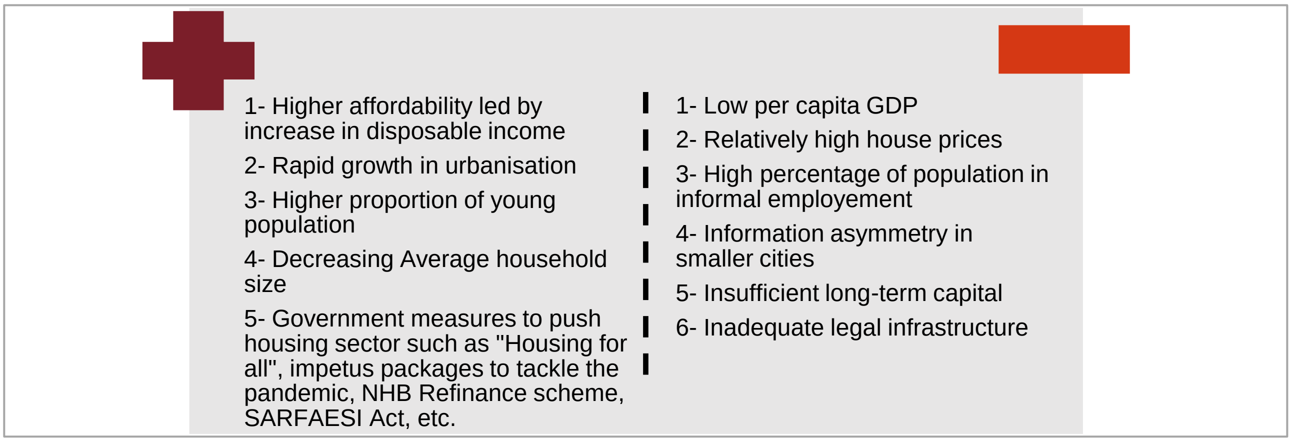
India has very low penetration in terms of housing finance as compared to its rising peers which shows the higher potential for Indian housing finance companies to expand. Housing finance market continues to face supply constraints from Banks and NBFCs, particularly for lower income group as they are perceived as risky borrowers.

Mortgage-to-GDP ratio in India (FY18) compared with other countries (CY18)



Note: Indian mortgage to GDP is for FY 2018 – 9.1%;
(*) – As of CY17, Europe (28) includes the 28 European Union Member states as of December 2018;
Source: HOFINET, European Mortgage Federation, NHB, MOSPI CRISIL MI&A

Mortgage penetration in India is far lower than other emerging economies owing to lower per capita income and higher proportion of informal employment in the country. However, CRISIL MI&A believes rising urbanisation, growing disposable income, favourable demographics and government measures will lead to higher mortgage penetration going forward.



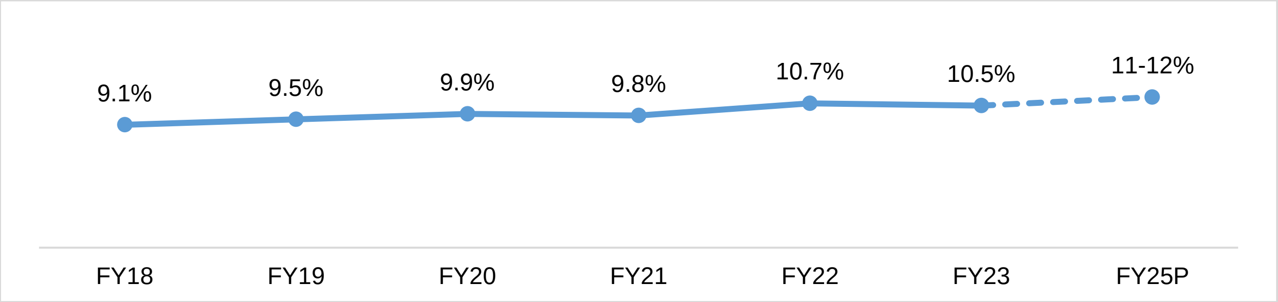
Factors affecting mortgage penetration in India

Source: CRISIL MI&A

Mortgage-to-GDP ratio in India to grow to 11-12% by FY25

In FY23, India's mortgage-to-GDP ratio stood at 10.5%. Though low compared with other developing countries, it has significantly improved from 9.5% in FY19. The factors that contributed to the improvement are rising incomes, improving affordability, growing urbanisation and nuclearization of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers. Given the expected steady growth from FY23, CRISIL MI&A projects the ratio at 11-12% by FY25.

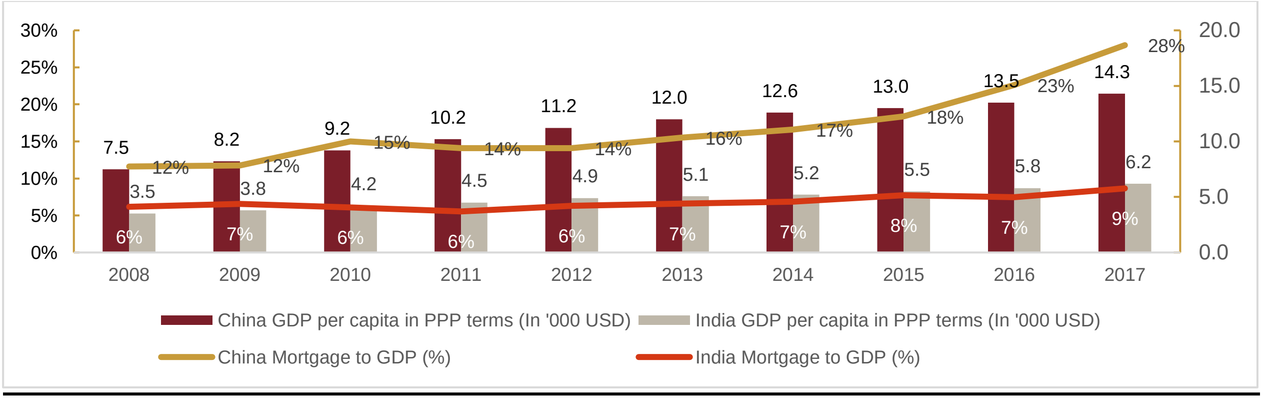
Trend in mortgage-to-GDP ratio in India



Note: P – Projected, Data for mortgage to GDP for India includes individual Housing loans outstanding over nominal GDP for India.
Source – NHB, MOSPI, CRISIL MI&A

Rise in per capita income to drive the growth of mortgage penetration in India

The mortgage penetration in China is correlated to the GDP per capita of the country and the mortgage-to-GDP ratio of China has grown from 12% in 2008 to 28% in 2017. The per capita income of the country has increased from USD 7,500 in 2008 to USD 14,300 in 2017. India has gone through a similar trajectory with mortgage penetration in the country increasing from 6% in 2008 to 9% in 2017 which is correlated to the increase in per capita income of the country from USD 3,500 in 2008 to USD 6,200 in 2017.



Source – HOFINET, Peoples Bank of China, World Bank, CRISIL MI&A

Between 2017 and 2022, the per capital income of the country has increased to USD 8,379, which is also one of the major reasons for rise in mortgage penetration in the country.

CRISIL forecasts that the per capita income of India will gradually improve with a pick-up in GDP growth and sustained low inflation. This will be an enabler for domestic consumption leading to rise in demand for housing. Further, increase in household savings over the last decade coupled with ability to underwrite and provide credit to the vulnerable or informal segment owing to advancement in technology has also led to higher demand for housing.

Infrastructure development to boost demand for Real Estate

The real estate market is impacted by infrastructure growth. Development of new infrastructure such as roads, bridges, airports, smart cities etc., opens new areas for development and increases the value of existing properties. It also attracts businesses and population growth to an area, which boosts the local economy and supports the real estate market.

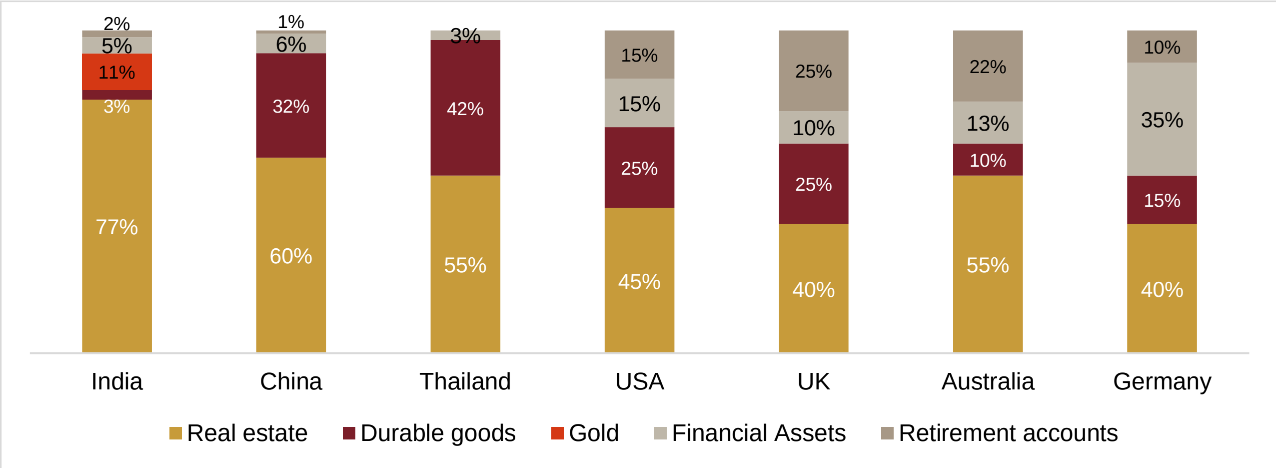
Real Estate (Regulation and Development) Act

In 2017, Real Estate (Regulation and Development) Act (RERA) was implemented, which had a direct impact on the supply-demand dynamics in the sector. The RERA was implemented to improve transparency, timely delivery, and organised operations over time. The Act does not permit developers to launch new projects before registering them with the real estate authority. This is a major shift from the practices followed earlier by developers, wherein they managed to sell part of the project through soft/pre-launch activities. As per the Act, Developers have to disclose project-related information, such as project plan, layout, government approvals, carpet area of units, construction status and delivery schedule. With these the transparency and confidence of consumers have increased in real estate projects.

Physical assets still account for majority of the savings

Unlike most other countries, where financial savings account for a significant proportion of savings, physical assets in the form or real estate, gold and silver still account for most household savings in India.

Trend of savings in India and other economies (as % of household assets, CY17)



Source: Report of the Household Finance Committee- July 2017, RBI, CRISIL MI&A

Over the past few years, household savings have been witnessing a shift in with investments shifting away from bank deposits. Mutual funds and equity emerged as an important instrument for financial savings. Within physical savings, investments by households in real estate & gold also increased, but real estate wintessed a sharper growth in FY22 due to a post-pandemic economic recovery, pent-up credit demand, and positive government schemes such as the Liquidity Infusion Facility Scheme, the Affordable Housing Fund and other measures announced under the ambit of the Atmanirbhar Bharat Package.

6.5 Growth Drivers for affordable housing finance

Higher transparency in the sector, increasing affordability and urbanisation, and government incentives will push up the housing finance market in longer term.

PMAY-U, PMAY-G and other government initiatives help to push for access to housing finance

The Pradhan Mantri Aavas Yojna (Urban), or PMAY-U scheme, aims to bridge the housing sector's supply-demand gap. On the supply side, it incentivizes beneficiary-led housing and public-private partnerships (PPP) for building homes for EWS and LIG by offering benefits like higher floor space index and grants for slum redevelopment. On the demand side, PMAY provides credit-linked subsidies to boost demand. For rural areas, the Pradhan Mantri Aavas Yojna (Gramin), or PMAY-G, targets those without homes by offering financial aid and interest rate subsidies.

As of 29th April 2024, the PMAY-U scheme committed Rs. 2.0 trillion released Rs. 1.6 trillion, and utilized Rs 1.5 trillion, and PMAY-G scheme committed Rs. 3.7 trillion released Rs. 2.7 trillion and utilized Rs. 3.3 trillion.

Various measures like relaxing ECB guidelines, tax incentives for home loan borrowers and developers, implementation of RERA, allowing withdrawal of 90% of Employee Provident Fund (EPF) corpus for down payments and loan EMIs, along with reduced GST rates for affordable housing, have significantly stimulated interest and facilitated easier access to housing finance.

Regulator Initiatives help play a crucial role in shaping the landscape of the housing finance market

Regulatory updates from the Indian Government are crucial for fostering growth and financial stability. Measures such as adjusting risk weights on housing loans aim to boost confidence in the real estate sector. The SARFAESI Act's implementation has expedited loan recoveries for HFCs. Transferring regulatory oversight of HFCs from the NHB to the RBI has led to more efficient regulations and improved risk management. Additionally, refinancing schemes by the NHB help HFCs lower borrowing costs. Revisions in Priority Sector Lending (PSL) guidelines, like raising the threshold for home loans to qualify as PSL, support initiatives like PMAY.

These regulations not only migrate risks but help to instil confidence among lenders and borrowers, thereby fostering a conducive environment for all the players involved.

Evolving Macroeconomic factors helping grow housing demand

The demand for housing is being driven by several factors, such as the financing opportunity availability players due to low mortgage penetration, rising urbanisation and nuclearization, rising income levels and rising independent housing demand. These factors reflect evolving lifestyle preferences and aspirations, thereby instigating a sustained demand for housing across various market segments. These factors reflect improving access to housing finance, evolving lifestyle preferences and aspirations, thereby instigating a sustained demand for housing across various market segments.

Key Risks in the Housing Finance Industry

Economic Scenario: Any trends or events that have a significant impact on India's economy, including a rise in interest rates, could impact the financial standing and growth plans of HFCs. A decline in the interest rate with strong growth in the economy will boost the purchasing power of people, thus boosting demand for houses and housing loans. When the government introduces rules and regulations such as the Benami Transactions Act, establishes bodies such as the Real Estate Regulatory Authority, or takes decisions such as demonetisation, all to control illegal activities and curb black money, demand for housing and housing loans takes a hit.

Insufficiency of data for credit appraisal: Credit-score availability in India is still at a nascent stage despite the presence of credit bureaus. In several cases, borrowers lack a formal proof of income documents. This makes it difficult to judge the ability of the borrower to repay.

Liquidity Risk: The apartment culture has still not developed in many of the semi-urban and rural areas, leading to financing of individual properties. This makes it harder to sell a property that is built according to the needs of the borrower. Also, in rural areas, it may become difficult to find a buyer for a repossessed property due to cultural issues. All this leads to liquidity risk.

Collateral Fraud: The rising number of collateral frauds in the sector is becoming a serious issue. As a result, lending institutions are being forced to implement additional control measures, which increase their underwriting expenses.

Delay in project approvals and construction: The cash flows of HFCs are largely dependent on the timely completion of projects in which their customers have bought housing. If the project gets delayed, the borrower may start defaulting on loans. Additionally, project delays also tend to impact growth in the loan book.

Thin spreads in Housing Finance: HFCs face a risk of thin net interest margins due to lower interest rates in the segment as compared to other asset classes like MSME loans, vehicle financing etc. This is further aggravated due to intense competition in the segment among HFCs, banks and NBFCs.

Asset Liability Mismatch: Housing finance faces significant ALM challenges, arising due to inherent mismatch between the long-term nature of housing loans and the shorter-term funding sources used by housing finance companies (HFCs). This creates a maturity mismatch, where assets have longer durations than liabilities.

6.6 Profitability metrics

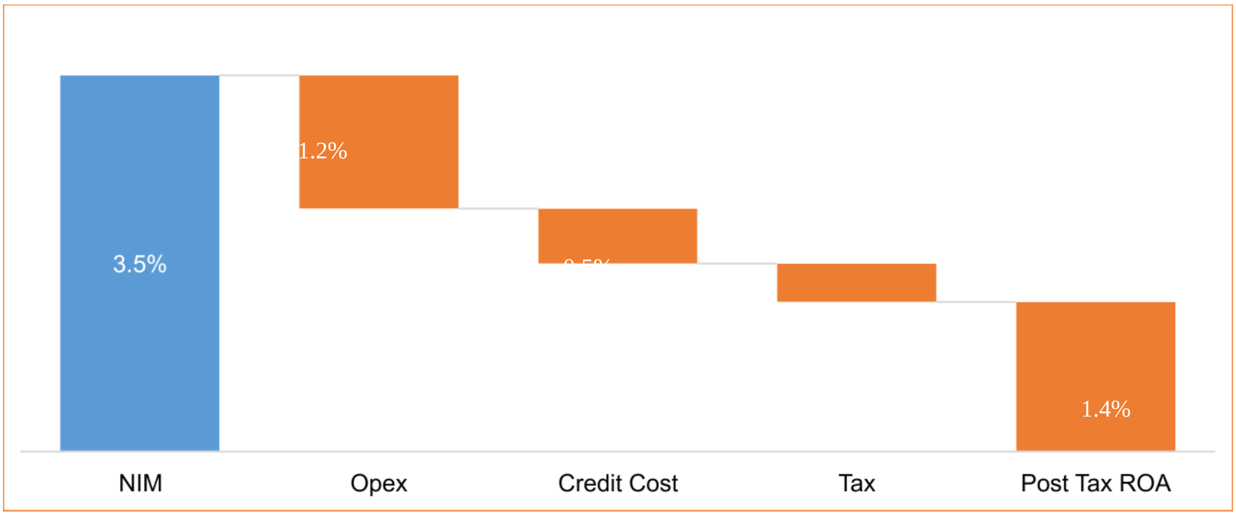
Higher returns, lesser competition makes the low-income housing segment attractive amongst the HFCs

Housing loans are considered to be a safer asset class was they provide a high-value asset financing at a low and attractive rate, as is usually for a self-occupied residential property of the borrower, where the propensity of default is relatively lower. These financing options provide adequate liquidity to buyers, tax benefits on principal repayments and long repayment tenures.

As per CRISIL MI&A Estimates for FY24, HFCs will garner an RoA of 1.4%.

Over the longer term, CRISIL MI&A expects the industry’s profitability to gradually improve. As economy revives, delinquencies are also expected to normalise, leading to decrease in credit costs for HFCs. Additionally, for players in housing finance focused on low-income housing segment, operating expenses, too, would moderate, as business volumes increase and the level of standardisation and digitalisation in credit assessment increases.

Profitability of HFCs (estimated for FY24)

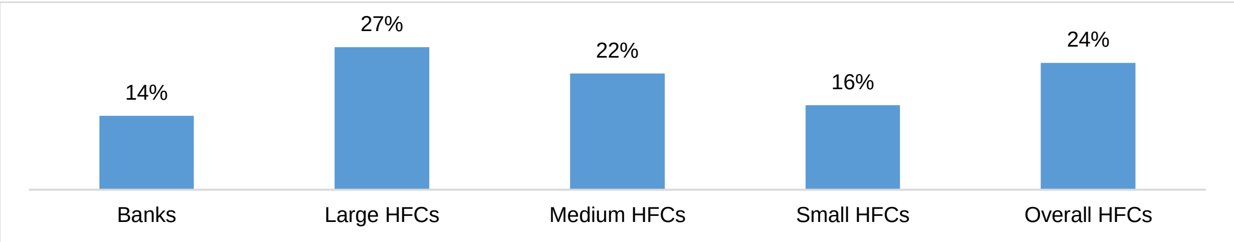


Source: Company Reports, CRISIL MI&A
Note: NIM is calculated as (Interest income – interest expense)/Average total assets, Opex as Operational expenditure/average total assets, Credit cost as Provisioning/average total assets and RoA as PAT/average total assets.

6.7 Growth of different sized HFCs

Among the various player groups, the credit outstanding of small HFCs segment grew at 16% CAGR between FY19 to FY23.

Four-year CAGR (FY19 to FY23) of HFC groups in overall housing finance industry



Source: Company Reports, RBI, CRISIL MI&A

1. *Large HFCs include data for companies which had an average AUM (FY23 and FY22) greater than Rs. 500 Billion. Large HFCs include data for Indiabulls Housing Finance Ltd, LIC Housing Finance Ltd and PNB Housing Finance Ltd, Piramal Capital and Housing Finance Ltd and Bajaj Housing Finance Ltd, Data for HDFC Limited is excluded from the analysis owing to its merger with HDFC Bank*
2. *Medium HFCs include data for companies which had an average AUM (FY23 and FY22) greater than Rs. 175 Billion and less than Rs. 500 Billion. Medium HFCs include data for Can Fin Homes Ltd, ICICI Home Finance Ltd, L&T Housing Finance Ltd and TATA Capital Housing Finance Ltd and India Infoline Housing Finance Ltd*
3. *Small HFCs include data for companies which had an average AUM (FY23 and FY22) of less than Rs. 70 Billion. Small HFCs include data for Hero Housing Finance Ltd, GIC Housing Finance Ltd, REPCO Home Finance Ltd, Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, Sundaram Home Finance Limited and Mahindra Rural Housing Finance Limited, Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance, Capri Global Housing Finance Limited, Centrum Housing Finance Limited, Nido Home Finance Limited, SMFG India Home Finance Co. Ltd., Home First Finance Company India Private Limited, India Home Loans Limited, India Shelter Finance Corporation Limited, JM Financial Home Loans Limited, Grihum housing finance, Manappuram Home Finance Limited, MAS Rural Housing & Mortgage Finance Limited, Mentor Home Loans India Limited, Svatantra Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Sahara Housingfina Corporation Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited., and Vastu Housing Finance Corporation Limited*

6.8 Competitive scenario

AUM of players for (in Rs Billion)

Players	FY22	FY23	FY24	CAGR (FY22-FY24)
Capri Global Housing Finance Limited	17	27	42	57.2%
SMFG India Home Finance Co. Limited	45	64	90	41.4%
India Shelter Finance Corporation Limited	31	44	61	40.3%
Hero Housing Finance Limited	28	39	53	37.6%
Home First Finance Company India Private Limited	54	72	97	34.0%

Players	FY22	FY23	FY24	CAGR (FY22-FY24)
Aptus Value Housing Finance India Limited	52	67	87	29.3%
Grihum Housing Finance	51	63	83	27.6%
AAVAS Financiers Limited	114	142	173	23.2%
Sundaram Home Finance Limited	95	112	138	20.5%
Aadhar Housing Finance	148	172	211	19.4%

Source: Company Reports, CRISIL MI&A

GNPA (%) of players for FY24

Players	GNPA %
SMFG India Home Finance Co. Limited	2.4%
Hero Housing Finance Limited	1.8%
Home First Finance Company India Private Limited	1.7%
Capri Global Housing Finance Limited	1.3%
Sundaram Home Finance Limited	1.2%
Aptus Value Housing Finance India Limited	1.1%
India Shelter Finance Corporation Limited	1.1%
India Shelter Finance Corporation Limited	1.0%
Aadhar Housing Finance Limited	1.1%
AAVAS Financiers Limited	0.9%
Grihum Housing Finance	0.9%

Source: Company Reports, CRISIL MI&A

6.9 Right to win for NBFCs/HFCs

NBFCs and HFCs have significant improvement to their service delivery models, focusing keenly on customer satisfaction. This shift is particularly beneficial in the context of housing loans, which are typically characterized by longer tenures and larger amounts compared to other types of loans. While banks, especially public sector ones, might offer lower rates, they often come with much stricter eligibility criteria and longer processing times for loan approval and disbursal. In contrast, NBFCs are known for their quicker loan sanctioning, more flexible terms, and superior customer service. They leverage alternative data sources and advanced technology for underwriting, offer loan customization, and flexible pricing strategies. Furthermore, NBFCs have a broader reach, extending services beyond tier 2 and tier 3 cities, making them a more accessible and efficient option for securing housing loans. These attributes make NBFCs and HFCs a competitive option for many borrowers, providing a smoother and more efficient borrowing experience in the realm of housing finance.

6.10 Key risks in the market

Competitive advantage of banks vis-à-vis HFCs

Banks have access to borrowers' banking behaviour and repayment history, based on which they approach their regular customers by offering lower interest rates (than HFCs) and zero or lower processing fee.

Funding disadvantage for lower rated HFCs

Small HFCs face distinct challenges compared to their larger counterparts, primarily due to their funding mix and credit ratings. Unlike larger HFCs, which often have diverse funding sources including capital markets, smaller ones tend to rely more heavily on bank funding. This dependence on bank funding can limit their ability to access alternative financing options and may expose them to fluctuations in lending terms set by banks. Additionally, smaller HFCs typically have lower credit ratings, resulting in higher borrowing costs. This increased cost of funds further squeezes their margins, making it challenging to compete effectively with larger players in the market. As a result, small HFCs often struggle to achieve economies of scale and face greater difficulty in expanding their market share or diversifying their product offerings.

Delay in project approvals and construction

HFCs heavily rely on the timely completion of projects in which their customers have purchased units. The cash flows of these HFCs are intricately linked to the progress of these projects, as borrowers' ability to repay their loans is contingent upon the completion and delivery of their purchased properties. However, if construction projects face delays due to factors such as regulatory hurdles, funding issues, or construction delays, it can disrupt the repayment schedules of borrowers. As a result, borrowers may encounter financial strain and may be unable to fulfil their loan obligations, leading to increased instances of defaults for HFCs. This scenario underscores the vulnerability of HFCs to project delays and highlights the importance of effective risk management strategies to mitigate the potential impact on their loan portfolios.

Lack of proper title; lack of data for credit appraisal

The availability and reliability of credit scores in India are still in their nascent stages of development, posing challenges for HFCs in accurately assessing the repayment capability of borrowers. Without comprehensive credit scoring systems, it becomes challenging for lenders to gauge the creditworthiness and risk profile of potential borrowers, potentially leading to misjudgements in loan approvals and increased default rates. In response to this limitation, HFCs are adopting additional risk mitigation measures, such as intensifying due diligence efforts conducted by their technical teams. By supplementing traditional credit scoring methods with thorough technical assessments, HFCs aim to enhance their risk management practices and minimize the likelihood of defaults, thereby safeguarding their loan portfolios and overall financial stability.

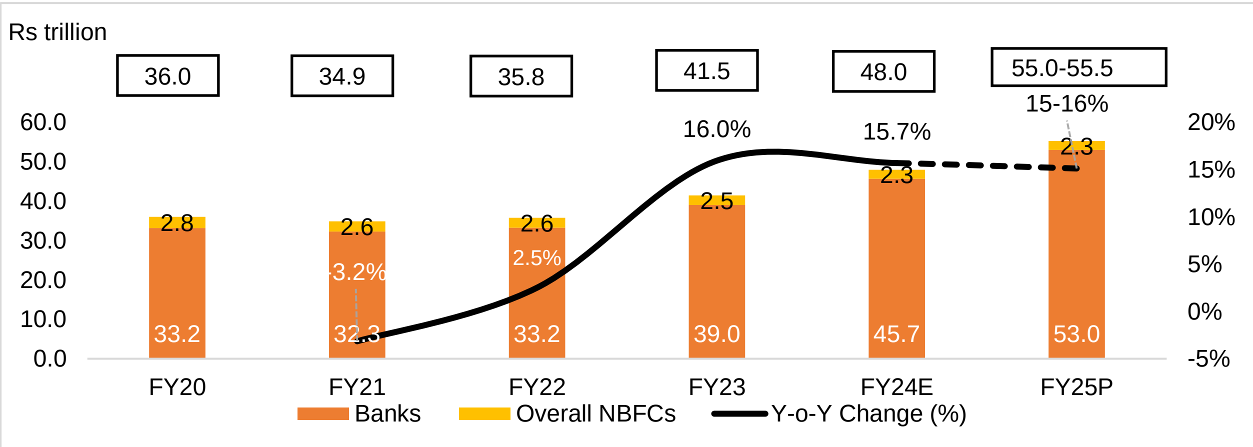
7. Wholesale credit in India

7.1 Overview of wholesale credit

Wholesale finance represents lending services to medium-sized and large corporate firms, institutional customers and real estate developers by banks and other financial institutions. It encompasses both short- and long-term funding with long term loans accounting for most of the loan book. While long term loans are driven by investment cycles, short term loans are influenced by business revenue and working capital requirement.

Over the past few fiscals, NBFC funding towards the real estate sector has undergone considerable evolution in terms of size, complexity and interconnectedness with the financial sector. CRISIL MI&A excludes lease-rental discounting (LRD) from the wholesale book along with lending to the infrastructure sector and covers only loans offered to large and mid-sized corporates in non-infrastructure segments.

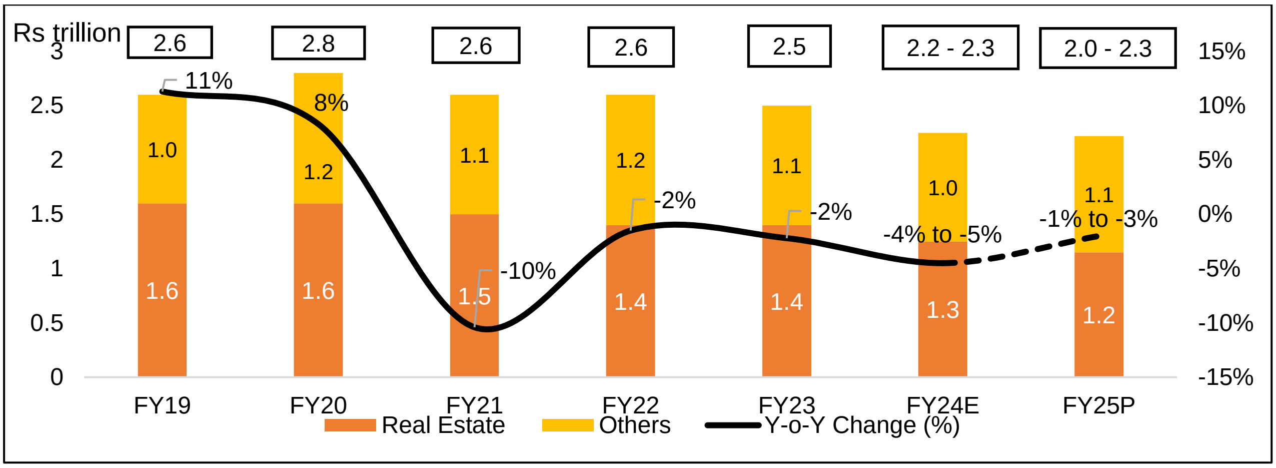
Overall Wholesale Credit projected to grow at 15-16% in 2025



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

For the overall wholesale credit industry, bank have the lions share (~93%) of the market share. The emergence of alternate investment funds (AIFs) and private credit in the wholesale credit space is helping corporations and mid-market companies with their financing requirements, and they are experiencing a strong demand from companies for bespoke or tailored financing options. These institutions are strategically competitive with NBFCs, who have been cautious in lending to both the corporate segment and real estate. As a result, the wholesale book of NBFCs declined by 2% year-on-year in fiscal 2023. Most NBFCs are nearing completion of their transition to divesting wholesale lending portfolios by fiscal 2025. But those still focused on expanding their portfolios are expected to see normalization by fiscal 2025. With this, wholesale credit by NBFCs is estimated to decrease by 4% to 5% year-on-year in the fiscal 2024 and is projected to decrease by 1 to 3% year-on-year in fiscal 2025.

NBFC lending to the wholesale segment is expected to recover marginally in fiscal 2025

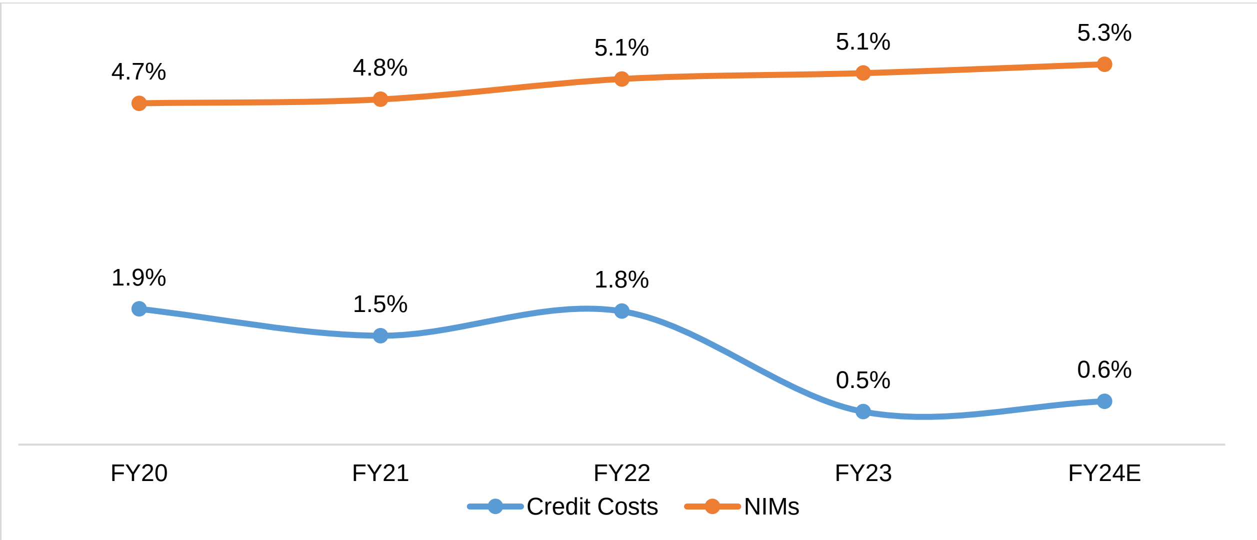


Note: E – Estimated, P – Projected; Source: RBI, CRISIL MI&A

NBFCs have experienced a decline in their wholesale segment, with more focus on retail credit. Volatile asset quality driven by high ticket sizes is the primary reason why these NBFCs have been gradually shedding their wholesale portfolios. Defaults in these loans result in elevated delinquencies, causing overall GNPAs to deteriorate. Another reason is the risky nature of certain real estate projects with high gestation periods. Consequently, product- or segment-focused NBFCs face higher borrowing costs, leading to contracted net interest margins (NIMs) and return on assets (ROAs).

The real-estate industry now stands on a more stable ground, with expectations of some unlocking in funding by NBFCs in fiscal 2025. NIMs previously experiencing moderations or stagnation are estimated to grown, and credit costs are experiencing a moderation, with NIMs and credit costs estimated at 5.3% and 0.6% respectively in fiscal 2024

Industry NIMs improve between fiscals 2020 and 2024



Note: Overall financials of the following companies were considered: Aditya Birla Finance Limited, Axis Finance Limited, Citicorp Finance (India) Limited, IndoStar Capital Finance Limited, JM Financial Credit Solutions Limited, JM Financial Products Limited, Piramal Enterprises Limited, Tata Capital Financial Services Limited
Source: Company Reports, CRISIL MI&A

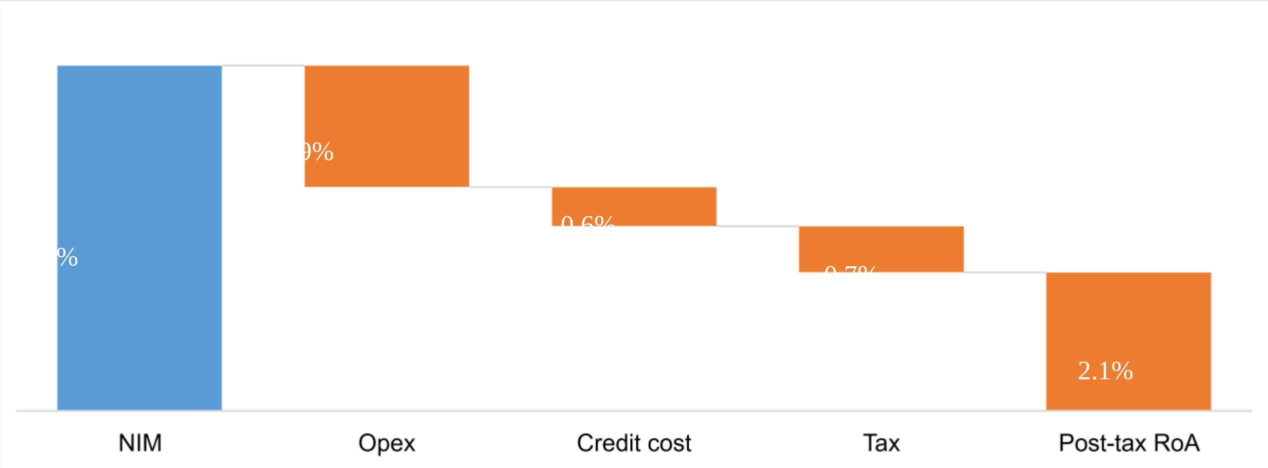
Segmentation of wholesale finance offered by NBFCs

Real estate lending	Secured corporate lending (includes structured finance)

• Provides customised and structured loans to real estate developers for pre-approval/land financing and construction of commercial and residential properties
• Last stage financing for inventory funding
	• Customised financing solutions to meet working capital and growth finance needs of corporate clients
	• It includes :
	  • Vanilla term loans
	  • Working capital loans
	  • Structured finance

Source: CRISIL MI&A

Post-tax RoA for NBFCs is estimated to be around 2.1% in Fiscal 2024 for wholesale lending segment



Note: Overall financials of the following companies are considered: Aditya Birla Finance Limited, Axis Finance Limited, IndoStar Capital Finance Limited, JM Financial Credit Solutions Limited, JM Financial Products Limited, Tata Capital Financial Services Limited
Source: Company Reports, CRISIL MI&A

The NIMs for the wholesale lending segment is estimated to be around 5.3% in fiscal 2024. Opex for wholesale lending segment is comparatively lower as compared to other retail asset classes and credit costs have been improving and is estimated to be around 1.9% in fiscal 2024. Therefore, the post-tax RoA for wholesale lending segment is estimated to be around 2.1% in fiscal 2024.

7.2 Growth Drivers for Wholesale Credit Market

NBFCs compete with Banks through innovative product offerings and strong relationship with corporates

Customised solutions:

NBFCs offer customised loan structures with features such as interest moratorium and bullet repayment schedules, which are not offered by banks. In addition, NBFCs also often extend credit to developers for land financing and early-stage project financing. These offerings along with strong customer relationships with corporations help NBFCs to be competitive with Banks

Lower turnaround time:

Corporates often require funds in a timely manner for funding business growth and/or managing liquidity crunch. NBFCs are able to meet the requirement of such clients owing to their faster turnaround time. The quicker turnaround time for NBFCs can be attributed to the use of technology and digital platforms in aspects of loan origination, underwriting and collections, and faster processing of documents. Decision-making cycles in some PSBs are elongated, owing to high ticket size and high-risk segment. This shall contribute to the growth of NBFCs in wholesale segment.

Revival in Capex Cycle:

Substantial opportunities arising from revival of capex cycles may have a positive impact and prove to be beneficial to both lenders and borrowers. The boost in housing, roads and railways has resulted in capital formation, and is positive growth attributor for creditors in the wholesale credit space. This resurgence driven by central government capital expenditure could lead to enhanced financial fluidity and growth prospects in the economy especially in the wholesale credit loan market.

Strategic Credit Diversification and Risk Management:

NBFCs, by analysing past experiences, are recognizing the critical importance of managing and diversifying their wholesale credit portfolios. This strategic shift is aimed at maintaining asset quality while ensuring sustainable returns. Diversification, in this context, involves spreading credit exposure across various sectors and borrower segments to mitigate risks associated with economic downturns or sector-specific disruptions. Moreover, improved risk management techniques, such as enhanced credit assessment processes and continuous monitoring of loan performance, are being implemented to forecast potential defaults and preserve capital. This proactive approach not only helps in stabilizing the asset quality but also positions NBFCs to capitalize on emerging opportunities in the market, thereby driving their growth in a competitive financial landscape.

7.3 Competitive Scenario

AUM of Wholesale Portfolios of players for Fiscal 2022, Fiscal 2023 and FY24

AUM (Rs. Billions)	FY22	FY23	FY24	Y-o-Y Growth %
Tata Capital Financial Services Limited	349	440	577	28.6%
Aditya Birla Finance Limited	202	248	320	25.9%
Axis Finance Limited	109	130	171	25.3%
Piramal Enterprises Limited	436	318	209	-30.8%

*Note: *as of 9MFY24, Source: Company Reports, CRISIL MI&A*

Note: Wholesale book of Aditya Birla Finance Limited consists of corporate and mid-market segments, Wholesale book of Axis Finance Limited consists of corporate loans, collateralised loans and real estate financing, Wholesale book of IndoStar Capital Finance Limited consists of corporate lending of sectors which include real estate, steel, cement, media and entertainment, dairy, financial services, pharmaceuticals, FMCG, etc, Wholesale book of Tata Capital Financial Services Limited consists of SME and corporate loans, Wholesale book of Piramal Enterprise Limited includes corporate mid-market loans and real estate loans.

7.4 Key Risks in the Market

Limited refinancing avenues

Due to increasing asset quality concerns in wholesale finance segment and liquidity crunch, repayments will have to be made through the actual cash flows received from the borrowers. Economic downturn and poor demand in the real estate sector in future may again witness increase in defaults. Substantial opportunities arising from revival of capex cycles may have a positive impact and prove to be beneficial to both lenders and borrowers.

Concentrated portfolio

In the wholesale finance sector a few key players dominate, making it susceptible to significant increase in GNPAs from minor slippages. Creditors mitigate concentration risks by maintaining a through due diligence assessment before sanctions, having diversified industry portfolio, restricting exposure of credit to high level of concentration. The real estate and corporate segments, in particular, face higher stress compared to other lending areas of NBFCs. thus highlighting the need for robust risk management.

Wholesale Exposure Reduction in NBFCs

Wholesale credit has the risks of doubtful debts because of the quantum of credit provided. Due to the large ticket sizes any deferment or defaults in payments strongly impact the collection and slippages resulting in contraction or margins and rising credit costs for the financing companies. The NBFC sector faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Any such situations in future may again impact NBFCs in wholesale lending segment considerably.

8. Peer benchmarking

For Peer Benchmarking, following players are considered: Cholamandalam Investment & Finance Company Limited (Standalone), Bajaj Finance Limited (Consolidated), Poonawalla Fincorp Limited (Standalone), Hero Fincorp Limited (Consolidated), Sundaram Finance Limited (Standalone) and Tata Capital Limited (Consolidated).

AUM and disbursement growth

In terms of AUM, Bajaj Finance had the highest AUM amongst the peer set for which data is available, at Rs 3,306 billion, at end of fiscal 2024, followed by Tata Capital, which had an AUM of Rs 1,578 billion. In terms of growth, Cholamandalam and Bajaj Finance have reported AUM growth of 37.6%, and 29.4% CAGR between fiscal 2022 and 2024 respectively. Hero Fincorp is fourth fastest growing NBFC among the peer set with growth CAGR of (25.4%) between FY22 and FY24 in terms of AUM.

AUM and Disbursement for Players

Player	AUM (Rs. Bn)				Disbursement (Rs. Bn)			
	FY22	FY23	FY24	CAGR (FY22-24)	FY22	FY23	FY24	CAGR (FY22-24)
Bajaj Finance Limited	1,975	2,474	3,306	29.4%	NA	NA	NA	NA
Cholamandalam Investment & Finance	769	1,065	1,456	37.6%	355	665	887	58.1%
Hero Fincorp Limited	330	418	518	25.4%	197	277	345	32.3%
Poonawalla Fincorp	166	161	250	22.8%	95	158	333	87.3%
Sundaram Finance#	390	457	578	21.7%	156	249	312	41.5%
Tata Capital	943	1,168	1,578	29.3%	528	750	1,052	41.2%

Note: NA: Data not available. Table is arranged in alphabetical order. # Data is including of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Interest Income, PAT, and Net Worth for Players

Player	Interest Income (Rs Bn)			Net Worth (Rs. Bn)			PAT (Rs. Bn)		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
Bajaj Finance Limited	272.8	355.5	483.1	437.1	543.7	767.0	70.3	115.1	144.5
Cholamandalam Investment & Finance	95.7	120.8	176.1	117.1	143.0	195.6	21.5	26.7	34.2
Hero Fincorp Limited*	42.4	57.2	74.8	47.7	75.6	83.8	(1.9)	7.9	9.9
Poonawalla Fincorp	14.6	18.2	29.0	57.1	64.2	81.2	2.9	5.8	20.6$
Sundaram Finance	33.9	34.7	45.2	68.9	77.4	94.7	9.0	10.9	14.5
Tata Capital	90.9	119.1	163.7	117.1	173.4	234.2	16.5	29.5	33.3

*Note: * For the calculation purpose, Compulsorily Convertible Preference Share (CCPS) were classified as part of equity for FY23 and FY24. Table is arranged in alphabetical order. $ PAT for the year is including of exceptional items of Rs. 12.21 Bn.*

Source: Company reports, CRISIL MI&A

AUM per branch/touchpoints

Hero Fincorp had the second highest AUM per employee at Rs. 116 million after Tata Capital, at end of fiscal 2024 among the players.

In terms of other operational metrics, Hero Fincorp had third highest disbursement per employee of Rs 77.1 million in fiscal 2024 among peer for which data is available. Further, Poonawalla Fincorp has witnessed the highest disbursement per branch at Rs. 3,264 million in fiscal 2024 followed by Tata Capital at Rs. 1,455.7 million among the peers for which data is available.

Branch Operational Metrics for Players

Player	Number of Branches			AUM per Branch (Rs. Mn)		
	FY22	FY23	FY24	FY22	FY23	FY24
Bajaj Finance Limited	3,504	3,733	4,145	563.5	662.7	797.6
Cholamandalam Investment & Finance	1,145	1,191	1,387	671.7	894.2	1,049.5
Hero Fincorp Limited*	4,182	4,181	4,397	78.8	99.3	117.9
Poonawalla Fincorp	242	85	102	685.1	1,899.2	2,451.3
Sundaram Finance#	723	788	848	539.8	580.4	681.6
Tata Capital	267	438	723	3,533.7	2,666.4	2,182.0

Note: *Number is of branches and touchpoints, Table is arranged in alphabetical order. # Data is including of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Employee Operational Metrics for Players

Player	Number of Employees*			AUM per Employee (Rs. Mn)		
	FY22	FY23	FY24	FY22	FY23	FY24
Bajaj Finance Limited	35,425	43,147	53,782	55.7	57.3	61.5
Cholamandalam Investment & Finance	9,125	13,248	38,235	84.3	80.4	38.1
Hero Fincorp Limited	2,617	3,589	4,469	125.9	115.6	116.0
Poonawalla Fincorp	5,184	2,452	2,384	32.0	65.8	104.9
Sundaram Finance#	5,085	8,498	9,007	76.7	53.8	64.2
Tata Capital	5,454	8,350	8,729	173.0	139.9	180.7

Note: Table is arranged in alphabetical order. * Total number of Employees (permanent and other than permanent) is considered for Bajaj Finance and Sundaram Finance. # Data is including of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Disbursement Operational Metrics for Players

Player	Disbursement per Branch (Rs. Mn)			Disbursement per Employee (Rs. Mn)		
	FY22	FY23	FY24	FY22	FY23	FY24
Bajaj Finance Limited	NA	NA	NA	NA	NA	NA
Cholamandalam Investment & Finance	310.0	558.6	639.7	38.9	50.2	23.2
Hero Fincorp Limited	47.1	66.3	78.4	75.3	77.2	77.1
Poonawalla Fincorp	392.3	1,853.1	3,263.6	18.3	64.2	139.6
Sundaram Finance#	215.6	315.6	367.8	30.7	29.3	34.6
Tata Capital	1,976.9	1,712.2	1,455.7	96.8	89.8	120.6

Note: NA: Not Available. Table is arranged in alphabetical order. # Data is including of Sundaram Finance and Sundaram Home Finance.

Source: Company reports, CRISIL MI&A

Yields on Advances and Net Interest Margins

In terms of the average for the period fiscal 2022 to fiscal 2024, Hero Fincorp had second highest yield on advances and second highest NIMs at 15.6% and 8.7% respectively among the peer group. Bajaj Finance Limited had the highest average yield on advances and NIM for the period fiscal 2022 to fiscal 2024 at 16.1% and 9.2%.

Yield on advances, Cost of Funds and NIM Metrics for Players

Player	Yield on advances (%)				Cost of Funds (%)				NIM %			
	FY22	FY23	FY24	Average (FY22-24)	FY22	FY23	FY24	Average (FY22-24)	FY22	FY23	FY24	Average (FY22-24)
Bajaj Finance Limited	15.9%	16.0%	16.4%	16.1%	6.6%	6.6%	7.3%	6.8%	9.1%	9.4%	9.1%	9.2%
Cholamandalam Investment & Finance	13.3%	13.2%	13.8%	13.4%	6.5%	6.9%	8.0%	7.1%	6.7%	6.5%	6.2%	6.5%
Hero Fincorp Limited*	14.6%	15.9%	16.4%	15.6%	6.4%	6.9%	8.0%	7.1%	8.0%	9.1%	9.1%	8.7%
Poonawalla Fincorp	14.9%	14.0%	15.3%	14.7%	7.0%	6.7%	7.3%	7.0%	8.2%	7.9%	9.3%	8.5%
Sundaram Finance	11.5%	10.8%	11.9%	11.4%	6.1%	5.9%	7.0%	6.3%	4.8%	4.4%	4.2%	4.5%
Tata Capital	10.9%	11.3%	11.6%	11.3%	6.3%	6.6%	7.3%	6.7%	4.5%	4.5%	4.4%	4.5%

Note: * For the calculation purpose Compulsorily Convertible Preference Share (CCPS) were classified as part of equity for FY23 and FY24. Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Operational and Profitability Metrics for Players

Sundaram Finance has the lowest Operating Expenses to average total assets ratio (2.1%) followed by Tata Capital (2.3%) and Cholamandalam Investment and Finance Company Limited (3.0%) as of fiscal 2024. Hero Fincorp has the highest fall in cost to income ratio (6.5%) between FY22 and FY24 (except Poonawala Fincorp).

Decrease in Cost to income ratio (in terms of basis points) has been highest for Poonawalla Fincorp at 20.4% followed by Hero Fincorp at 6.5%. Similarly, increase in PPoP % (in terms of basis points) has been highest Poonawalla Fincorp at 15.2% followed by Hero Fincorp at 3.1%.

Bajaj Finance has the highest average RoE of 21.0% from FY22 to FY24 followed by Cholamandalam Investment and Finance Company Limited (20.3%). Poonawalla Fincorp has the highest average RoA of 5.4% from FY22 to FY24 followed by Bajaj Finance (4.3%).

Operational Metrics for Players

Player	Cost to Income Ratio				PPoP (%)				Opex to Avg. Asset %			
	FY22	FY23	FY24	Change in bps (FY22-24)	FY22	FY23	FY24	Change in bps (FY22-24)	FY22	FY23	FY24	Change in bps (FY22-24)
Bajaj Finance Limited	34.7%	35.1%	34.0%	0.7%	45.2%	45.2%	43.5%	1.7%	4.0%	4.2%	3.8%	0.2%
Cholamandalam Investment & Finance	35.4%	38.5%	40.9%	(5.5%)	37.2%	34.3%	30.7%	6.5%	2.6%	2.8%	3.0%	(0.4%)
Hero Fincorp Limited	49.1%	47.4%	42.6%	6.5%	33.1%	34.9%	36.1%	(3.1%)	4.8%	5.2%	4.6%	0.1%
Poonawalla Fincorp	57.2%	56.8%	36.8%	20.4%	28.9%	30.4%	44.1%	(15.2%)	5.2%	5.2%	3.8%	1.4%
Sundaram Finance	31.7%	33.4%	32.5%	(0.8%)	38.4%	37.8%	35.9%	2.6%	2.0%	2.0%	2.1%	(0.1%)
Tata Capital	38.1%	37.9%	42.0%	(3.9%)	32.4%	32.1%	27.5%	4.9%	2.2%	2.2%	2.3%	(0.1%)

Note: Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Technology Spend as % of Opex for Players

Player	Technology Expense as % of Opex		
	FY22	FY23	FY24
Bajaj Finance Limited	5.8%	5.6%	5.8%
Cholamandalam Investment & Finance	2.3%	2.5%	2.5%
Hero Fincorp Limited	5.6%	6.6%	7.7%
Poonawala Fincorp	NA	NA	NA
Sundaram Finance	NA	NA	NA
Tata Capital	9.9%	8.4%	8.4%

Note: NA: Not Available. Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Profitability Metrics for Players

Player	PAT (Bn)				RoE (%)				RoA %			
	FY22	FY23	FY24	CAGR (FY22-FY24)	FY22	FY23	FY24	Average (FY22-24)	FY22	FY23	FY24	Average (FY22-24)
Bajaj Finance Limited	70.3	115.1	144.5	43%	17.4 %	23.5 %	22.1 %	21.0 %	3.7%	4.7%	4.4%	4.3%
Cholamandala	21.5	26.7	34.2	26%	20.2	20.5	20.2	20.3	2.7%	2.7%	2.5%	2.7%

m Investment & Finance					%	%	%	%				
Hero Fincorp Limited*	-1.9	7.9	9.9	NM	(3.9%)	12.8%	12.4%	7.1%	(0.6%)	2.0%	2.0%	1.2%
Poonawalla Fincorp	2.9	5.8	20.6$	165%	7.7%	9.6%	28.3%$	15.2%	2.5%	3.8%	9.8%$	5.4%
Sundaram Finance	9.0	10.9	14.5	27%	13.1%	14.9%	16.9%	15.0%	2.6%	2.9%	3.2%	2.9%
Tata Capital	16.5	29.5	33.3	42%	15.2%	20.3%	16.3%	17.3%	1.8%	2.5%	2.1%	2.1%

Note: NM: Not Meaningful. * For the calculation purpose Compulsorily Convertible Preference Share (CCPS) were classified as part of equity for FY23 and FY24. Table is arranged in alphabetical order. $ profit for the year is including of exceptional items of Rs. 12.21 Bn.

Source: Company reports, CRISIL MI&A

GNPA (%) and NNPA (%)

GNPA, NNPA and credit cost of Hero Fincorp decreased from 7.9%, 4.6% and 5.7% in fiscal 2022 to 4.0%, 2.0% and 3.6% in fiscal 2024 respectively. Amongst the peers, Tata Capital and Bajaj Finance have been able to keep the asset quality under check and have managed to maintain a low GNPA, NNPA, and Credit Cost throughout the period.

Asset Quality for Players

Player	GNPA (%)			NNPA (%)		
	FY22	FY23	FY24	FY22	FY23	FY24
Bajaj Finance Limited	1.6%	0.9%	0.9%	0.7%	0.3%	0.4%
Cholamandalam Investment & Finance	4.4%	3.0%	2.5%	2.6%	1.6%	1.3%
Hero Fincorp Limited	7.9%	5.1%	4.0%	4.6%	2.7%	2.0%
Poonawalla Fincorp	3.3%	1.4%	1.2%	1.3%	0.8%	0.6%
Sundaram Finance	2.2%	1.7%	1.3%	1.1%	0.9%	0.6%
Tata Capital	1.9%	1.7%	1.5%	0.6%	0.4%	0.4%

Note: Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Provision and Credit Cost for Players

Player	Provision Coverage Ratio (%)			Credit Cost %		
	FY22	FY23	FY24	FY22	FY23	FY24
Bajaj Finance Limited	58.0%	63.8%	57.0%	2.5%	1.3%	1.4%
Cholamandalam Investment & Finance	39.7%	46.0%	46.5%	1.1%	0.9%	1.0%
Hero Fincorp Limited	43.2%	48.7%	51.4%	5.7%	3.1%	3.6%
Poonawalla Fincorp	61.2%	46.2%	49.4%	0.6%	-0.9%	0.3%
Sundaram Finance	52.0%	48.6%	50.2%	0.9%	0.4%	0.6%
Tata Capital	71.0%	77.1%	74.1%	1.2%	0.5%	0.4%

Note: Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Capital Adequacy ratio and Leverage for Players

Player	Capital Adequacy Ratio			Debt to Equity Ratio		
	FY22	FY23	FY24	FY22	FY23	FY24
Bajaj Finance Limited	27.2%	25.0%	22.5%	3.8	4.0	3.8
Cholamandalam Investment & Finance	19.6%	17.1%	18.6%	5.9	6.8	6.9
Hero Fincorp Limited*	15.6%	20.6%	16.3%	6.0	4.5	5.2
Poonawalla Fincorp	49.1%	39.0%	33.8%	1.2	1.7	1.9
Sundaram Finance	24.4%	22.8%	20.5%	4.0	4.2	4.3
Tata Capital	61.0%	64.0%	16.6%	7.4	6.5	6.3

*Note: NA: Data not available. * For the calculation purpose Compulsorily Convertible Preference Share (CCPS) were classified as part of equity for FY23 and FY24. Table is arranged in alphabetical order.*

Source: Company reports, CRISIL MI&A

AUM Mix for Players (FY24)

Player	Product Category	Product AUM Mix
Bajaj Finance Limited	2W, 3W and Car loan	8%
	Urban Sales Finance	7%
	Urban B2C	20%
	Rural Sales Finance	2%
	Rural B2C	5%
	Gold Loans	1%
	SME Lending	12%
	Commercial Lending	7%
	Loans Against Securities	7%
	Mortgages	31%
Cholamandalam Investment & Finance	Vehicle Finance	58%
	LAP	21%
	CSEL	8%
	SME	3%
	HL	9%
	SBPL	1%
Hero Fincorp Limited	**Retail**	65%
	Vehicle Finance	25%
	Personal Loan	30%
	HHFL	10%
	SME	21%
	Secured SME	12%
	Unsecured SME	9%
	Corporate and others	14%
Poonawalla Fincorp	MSME (secured & unsecured)	37%
	Personal and Consumer	23%
	LAP	16%
	Pre-owned Car	15%
	Others	9%
Sundaram Finance	Sundaram Home Finance	
	Housing	*61%*
	Non-Housing	*39%*
	Sundaram Finance	
	MHCL	*24%*
	Retail CV	*21%*
	Cars	*24%*
	Construction Equipment	*11%*
	Tractors	*8%*
	Commercial Lending	*7%*
	Others	*5%*
Tata Capital	Retail	63%
	Mortgages	*50%*
	Auto	*19%*
	Unsecured	*21%*
	Other Retail	*9%*
	SME	24%

	Corporate	13%

Note: Table is arranged in alphabetical order, LAP – 2W – Two-wheeler, 3W – Three-wheeler, Loan against Property, CSEL – Consumer and small enterprise loan, SME – Small and medium enterprises, SBPL – small business and personal loan, HL – Home loan, HHFL – Hero Housing Finance Limited, MHCL – Medium & Heavy commercial loan, CV – Commercial vehicle.

Source: Company reports, CRISIL MI&A

Borrowing Mix for Players (FY24)

Player	Borrowing Mix of the Players (FY24)							
	Term Loan	NCD	Commercial Papers	Deposits	ECBs	Debentures	Securitization	Others
Bajaj Finance Limited	30%	32%		21%	2%	-	-	15%
Cholamandalam Investment & Finance	46%	-	2%	-	4%	11%	18%	19%
Hero Fincorp Limited	63%	9%	9%	-	11%	-	-	8%
Poonawalla Fincorp	NA	NA	NA	NA	NA	NA	NA	NA
Sundaram Finance	36%	34%	5%	14%	-	-	12%	-
Tata Capital	45%	40%	8%	-	6%	-	-	1%

Note: NA: Data is not available. Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Play Store App download and app ratings for Players (FY24)

Player	App Downloads	App Ratings
Bajaj Finance Limited	10 Cr+	4.7
Cholamandalam Investment & Finance	500K+	4.2
Hero Fincorp Limited	0.5 Cr+	3.6
Poonawalla Fincorp	0.1 Cr+	3.7
Sundaram Finance	100K+	4.2
Tata Capital	0.5 Cr+	3.9

Note: Table is arranged in alphabetical order.

Source: Company reports, Google play store, CRISIL MI&A

Credit Rating of Players (FY24)

Player	Credit Rating
Bajaj Finance Limited	CRISIL AAA, IND AAA, ICRA AAA
Cholamandalam Investment & Finance	IND AA+, CARE AA+
Hero Fincorp Limited	CRISIL AA+
Poonawalla Fincorp	CRISIL AAA, CARE AAA
Sundaram Finance	CRISIL AAA, ICRA AAA
Tata Capital	CRISIL AAA, IND AAA, ICRA AAA

Note: Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Number of years of operations, Promoters' Holding, Number of Independent Directors and Number of customers of Players (FY24)

Player	Number of years of operations	Promoter's Stake	Number of Independent Directors	Number of customers
Bajaj Finance Limited	37	54.7%	4	8,36,00,000

Cholamandalam Investment & Finance	46	50.4%	4	36,40,000+
Hero Fincorp Limited	33	79.6%	5	50,30,000+
Poonawala Fincorp	46*	62.1%	5	NA
Sundaram Finance	70	37.9%	7	6,32,747#
Tata Capital	33	92.8%	4	45,00,000+

*Note: Table is arranged in alphabetical order. NA – Not available, *Based on establishment of Magma Fincorp Limited. # Sundaram Finance and Sundaram Home Finance customers.*

Source: Company reports, Company Websites, CRISIL MI&A

List of formulae

Parameter	Formulae
NIMs	(Interest income – Interest expenses) / Average total assets
Yield on advances	Total interest income from loans and advances / Average net advances
Cost of borrowings	Interest expense / Average of sum of borrowings and deposits
Opex %	Opex / Average total assets
PPOP	(Total Income – interest expense – Opex) / Total Income
Credit cost	Provisioning / Average total assets
Cost to income	Opex / NII
ROE	PAT / Average shareholders' equity
RoA	PAT / Average total assets
GNPA %	Gross stage 3 asset % as reported in the company disclosures
NNPA %	Net stage 3 asset % as reported in the company disclosures
Debt to equity	Total borrowings and deposits / Total shareholders' equity
Provision Coverage Ratio	(Gross stage 3 asset - Net stage 3 asset) / Gross stage 3 asset

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, consists of certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. You should read the section "Forward-Looking Statements" on page 29 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" on page 31 for a discussion of certain risks that may affect our business, financial condition, cash flows or results of operations.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus beginning on page 361. In addition, certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Financial Data – Non-Generally Accepted Accounting Principles Financial Measures" on page 26.

*Unless otherwise indicated or the context otherwise requires, industry and market data used in this section have been extracted from 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 report titled 'Report on Loans and Financial Services Industry in India' dated July 30, 2024 prepared and issued by CRISIL MI&A (the "**CRISIL Report**"), which has been commissioned and paid for by our Company exclusively in connection with the Offer and prepared, only for the purposes of understanding the industry in which we operate, pursuant to an engagement letter dated April 5, 2024. See "Risk Factors – Internal Risks – We have included data derived from the CRISIL Report which has been prepared by CRISIL Limited exclusively for the Offer and commissioned and paid for by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 65. The CRISIL Report will form part of the material documents for inspection and is available on the website of our Company at 580. The information in the following section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 31, 147, 361 and 446, respectively.*

Overview

We are a scaled NBFC offering a diversified suite of financial products catered primarily to the growing retail customer segment and the rapidly formalising MSME customer segment in India. We offer retail, MSME and CIF loans. Our retail loans include vehicle, personal and mortgage loans. We had AUM of ₹518,208.11 million as at March 31, 2024, of which our retail and MSME loan verticals contributed 65.08% and 20.80%, respectively. Since our inception in 1991, we have grown our customer base to 11.80 million customers, which included 5.00 million active retail customers, and 29,060 active MSME customers and 360 active CIF customers, as at March 31, 2024.

We operate under the recognised and long-standing "Hero" brand, and benefit from the long-standing corporate heritage, strong track-record and reputation of our parent and promoter, Hero MotoCorp Limited. Hero MotoCorp Limited was the largest two-wheeler manufacturer in India in terms of domestic unit sales of two-wheeler in Fiscal 2024, according to the CRISIL Report, with a sales volume of 5.4 million units in Fiscal 2024. Hero MotoCorp Limited holds a 41.19% share in our Company and has invested a total of ₹14,690.40 million in equity capital and ₹7,000 million in compulsorily convertible preference shares ("**CCPS**") of our Company since our inception in 1991, as at March 31, 2024. Since its inception, Hero MotoCorp Limited has sold a total of 115 million two-wheelers as at March 31, 2024. We leverage Hero MotoCorp Limited's extensive two-wheeler distribution network in India, covering 4,257 dealer touchpoints comprising 1,272 dealers and 2,985 sub-dealers (excluding Hero MotorCorp Ltd.'s authorised mechanics and service centres), as at March 31, 2024, to distribute our two-wheeler loans.

We are strategically positioned to tap into the expanding and significantly underpenetrated retail and MSME customer segments in India. As at March 31, 2024, 72.20% of our retail customers came from households with annual incomes ranging from ₹0.20 million to ₹1.00 million, a group we identify as the "Aspiring India" or "Rising India" segment according to the CRISIL Report. We believe that this segment presents a significant opportunity, with the number of households expected to grow from 103.00 million in Fiscal 2022 to 181.00 million by Fiscal 2030, according to the CRISIL Report.

Favourable customer demographics are further expected to drive growth in retail loans, as customers in these segments increasingly aspire to own vehicles, homes and other products, according to the CRISIL Report. On the other hand, MSME customers are becoming an increasingly attractive base due to the increasing formalisation and digitisation of India's MSMEs. This shift generates additional data points for lenders like us, enhancing the effectiveness of credit assessments, according to the CRISIL Report. Furthermore, the Government of India expects that MSMEs' contribution to India's gross domestic product ("**GDP**") is expected to rise from 29.20% in Fiscal 2022 to around 40.00%-50.00% by Fiscal 2030, according to the CRISIL Report. With our expanding customer database, which is supplemented by growing original source data from India's advancing digital public infrastructure, we are well-positioned to address the credit gaps within the underserved retail and MSME segments.

We follow a "Customer First Approach" in designing lending products that are customisable and cater to the unique needs of our retail, MSME and CIF customers throughout their lifetimes. Our business verticals comprise:

1. **Retail Finance.** We offer retail customers:

   (i) **Vehicle Loans** comprising (a) two-wheeler loans to finance purchases of scooters and motorcycles from Hero MotoCorp Limited and electric two-wheelers ("**E2W**") from select brands, and (b) used car loans to finance or refinance purchases of used cars.

   (ii) **Personal Loans** comprising (a) personal loans sourced through our partner platforms, (b) Hero Instant Personal Loans ("**HIPL**") sourced through our mobile application ("**app**") and website, (c) open market personal loans sourced through our channel partners, particularly direct selling agents ("**DSA**s"), and (d) loyalty personal loans for existing customers who already have a credit history with us.

   (iii) **Mortgage Loans** through our subsidiary and housing finance arm, in particular secured mortgage loans, which we offer to self-employed and salaried retail customers seeking to purchase residential property or land to construct their homes, to renovate or extend their homes, or to mortgage their existing property for business or personal purposes.

2. **MSME Finance.** We offer MSME customers (i) secured loans in the form of loans against property and construction finance; and (ii) unsecured loans in the form of business loans and supply chain finance, to support them in the operation and expansion of their businesses, including acquiring fixed assets and meeting working capital needs.

3. **CIF**. We offer secured loans to corporate & institutional customers such as promoters, holding companies and operating entities of large corporations.

The following table provides a breakdown of our AUM by business vertical.

Particulars	**As at March 31,**						**CAGR from March 31, 2022 to March 31, 2024 (%)**
	2024		**2023**		**2022**		
	(in ₹ million)	*Percentage of Total AUM*	*(in ₹ million)*	*Percentage of Total AUM*	*(in ₹ million)*	*Percentage of Total AUM*	
Retail Finance	337,262.59	65.08%	262,322.39	62.83%	199,664.83	60.41%	29.97%
- Vehicle Loans	127,942.58	24.69%	108,383.55	25.96%	98,760.38	29.88%	13.82%
- Personal Loans	155,993.81	30.10%	114,433.03	27.41%	72,664.22	21.98%	46.52%
- Mortgage Loans	53,326.21	10.29%	39,505.81	9.46%	28,240.24	8.54%	37.42%
MSME Finance	107,798.26	20.80%	84,815.01	20.31%	61,514.37	18.61%	32.38%
- MSME Secured Loans	61,036.26	11.78%	44,037.67	10.55%	29,201.43	8.83%	44.57%
- MSME Unsecured Loans	46,761.95	9.02%	40,777.35	9.77%	32,312.94	9.78%	20.30%
CIF	59,881.01	11.56%	50,364.54	12.06%	66,345.32	20.07%	(5.00)%
Others(1)	13,266.30	2.56%	20,006.99	4.79%	3,000.30	0.91%	110.28%
Total AUM(2)	**518,208.11**	**100.00%**	**417,508.93**	**100.00%**	**330,524.82**	**100.00%**	**25.21%**

Notes:
(1) Others represents lending amount to Clearcorp Repo Order Matching System (CROMS).
(2) AUM: sum of (i) Total Gross Loans, which is the aggregate amount of loan receivables from customers including future principal overdue, overdue principal, interest and interest accrued but not due before considering impairment allowances, as at the last day of the relevant Fiscal, and (ii) Assigned Loan Assets, being the loan assets which have been transferred by our Company by way of assignment, as at the last day of the relevant Fiscal.

We offer a mix of secured and unsecured loans. We offer unsecured loans (in the form of business loans and supply chain finance) to our MSME customers and unsecured personal loans to our retail customers. We distribute our lending products to a diverse customer base across various demographics, income levels, livelihoods, geographic regions, and credit histories throughout India. Our unique customer acquisition model supports this broad reach. We source business through a robust omni-channel, asset light, pan-India distribution network consisting of a strategic mix of our in-house sales team for direct sourcing and our partnership network. Our distribution network comprises our digital channels, HHFL branches, relationship managers and our sales executives, which is complemented by our asset-light, distribution partner network, comprising (i) two-wheeler and used car dealers, (ii) digital partners and (iii) DSAs.

1. **Retail Finance.**

    (i) **Vehicle Loans.** Our dedicated sales team leverages certain dealerships within Hero MotoCorp Limited's extensive dealer network, which includes 4,257 dealer touchpoints, comprising dealers and sub-dealers across 2,000 cities, towns, and villages as at March 31, 2024. We also have a robust sales team for our used car loans and have formed strong partnerships with several digital partners to further extend our distribution reach.

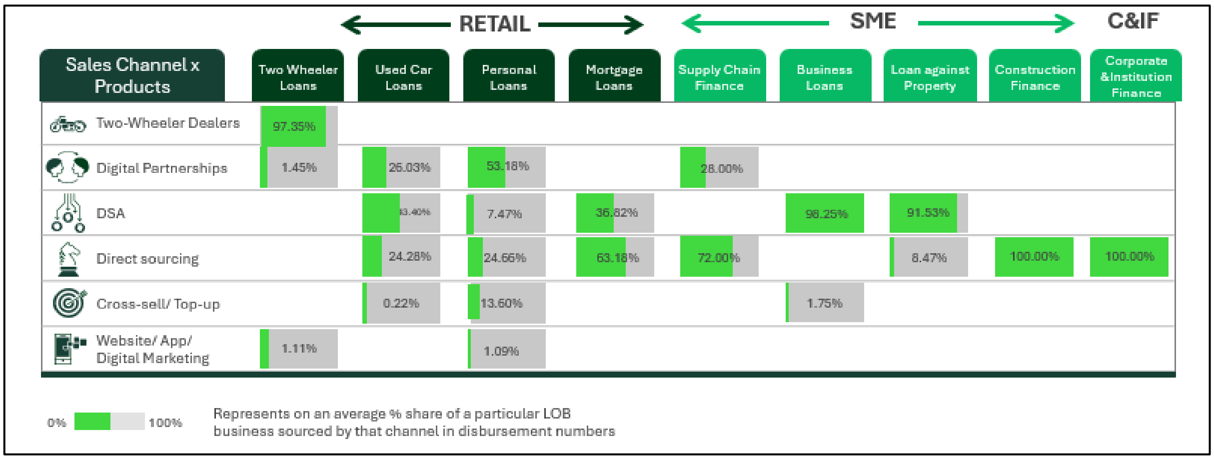
    (ii) **Personal Loans.** We source personal loans through our in-house sales team which includes a call centre, and through our partnership network, in particular through digital partners and a network of DSAs.

    (iii) **Mortgage Loans**. Our subsidiary, HHFL, sources business through a network of 117 branches of our Company's network of 140 leased branches (including HHFL's branches), with a sales team of 1,539 employees, as at March 31, 2024 and through a large network of DSAs.

2. **MSME Finance.** Our MSME business utilises a blend of sourcing models, including direct sourcing through our in-house sales team and through DSAs. Supply chain and construction loans are sourced through our in-house sales team while asset-backed loans and unsecured business loans are sourced through DSAs.

3. **CIF.** We have a dedicated in-house sales team to source CIF business.

The chart below shows the extent to which our different lines of business utilised various sales channels to source our customers in Fiscal 2024.



Over the years, we have developed significant cross-selling capabilities based on our extensive customer base for two-wheeler loans, used car loans, business loans, mortgage loans, and loans against property, as well as our partnerships with digital platforms. By analysing each customer's overall credit history and repayment track record, we selectively offer new loans to those with good credit histories, tailoring the loan terms based on individual risk profiles. Our products per customer ("**PPC**") in Fiscals 2024, 2023, and 2022 were 4.25, 3.15, and 3.52, respectively.

In Fiscals 2024, 2023 and 2022, secured Total Gross Loans comprised 59.95%, 62.48% and 67.49% of our Total Gross Loans, respectively, while unsecured Total Gross Loans comprised 40.05%, 37.52% and 32.51% of our Total Gross Loans, respectively.

We are a digitally savvy NBFC with technology seamlessly integrated throughout our operations, from onboarding and underwriting to loan fulfilment, settlement, collections and servicing. This integration allows us to more efficiently manage our extensive distribution and collections network, delivering a customised customer experience through a fully digital journey. In addition to leveraging digital channels for customer acquisition, we engage in paid marketing campaigns, use an e-sign agreement process for onboarding and have integrated our technology platform with those of our partners to directly source customers. We believe this approach drives cost efficiencies and enhances the customer experience.

We have digitised the loan disbursal process using our loan management system ("**LMS**") and eSigning technologies, resulting in faster disbursal times and enhanced fraud protection. We have also improved our non-cash collections rate, increasing from 76.00% in Fiscal 2022 to 81.24% in Fiscal 2023 and 83.31% in Fiscal 2024 through introduction of payment links and mobile app. We have deployed AI-led models to capture insights throughout the customers' lifecycle. For example, we have introduced Generative Pre-trained Transformer ("**GPT**")-based chat models in our mobile app and website focused on reducing customer wait times and lowering servicing costs Our mobile app has been downloaded approximately 6.5 million times since Fiscal 2020. We collect and store data in a cloud-based data lake environment. As at March 31, 2024, our data lake contains 102 data points at the micro-market level and collaborates with 30 data partners. We have the ability to gather data down to the pin-code level, and this level of detailed, quality data enhances our analytics capabilities across various functions and enables data-driven business decision-making.

Our organisation fosters a deeply embedded risk management culture, guided by a robust framework overseen by our Board. Our risk management practices are anchored in rigorous underwriting standards, advanced data analytics, and a centralised collections infrastructure. Our risk management framework is based on our "three lines of defence" model which distinguishes the roles of the three groups within our Company that contribute to effective risk management as detailed below:

- First line of defence: Frontline teams and operational managers that own and manage risks and are responsible for implementing corrective actions to address process and control deficiencies.

- Second line of defence: Risk management department and compliance teams that oversee risks.

- Third line of defence: Our internal audit team that conduct audits to detect risks and provide independent assurance.

We have established credit policies, procedures, and systems to manage underwriting practices across our retail finance, MSME finance, and CIF verticals. Each loan type is governed by standardised and comprehensive underwriting procedures. For instance, in our retail finance vertical, we utilise machine learning ("**ML**") based scorecards to underwrite both NTC and ETC customers. For our MSME and CIF verticals, we implement a cash-flow based underwriting approach. Additionally, we have developed and deployed an ML-based statistical algorithm to monitor sourcing quality trends in real time and predict the probability of default across all business verticals, providing early warning signs of potential defaults.

We have built strong data analytics capabilities that support improved risk management. We leverage multiple data sources including government and regulatory digital database initiatives, such as India Stack, account aggregators, credit bureaus, Aadhar unique identification numbers, the GST portal, the Udyam portal and the Ministry of Corporate Affairs portal, to access additional customer information from original sources to draw insights on individual borrower risk profiles with recorded digital consent from the customer. Our analytics capabilities, integrated with our AI and ML-based scorecards, monitor portfolio quality trends, detect early warning signals in real time and inform the underwriting process.

We have a centralised, technology-enabled collections infrastructure that spans all our business verticals. This infrastructure utilises a unique four-tier mix of our in-house collections team, outsourced field agencies, call centres, and our sales executives.

Our in-house collections team comprising 5,653 employees which forms the backbone of our network, includes our collections strategy and analytics unit, collections managers and in-house collections agents. They are responsible for tracking repayment schedules, payments, and loan defaults, collecting payments, and reviewing customer accounts.

This team is supported by approximately 8,313 active field agents from 1,228 outsourced field agencies, outsourced call centres staffed with 545 executives, and 4,257 Hero MotoCorp Limited dealers and sub-dealers, as at March 31, 2024. All loan repayment statuses and overdue payments are tracked and recorded directly on our collections app on a real time basis. Our collection efficiency was 94.42%, 95.07% and 83.00%, in Fiscals 2024, 2023 and 2022 respectively, being the ratio of collected amounts to total current dues for the relevant Fiscal. We have increased our provisioning, achieving a provision coverage ratio ("**PCR**") of 51.41% in Fiscal 2024, up from 48.74% in Fiscal 2023 and 43.16% in Fiscal 2022.

We have received credit ratings of "AA+ with a stable outlook" from CRISIL, ICRA, and CARE, and our commercial papers are rated "A1+" by CRISIL and ICRA. These high credit ratings allow us to access diverse funding sources within capital markets and borrow from various lenders at competitive rates. Our funding sources include non-convertible debentures, commercial papers, term loans, working capital facilities, and external commercial borrowings from financial institutions. As at March 31, 2024, we had 90 lenders. For further details on our funding sources, please see " *– Our Competitive Strengths - Strong liability franchise, access to low-cost borrowing, and strong credit ratings" on page 247.*

In Fiscals 2024, 2023, and 2022, our Average Cost of Borrowing was 7.95%, 6.90%, and 6.37%, respectively. We maintain a balanced mix of short-term and long-term assets and liabilities, and as at March 31, 2024, we had a positive asset-liability management ("**ALM**") across all time buckets.

As part of our governance policy, we typically maintain CAR above the statutorily prescribed levels. As at March 31, 2024, in accordance with the NBFC Scale Based Regulations, NBFCs such as our Company are required to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, of not less than 15.00% of our aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items, of which Tier I capital cannot be less than 10.00%. Our CAR as of March 31, 2024, 2023 and 2022 was 16.28%, 20.57% and 15.60%, respectively, exceeding the RBI mandated norms.

Our subsidiary, HHFL, maintained a CAR of 19.60%, 30.21%, and 24.44% as at March 31, 2024, 2023, and 2022, respectively, well above the NHB's mandated requirement of 15.00%.

Our operations are bolstered by an experienced senior management team, many of whom have held senior positions at leading banks and financial institutions. They bring a strong track record in the financial services industry, with an average of 25 years of experience in the industry and five years at our company.

Over the past three Fiscals, our business has grown significantly, as evidenced by the following operational and financial performance metrics for the specified periods.

Particulars	As of March 31/ Fiscal		
	2024	2023	2022
	(*in ₹ million, unless otherwise specified*)		
AUM(1)	518,208.11	417,508.93	330,524.82
Product Verticals:			
AUM – Retail Finance	337,262.59	262,322.39	199,664.83
AUM – MSME Finance	107,798.26	84,815.01	61,514.37
AUM – CIF	59,881.01	50,364.54	66,345.32
AUM – Others(2)	13,266.30	20,006.99	3,000.30
Total Gross Loans(3)	514,870.94	414,972.68	329,508.05
Disbursements(4)	344,632.47	277,133.32	196,998.95
Net Worth(5)	57,659.70	52,434.40	47,675.20
Adjusted Net Worth(6)	83,772.07	75,534.92	47,675.20
Total Borrowings(7)	461,694.76	366,278.60	286,797.30
Adjusted Total Borrowings(8)	435,582.39	343,178.08	286,797.30
Debt to Equity Ratio *(times)* (9)	8.01	6.99	6.02
Adjusted Debt to Equity Ratio *(times)*(10)	5.20	4.54	6.02
CRAR *(%)*(11)	16.28%	20.57%	15.60%
Tier I Capital (%)(12)	14.36%	17.68%	13.10%
Net Interest Income(13)	43,820.17	35,456.50	25,633.43
Net Total Income(14)	52,623.67	42,735.95	31,189.90
Profit before Credit Cost (PBCC) (15)	26,829.37	19,474.51	15,867.83
Impairment on Financial Instruments (16)	17,223.90	12,122.30	18,408.11
Restated Profit/(loss) after tax(17)	6,370.48	4,799.47	(1,918.98)
Adjusted Profit/(loss) after tax (18)	9,857.38	7,899.99	(1,918.98)
Net Interest Margin (NIM) (%)(19)	9.43%	9.53%	8.48%
Operating Expenses Ratio(20)	5.55%	6.25%	5.07%
Adjusted Operating Expenses Ratio(21)	4.80%	5.42%	5.07%
Profit before Credit Cost Ratio(22)	5.77%	5.23%	5.25%
Credit Cost Ratio(23)	3.70%	3.26%	6.09%
Return on Asset (ROA) *(%)*(24)	1.37%	1.29%	(0.64)%
Adjusted ROA *(%)*(25)	2.12%	2.12%	(0.64)%
Return on equity (ROE)(26)	11.57%	9.59%	(3.94)%
Adjusted ROE *(%)*(27)	12.38%	12.82%	(3.94)%
Cost to Income Ratio(28)	49.02%	54.43%	49.13%
Adjusted Cost to Income Ratio(29)	42.39%	47.18%	49.13%
GNPA Ratio(30)	4.02%	5.11%	7.54%
NNPA Ratio(31)	2.00%	2.69%	4.43%
Provision Coverage Ratio (PCR)(32)	51.41%	48.74%	43.16%
Number of Branches(33)	140	81	82
Number of Total Employees(34)	15,486	13,403	11,578
Number of On-roll Employees(35)	4,469	3,589	2,617
Mobile app downloads (in millions)(36)	2.79	1.91	1.80
Percentage of customers digitally acquired (%)(37)	37.75%	40.70%	18.75%
Digital collections (%)(38)	83.31%	81.24%	76.00%
Digital share of customer service (%)(39)	53.02%	47.53%	48.88%

Notes:

1) *AUM: sum of (i) Total Gross Loans, which is the aggregate amount of loan receivables from customers including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as at the last day of the relevant Fiscal, and (ii) Assigned Loan Assets transferred by our Company by way of assignment, as at the last day of the relevant Fiscal.*
2) *Others: represents lending amount to CROMS (Clearcorp Repo Order Matching System).*
3) *Total Gross Loans: aggregate amount of loan receivables from customers, including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as of the last day of the relevant Fiscal*
4) *Disbursements: total amount of new loans disbursed to the customers during the relevant Fiscal*
5) *Net Worth: sum of equity share capital and other equity as of the last day of the relevant Fiscal*
6) *Adjusted Net Worth: Net Worth as of the last day of the relevant Fiscal considering CCPS Value as equity. CCPS Value is Carrying amount of Compulsorily Convertible Preference Share (CCPS) as of the last day of the Fiscal.*
7) *Total Borrowings: sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant Fiscal.*
8) *Adjusted Total Borrowings: sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (excluding CCPS) as of the last day of relevant Fiscal.*
9) *Debt to Equity Ratio: ratio of Total Borrowings to Net Worth as of the last day of the relevant Fiscal.*
10) *Adjusted Debt to Equity Ratio: ratio of Adjusted Total Borrowings to Adjusted Net Worth as of the last day of the relevant Fiscal.*

11) *CRAR: Capital to risk (weighted) assets ratio which is computed by dividing our Tier I and Tier II capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the relevant Fiscal.*
12) *Tier I Capital (%): Tier I capital, computed in accordance with the method provided by the regulator as of the last day of the relevant Fiscal, divided by total risk weighted assets.*
13) *Net Interest Income: Interest Income for the relevant Fiscal reduced by finance cost for the relevant Fiscal.*
14) *Net Total Income: Total Income reduced by finance cost for the relevant Fiscal.*
15) *Profit before Credit Cost (PBCC): Net Total Income reduced by Operating Expenses for the relevant Fiscal.*
16) *Impairment on Financial Instruments: Impairment allowance on gross carrying amount of Total Gross Loans and Settlement Loss and Bad Debts Written Off for the relevant Fiscal.*
17) *Restated Profit/(loss) after tax: Restated Profit/(loss) before tax minus tax expenses for the relevant Fiscal.*
18) *Adjusted Profit/(loss) after Tax (Adjusted PAT): Restated Profit/(loss) after Tax excluding CCPS Cost for the relevant Fiscal.*
19) *Net Interest Margin (NIM): ratio of Net Interest Income to Average Total Gross Loans for the relevant Fiscal.*
20) *Operating Expenses Ratio: ratio of Operating Expenses to Average Total Gross Loans for the relevant Fiscal.*
21) *Adjusted Operating Expenses Ratio (%): ratio of Adjusted Operating Expenses to Average Total Gross Loans for the relevant Fiscal.*
22) *Profit before Credit Cost (PBCC) Ratio: ratio of Profit before Credit Cost (PBCC) to Average Total Gross Loans for the relevant Fiscal.*
23) *Credit Cost Ratio: ratio of Impairment on Financial Instruments to Average Total Gross Loans for the relevant Fiscal.*
24) *Return on Asset (ROA): ratio of Restated Profit/(loss) after tax to Average Total Gross Loans for the relevant Fiscal.*
25) *Adjusted ROA (%): ratio of Adjusted Profit/(loss) after tax to average Total Gross Loans for the relevant Fiscal.*
26) *Return on equity (ROE): ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Net Worth as of the last day of the relevant Fiscal.*
27) *Adjusted ROE: ratio of Adjusted Profit/(loss) after tax for the relevant Fiscal to Average Adjusted Net Worth for the relevant Fiscal.*
28) *Cost to Income Ratio: ratio of Operating Expenses to Net Total Income for the relevant Fiscal.*
29) *Adjusted Cost to Income Ratio: ratio of Adjusted Operating Expenses to Net Total Income for the relevant Fiscal.*
30) *GNPA Ratio: ratio of Stage 3 Loans to Total Gross Loans as of the last day of the relevant Fiscal. Stage 3 Loans refers to the gross carrying amount of Stage 3 Loans as of the last day of relevant Fiscal.*
31) *NNPA Ratio: ratio of NNPA to the Total Gross Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal. NNPA refers to Stage 3 Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of relevant Fiscal.*
32) *Provision Coverage Ratio (PCR): ratio of Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal to Stage 3 Loans as of the last day of the relevant Fiscal.*
33) *Number of Branches: total number of active branches as of the last day of the relevant Fiscal.*
34) *Number of Total Employees: total number of active employees as of the last day of the relevant Fiscal.*
35) *Number of On-roll Employees: total number of active on-roll employees as of the last day of the relevant Fiscal.*
36) *Mobile app installations during the year*
37) *Ratio of digitally disbursed loan counts including disbursement through partnership platform to total disbursal loan counts during the year*
38) *Ratio of Non-cash collections to total collections during the year. Non-cash modes includes Nach, cheques, electronic clearing service payments, payments through payment gateways and aggregators*
39) *Ratio of digitally received queries to total customer queries received during the year.*

Our Competitive Strengths

Scaled non-banking financial company with a diversified product offering catering to the large and attractive retail and micro, small and medium enterprises customer segments.

We operate as an NBFC (without accepting public deposits) catering primarily to the retail and MSME customer segments in India. As at March 31, 2024, 2023 and 2022, our total AUM was ₹518,208.11 million, ₹417,508.93 million and ₹330,524.82 million, respectively. Initially focused on two-wheeler loans, our offerings have since diversified and expanded strategically to include a comprehensive range of secured and unsecured loans tailored to meet the diverse and evolving needs of retail and MSME customers throughout their life cycle. Our retail and MSME verticals form a significant part of our AUM, with retail and MSME loans accounting for 65.08% and 20.80% of our total AUM as at March 31, 2024, respectively.

We have strategically positioned ourselves to capitalise on the underpenetrated retail and MSME customer segments in India. The "Aspiring India" segment, which is characterised by households with annual incomes between ₹0.20 million to ₹1.00 million, according to the CRISIL Report, represents a significant growth opportunity for us. This is a fast-growing segment, with the number of Aspiring India households expected to grow from 103.00 million households in Fiscal 2022 to 181.00 million households in Fiscal 2030, according to the CRISIL Report. Favourable consumer demographics, rising incomes and higher aspirations are expected to augur well for the personal loan market, according to the CRISIL Report. As at March 31, 2024, 72.20% of our retail customers belonged to the Aspiring India segment.

MSME customers are becoming an increasingly attractive customer base with the shift towards the formalisation and digitisation of MSMEs, which generates additional data points for lenders and improves the efficacy of credit assessments, according to the CRISIL Report. There were approximately 70.00 million MSMEs in India as at March 31, 2022, according to the CRISIL Report, and in June 2020, MSMEs were required to re-register themselves under the Udyam portal, which resulted in an increase in the number of MSMEs registered on the Udyam portal from 495,013 MSMEs as of March 31, 2016 to 24,872,978 MSMEs as of April 2, 2024. The Udyam portal provides lenders with access to various data points through financial statements, income tax returns, banking statements, goods and services tax ("**GST**") returns, and bureau checks. With this additional data on MSME customers, we can generate a more accurate customer risk profile and reduce our underwriting risk. This is evidenced by the decline in our Stage 3 Loans for the MSME segment in Fiscal 2023, from ₹3,598.73 million as at March 31, 2022 to ₹2,422.28 million as at March 31, 2023, with a slight increase to ₹2,520.79 million as at March 31, 2024, and a decline in GNPA Ratio for the MSME segment from 5.85% in Fiscal 2022 to 2.86% in Fiscal 2023 and 2.34% in Fiscal 2024**.** Additionally, the Government of India expects MSMEs' contribution to GDP to increase from 29.20% in Fiscal 2022 to 40.00-50.00% by Fiscal 2030, and there also exists a substantial MSME credit gap of ₹103.00 trillion as at March 31, 2024, according to the CRISIL Report. 65.70% of MSME customers resided outside the top 50 cities in India as at December 31, 2023, according to the CRISIL report. With the increased data available on potential MSME customers, our diversified MSME loan offerings and extensive distribution network, we are strategically positioned to tap into this credit gap.

Our Hero heritage

At Hero FinCorp Limited, we benefit significantly from the strong track record and reputation associated with the long-standing "Hero" brand. The Hero Group which comprises all entities which are owned and controlled by the Promoters of Hero FinCorp Limited, is widely recognised throughout India, commanding strong brand equity, as evidenced by its brand rating of AAA- by Brand Finance in 2024. This corporate heritage has imbued us with a robust foundation in the financial services sector.

Our parent and promoter, Hero MotoCorp Limited was the largest two-wheeler manufacturer in India in terms of domestic unit sales of two-wheeler in Fiscal 2024, according to the CRISIL Report, with a sales volume of 5.4 million units in Fiscal 2024. Since its incorporation in 1984, Hero MotoCorp Limited has sold 115 million two-wheelers as at March 31, 2024 and we financed 18.66%, 18.91% and 17.98% of their two-wheeler sales in Fiscals 2024, 2023 and 2022, respectively. We provided financing for 29.94%, 31.85%, and 34.12% of Hero MotoCorp Limited two-wheeler financed sales in Fiscals 2024, 2023, and 2022, respectively.

As on the date of the Draft Red Herring Prospectus, Hero MotoCorp Limited holds a 41.19% equity share in our Company and has continued to infuse equity capital into our Company. As at March 31, 2024, Hero MotoCorp Limited invested a total of ₹14,690.40 million in equity capital and ₹7,000 million in CCPS of our Company since our inception in 1991. This infusion by our parent and promoter provides us a reliable access to funds.

We benefit from Hero MotoCorp Limited's customer base. Through our association with Hero MotoCorp Limited, we leverage their extensive two-wheeler distribution network in India, covering 4,257 dealer touchpoints comprising 1,272 dealers and 2,985 sub-dealers and 18,603 pin-codes across 36 states and Union Territories in India (excluding Hero MotoCorp Limited's authorised mechanics and service centres), as at March 31, 2024, to distribute our two-wheeler loans. While all our two-wheeler loans are with respect to Hero MotoCorp Limited's two-wheelers customers, Hero MotoCorp Limited also relies on other financing providers. Our sourcing through the Hero MotoCorp Limited distribution network is further supported by our long-standing relationships with Hero MotoCorp Limited dealers.

Strong customer franchise acquired through a pan-India distribution network comprising in-house capabilities and partnerships.

Customer franchise: Our unique, omni-channel customer acquisition model enables us to reach a diverse pool of customers across various demographics, income levels, livelihoods, geographic regions, and credit histories throughout India. This allows us to offer a wide range of tailored products that cater to their respective financial requirements across different life stages. This model enables us to serve both NTC and ETC customers depending on their needs and our risk assessment. As at March 31 2024, 2023, and 2022, NTC retail customers constituted 53.74%, 58.37%, and 68.88%, respectively, and ETC customers constituted 46.26%, 41.63% and 31.12% of our total retail customer base of 5.00 million, 4.30 million and 3.90 million customers, respectively, and loans to NTC customers accounted for 26.55%, 34.07% and 46.52%, respectively, while loans to ETC customers accounted for 73.45%, 65.94% and 53.67% of our retail AUM, respectively.

As we expanded our offerings, we also grew our overall customer base to over 11.80 million customers, which included 5.00 million active retail customers, 29,060 active MSME customers and 360 active CIF customers, as at March 31, 2024. Further, as at March 31, 2024, 53.74% and 46.26% of our active retail customers were NTC and ETC, respectively. Leveraging our extensive omni-channel distribution network, we sourced 2.06 million distinct customers in Fiscal 2024.

Pan India distribution network: We have developed a robust, omni-channel, asset-light distribution network that spans across India, integrating digital channels with a broad array of partners, dealers, and distribution associates. This network supports our retail and MSME loan verticals and includes branches dedicated to distributing mortgage loans through HHFL and CIF loans. According to the CRISIL Report, as of March 31, 2024, our network covered 18,603 out of the 19,300 pin-codes recorded in the All India Pin-Code Directory, demonstrating our extensive reach across the country.

We source business through a diverse network that includes our in-house sales team, consisting of 7,543 employees as of March 31, 2024, dedicated to direct sourcing, as well as an extensive partnership network. A significant portion of our customers are sourced digitally, with 37.75%, 40.70% and 18.75% of customers sourced through our digital channels in Fiscal 2024, 2023 and 2022, respectively. The decrease in digital customer sourcing in Fiscal 2024 compared to Fiscal 2023 was due to the discontinuation of certain digital partnerships.

We also source various types of loans through different channels, including sourcing asset-backed loans, unsecured business loans, and personal loans through a wide network of DSAs. As of March 31, 2024, we operated 140 leased branches, including branches of our subsidiary, HHFL, facilitated by our in-house direct sales team. Additionally, we leveraged Hero MotoCorp's extensive dealer network to cover 4,257 dealer touchpoints across 2,000 cities, towns, and villages, as of March 31, 2024, further expanding our reach.

Partnerships: To further extend our distribution reach, we have established deeply embedded partnerships with 3,612 partners, as at March 31, 2024. These partners include (i) 2,711 used car dealers, (ii) 18 digital partners, and (iii) 883 DSAs. We source asset-backed loans (used car loans, loan against property), unsecured business loans and personal loans through this network.

This comprehensive and agile distribution network enables us to efficiently reach and serve a diverse customer base across India, ensuring robust support for our retail and MSME loan verticals.

To maximise the potential of these partnerships, and to augment customer experience, our information technology ("**IT**") systems are closely integrated with certain of these partners through application programming interface integration. This allows us to source customer information pertaining to loan applications directly from such partners' IT interfaces. In Fiscals 2024, 2023, and 2022, loans sourced through these partners contributed to 26.88%, 22.17% and 12.62% of our total loan amounts, respectively.

Our customer centric approach with strong cross-sell potential

Our customer first approach: We have gained a deep understanding of the market over the years that enables us to identify and anticipate the financing requirements of potential customers. We capitalised on our experience and knowledge of the market to scale our product verticals and have regularly introduced new products to meet our customers' needs. We follow a "Customer First Approach" in designing our products. This approach ensures that our lending products can be customised and can cater to the unique needs of our retail and MSME clients.

Further, our distribution network covers metro, urban, semi-urban and rural areas of India to ensure that we are able to serve customers' needs across the country. We are focused on increasing our penetration beyond metros as shown in the table below in order to deepen our presence across India. The following table provides a breakdown of our loans disbursed by location, as at the dates indicated.

Particulars	Fiscals		
	2024	2023	2022
Metro(1)	36.29%	34.62%	34.54%
Urban(2)	14.94%	15.71%	12.67%
Semi-urban(3)	24.62%	23.44%	27.55%
Rural(4)	24.15%	26.23%	25.24%
Total disbursements	**100.00%**	**100.00%**	**100.00%**

Notes:
(1) Metro comprises cities in India with a population over one million.
(2) Urban comprises cities with a population between 0.1 million and one million.
(3) Semi-urban comprises cities with a population between 10,000 and 0.1 million.
(4) Rural comprises areas with a population below 10,000.

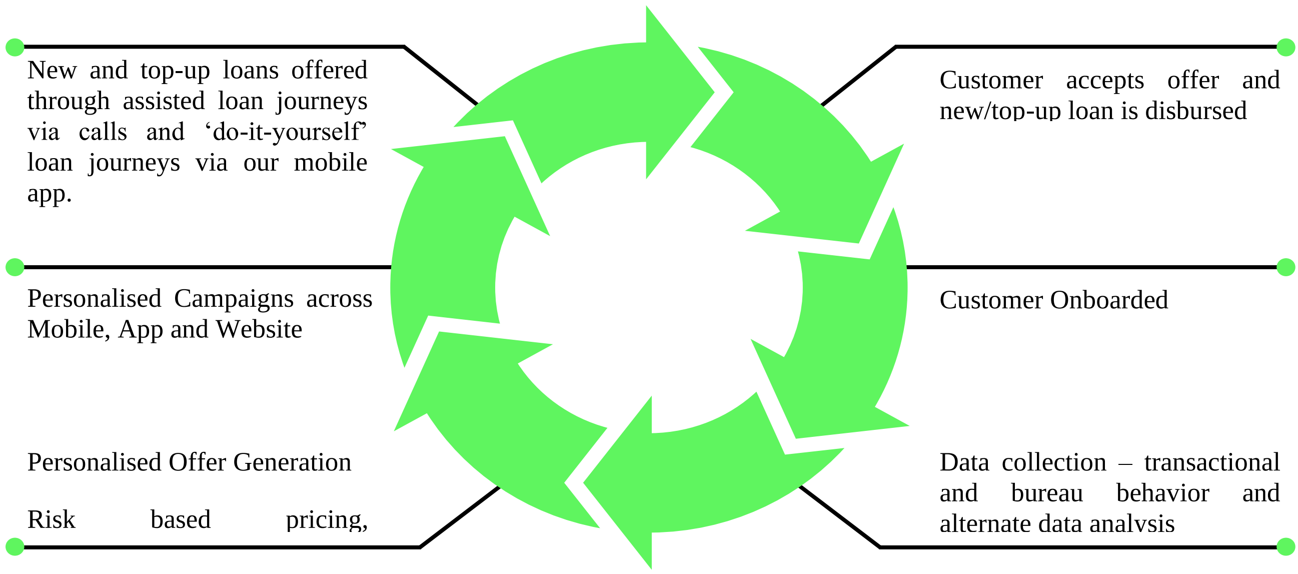
The following table provides a touchpoint wise breakdown of our loans disbursed across different regions of India, as at the dates indicated:

Particulars	Fiscals		
	2024	2023	2022
North	43.62%	41.28%	33.21%
West	23.70%	28.07%	34.27%
South	20.40%	15.97%	15.13%
East	12.27%	14.69%	17.40%
Total disbursements	**100.00%**	**100.00%**	**100.00%**

Cross-sell opportunities: Our "Customer First Approach" of offering customised and innovative products enables us to cater to the unique needs of our customers. This makes us attractive to customers who are looking to avail additional loans, thus increasing our cross-sell potential. We have developed significant cross-sell capabilities over the years based on our large customer base for two-wheeler loans, used car loans, business loans, mortgage loans, and loans against property, coupled with our digital partners' platforms. We assess our cross-sell potential based on each customer's overall credit history and internal and external repayment track record.

Additionally, our PPC in Fiscals 2024, 2023, and 2022 was 4.25, 3.15, and 3.52, respectively, highlighting the effectiveness of our cross-selling strategy. The average number of lending products per customer was 1.45, 1.28, and 1.12 in Fiscals 2024, 2023, and 2022, respectively, while the average number of non-lending products (such as insurance) per customer in the same periods was 2.80, 1.87, and 2.40.

Our distribution network coupled with our robust technology platform creates a synergistic flywheel effect, reinforcing our cross-sell capabilities. By closely interacting with customers and collecting valuable data, we generate insights that continuously improve our products and services thus leading to more cross-sale opportunities. This ongoing cycle attracts more customers, deepens our customer database, strengthens our market presence, and in turn, deepens our customer database. The image below depicts our flywheel effect that reinforces our cross-sell capabilities:



Well-integrated technology platform across functions and data-driven operations.

<u>Comprehensive technology integration</u>: Technology is at the core of our ability to offer a hyper-personalised, pan-lifecycle experience to our large customer base. Comprehensive technology integration is seamlessly embedded into various facet of our business, from onboarding to underwriting, loan fulfilment, settlement, collections, and servicing. Using customised technology deployment across critical customer touchpoints, including acquisition, underwriting, servicing, portfolio, and collections journeys, we are able to deliver an end-to-end digital experience.

This integration enables us to control our extensive distribution and collections network, thereby offering a customised and superior customer experience. We have developed the capabilities to digitally market our products to customers with targeted, personalised advertisements in their medium of choice. Prospective customers are then guided through a fully digital acquisition journey, using analytics tools to underwrite the customer digitally in real-time, followed by non-cash collections and payments. Across the customer lifecycle, technology empowers our business to drive scale and enhance the customer experience through a seamless, end-to-end digital journey.

<u>Customer acquisition through digital channels</u>: We leverage technology to acquire customers through various digital channels, including our mobile app and website. We utilise search engine optimisation ("**SEO**") to drive organic traffic and engaging in strategic paid marketing campaigns to attract new customers.

We also employ marketing technology to automate campaigns, maximising conversions from visitors to our key digital assets. Our analytics-supported digital underwriting engine enables real-time digital decisioning at scale, while advanced tools detect and instantly reject potentially fraudulent applications.

Our customer onboarding journey is digital, incorporating a variety of technologies:

- **E-sign agreement process**: ensures the entire onboarding process is paperless.
- **Digital Know Your Customer ("KYC")**: utilises Digi-Locker for seamless verification.
- **Account Aggregator Integration**: allows for digital bank statement analysis without document uploads.
- **Electronic Mandate Facility**: simplifies the authorisation process.

For assisted and field-based sales, we utilise Salesforce to empower our field team to fulfil customer onboarding through an assisted digital journey. Our digital marketing tools and analytics capabilities help identify and source customers, offering customised solutions that improve conversion rates.

<u>Loan disbursal and collections</u>: We have digitised the loan disbursal process using our LMS and e-Signing technologies, leading to faster disbursal times and enhanced fraud protection. Our automated welcome and onboarding process ensures a smooth initial experience for our customers. Once onboarded, customers can access our digital mobile app and website platforms for any service queries and self-service options, such as generating a Statement of Account, making advance equated monthly installment ("**EMI**") payments, and generating no objection certificates. They can also access loan-related details and lodge queries or complaints regarding their loan accounts.

To improve our digital collection process, we introduced personalised payment links and a mobile app, enabling customers to make direct payments through their preferred digital modes. This innovation significantly improved our non-cash collections rate from 76.00% in Fiscal 2022 to 81.24% in Fiscal 2023, and to 83.31% in Fiscal 2024. Additionally, we design custom campaigns for digital collection using our marketing technology platform, which targets delinquent customers with individualised content with the aim of optimising reach and efficiency.

Artificial intelligence ("**AI**"), ML and automation: As at March 31, 2024, we have deployed AI-led models across our mobile app and website to capture insights throughout our customers' lifecycle. Additionally, we use AI based generative pre-trained transformer ("**GPT**") based chat models that are integrated into our mobile app and website, which has helped to reduce customer wait times, boost customer acquisition and reduce servicing costs. We launched our AI based chatbot powered by ChatGPT 4 Turbo on April 1, 2024. Our mobile app also offers generative AI-enabled self-help services that enable customers to generate statements regarding their loans themselves. We leverage a litmus tool to actively seek and close customer feedback loops through a net promoter score ("**NPS**") mechanism. Through this litmus tool, every month, messages are sent to four million customers, of which 10% of such customers respond back with their queries. Further, our call centres are equipped with an advanced interactive voice response ability to enable automatic resolution of certain customer queries without agent intervention. As at March 31, 2024, our customer mobile app has been downloaded approximately 6.50 million times since Fiscal 2020.

Multi-language support and digital query resolution: We provide services in various regional languages to ensure accessibility to a broad customer base. In Fiscal 2024, 53.02% of queries were received through digital channels comprising our mobile app and website, with more than 95.77% of them being resolved digitally. Additionally, 95.00% of all queries were resolved within seven days of receipt, demonstrating our efficient and effective customer service.

Data integration and insights: We collect and store data in a cloud-based data lake environment. As at March 31, 2024, our data lake contains 102 data points at the micro-market level and collaborates with 30 data partners. We have the ability to gather data down to the pin-code level, and this level of detailed, quality data enhances our analytics capabilities across various functions and enables data-driven business decision-making.

Operational efficiency: Integration of such technologies has enabled greater operating efficiencies. In Fiscals 2024, 2023, and 2022, our information technology expenses comprised 7.70%, 6.66%, and 5.63% of our Adjusted Operating Expenses, respectively. We maintained Adjusted Operating Expenses as a percentage of total disbursements at 6.47%, 7.27% and 7.78% in Fiscals 2024, 2023 and 2022, respectively. The consistent improvement in our operating efficiencies is summarised in the table below for the periods indicated:

Particulars	**Fiscal/ As at March 31,**		
	2024	**2023**	**2022**
Number of On-roll Employees	4,469	3,589	2,617
Disbursements per on-roll employee *(₹ million)*	77.12	77.22	75.28
Profit after tax per on-roll employee *(₹ million)*	2.21	2.20	(0.73)

Prudent risk management, robust underwriting, data analytics capability and robust collections infrastructure

Prudent risk management: We maintain a holistic risk culture throughout our organisation to stay prepared to manage risks. Our risk management culture is embedded across our organisation ensuring leadership from senior management, involvement of our staff at all levels, a culture of learning from experience and a framework for accountability for past risks and clear communication on potential risks. This ensures that we have insights into potential risks and their impact on our operations and profitability. Our risk management framework is based on our "three lines of defence" model which distinguishes the roles of the three groups within our company that contribute to effective risk management as detailed below:

- First line of defence: Frontline teams and operational managers that own and manage risks and are responsible for implementing corrective actions to address process and control deficiencies.
- Second line of defence: Risk management department and compliance teams that oversee risks.
- Third line of defence: Our internal audit team that conduct audits to detect risks and provide independent assurance.

Our Board maintains oversight on the effective implementation of our risk management framework through our Risk Management Committee, which assists our Board in setting-up and monitoring risk management principles and policies such as our risk management policy, strategies, risk appetite limits and risk mitigation controls. Our risk management committee reviews our overall portfolio quality, the macro-economic scenario and its impact on us, emerging trends across verticals and products, compliance with risk appetite limits, estimated credit loss ("**ECL**") and collections and recovery related updates amongst other metrices at least on a quarterly basis.

Robust underwriting practices: Our underwriting practices are pivotal to our credit risk management capabilities. We have established credit policies, procedures and systems to manage our underwriting practices across our retail finance, MSME Finance and CIF verticals. For each type of loan, we have implemented standardised and comprehensive underwriting procedures. For instance, we have implemented ML-based scorecards in our retail finance vertical to underwrite both our NTC and ETC customers. For our MSME and CIF customers, we follow a cash-flow based underwriting approach that takes into consideration diverse metrics including the cash flows and repayment capability, management quality, quality of collateral and corporate governance framework of potential customers. Such data is fed into our credit policies and scorecards to enable us to address potential losses. We have also put in place a model validation unit to statistically review all our AI/ ML models and scorecards on a periodic basis ensuring that our models and scorecards are up to date and accurate.

Data analytics and risk management: By leveraging technology, we have built our data analytics capabilities aimed at supporting improved risk management. We have a robust technology system and micro-services architecture platform that enables us to host several different digital capabilities, including the ability to acquire formal and informal data to supplement customer inputs. We leverage multiple data sources including government and regulatory digital database initiatives, such as India Stack, account aggregators, credit bureaus, Aadhar unique identification numbers, the GST portal, the Udyam portal and the ministry of corporate affairs portal to access additional customer information from original sources to draw insights on individual borrower risk profiles with recorded digital consent from the customer. Across all our verticals, we have developed an AI and ML-based statistical algorithm to track sourcing quality trends on a real time basis and to predict the probability of default, which helps us detect early warning signs of potential defaults and mitigate risks. We have also deployed fraud prevention tools that detect fraud such as our tool to detect mystery shopping, invisible monitoring and pattern recognition. We monitor our credit quality in real time and monitor the quantum of losses caused due to defaults. Such data is used to set credit parameters and monitor our exposures against approved limits. We also adhere to our risk appetite framework to limit our concentration risk ensuring that our portfolio is not concentrated on a particular category of borrowers, product type, industry or sector. Our IT and analytics team comprised 256 employees, 134 employees and 62 employees as at March 31, 2024, 2023 and 2022, respectively. We also have a dedicated technology office in Bangalore, India which commenced operations in April 2023 and is staffed with 56 employees as at March 31, 2024.

As a testament to our risk management, while our AUM has increased, our NPA has steadily declined over the years, resulting in an increase in our profitability. The following table summarises our GNPA Ratio, NNPA Ratio and profits for the periods indicated:

Particulars	As at March 31,		
	2024	2023	2022
GNPA Ratio(1)	4.02%	5.11%	7.54%
NNPA Ratio(2)	2.00%	2.69%	4.43%

Notes:

(1) *GNPA Ratio: Ratio of Stage 3 Loan to Total Gross Loans as at the last day of the relevant Fiscal. Stage 3 Loans refers to the gross carrying amount of Stage 3 Loans as at the last day of the relevant Fiscal.*

(2) *NNPA Ratio: Ratio of NNPA to the Total Gross Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as at the last day of the relevant Fiscal. NNPA refers to Stage 3 Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as at the last day of relevant Fiscal.*

Collection infrastructure: We have integrated technology into our collections infrastructure through our collections app, operating across all our business verticals. Retail customers can repay their loans through our mobile app via personal payment links to drive growth in online payments. Our collections team tracks and records the status of loan repayments and overdue payments directly on our collections app. Further, by leveraging data analytics capabilities, we allocate overdue collections cases to a specific collections team and field agent based on the past performance of such field agent, customer location and profile. Our collections infrastructure is served by a unique, four-tier mix of our in-house collections team, call-centres, outsourced field agencies and our sales executives. For Fiscals 2024, 2023 and 2022, we had a collection efficiency rate of 94.42%, 95.07% and 83.00%, respectively. For further details, see "- *Loan Collection, Monitoring and Recovery*" on page 266.

Strong liability franchise, access to low-cost borrowing, and strong credit ratings

We received credit ratings of "AA+ with stable outlook" from CRISIL, ICRA, and CARE and our commercial papers are rated "A1+" by CRISIL, CARE and ICRA as at March 31, 2024. The following table sets forth our credit ratings as at March 31, 2024:

Facility	CRISIL	ICRA	CARE	Standard & Poor's	Moody's
Secured non-convertible debentures	AA+ / Stable	AA+ / Stable	—	—	—
Long-term principal protected market linked debentures	PPMLD AA+ / Stable	—	—	—	—
Tier I Perpetual Debt Programme	AA+ / Stable	-	-	-	-
Unsecured subordinated Tier II non-convertible debentures	AA+ / Stable	AA+ / Stable	—	—	—
Bank facilities	—	—	—	—	—

Facility	CRISIL	ICRA	CARE	Standard & Poor's	Moody's
Long-term banking facilities	AA+ / Stable	AA+ / Stable	AA+ / Stable	—	—
Short-term banking facilities	—	A1+	—	—	—
Commercial papers	A1+	A1+	A1+	—	—
Entity level	—	—	AA+ / Stable	BB+/Stable/B	Ba1 / Stable

Our high credit ratings enable us to raise funds from diverse sources within the capital markets and borrow from various lenders at competitive rates. Our funding sources include non-convertible debentures ("**NCDs**"), commercial papers, term loans, working capital facilities, and external commercial borrowings ("**ECBs**") from financial institutions. In Fiscals 2024, 2023 and 2022, we had 90, 95 and 88 lenders, respectively. As at March 31, 2024, our lenders included public sector banks, private sector banks, mutual funds, provident funds, insurance companies and pension funds, amongst others. In Fiscals 2024, 2023 and 2022, our Average Cost of Borrowing was 7.95%, 6.90% and 6.37%, respectively. We engage in price discovery efforts during bank borrowing resets, employing mechanisms such as resetting spreads, switching benchmarks and exploring repayments in the case of interest rate increases. The table below sets forth our different funding sources with respect to our outstanding principal and their respective contribution as a percentage of our total borrowings as at the dates indicated below:

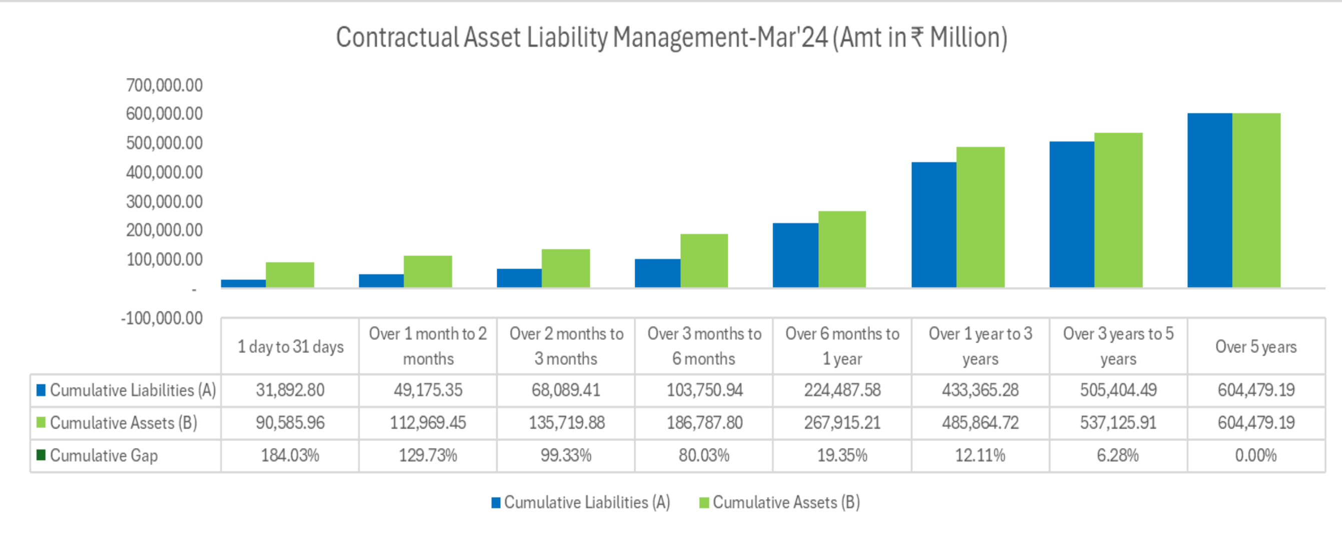
Particulars	**As at March 31,**					
	2024		**2023**		**2022**	
	(in ₹ million)	*Percentage of total borrowings*	*(in ₹ million)*	*Percentage of total borrowings*	*(in ₹ million)*	*Percentage of total borrowings*
Debt Securities:						
Redeemable non-convertible debentures	28,813.15	6.24%	37,055.56	10.12%	27,194.78	9.48%
Commercial papers	38,224.00	8.28%	30,415.23	8.30%	32,615.66	11.37%
Debt Securities (A)	**67,037.15**	14.52%	**67,470.79**	18.42%	**59,810.44**	20.85%
Borrowing (other than Debt Securities):						
Term Loans:						
Term loan from banks and financial institutions (Secured)	275,849.73	59.75%	205,614.00	56.14%	183,717.24	64.06%
Term loan from banks - Foreign currency loan (Secured)	508.47	0.11%	773.17	0.21%	1,036.10	0.36%
External commercial borrowing (Secured)	47,597.31	10.31%	39,348.28	10.74%	8,623.12	3.01%
Loan repayable on demand from banks:						
Cash credit (Secured)	4,244.78	0.92%	3,193.70	0.87%	5,467.03	1.91%
Working capital demand loans (Secured)	23,150.11	5.01%	14,700.72	4.01%	17,613.20	6.14%
Working capital demand loans (Unsecured)	2,000.00	0.43%	2,000.00	0.55%	3,850.00	1.34%
Additional special refinance facility from National Housing Bank	5,053.50	1.09%	500.00	0.14%	0.00	0.00%
Borrowing (other than Debt Securities) (B)	**358,403.90**	77.63%	**266,129.87**	72.66%	**220,306.69**	76.82%
Subordinated Liabilities (Unsecured) (C)	36,253.71	7.85%	32,677.94	8.92%	6,680.17	2.33%
Total Borrowings (A+B+C)	**461,694.76**	100.00%	**366,278.60**	100.00%	**286,797.30**	100.00%

The table below provides a breakdown of our borrowing mix with respect to outstanding principal by type of lenders (excluding non-convertible debentures and subordinated liabilities):

Particulars	**As at March 31,**					
	2024		**2023**		**2022**	
	Number of facilities	**Amount** *(in ₹ million*	**Number of facilities**	**Amount** *(in ₹ million*	**Number of facilities**	**Amount** *(in ₹ million*
Banks	32	334,155.01	33	263,384.80	35	216,879.32
NBFCs and financial institutions	2	29,486.19	2	11,590.70	1	16,363.60
Others	11	32,050.00	10	21,500.00	12	20,500.00
Total	**45**	**395,691.19**	**45**	**296,475.50**	**48**	**253,742.92**

HFCL's Asset-Liability Management

We maintain a balanced mix of short-term and long-term assets and liabilities, thereby minimising the risk of liquidity shortfalls and interest rate fluctuations. As of March 31, 2024, we had a positive asset liability management across all time buckets, with a surplus ranging from 1 to 2.8 times. Average tenure of our assets and liability as of March 31, 2024 was 26.76 months and 21.03 months, respectively.

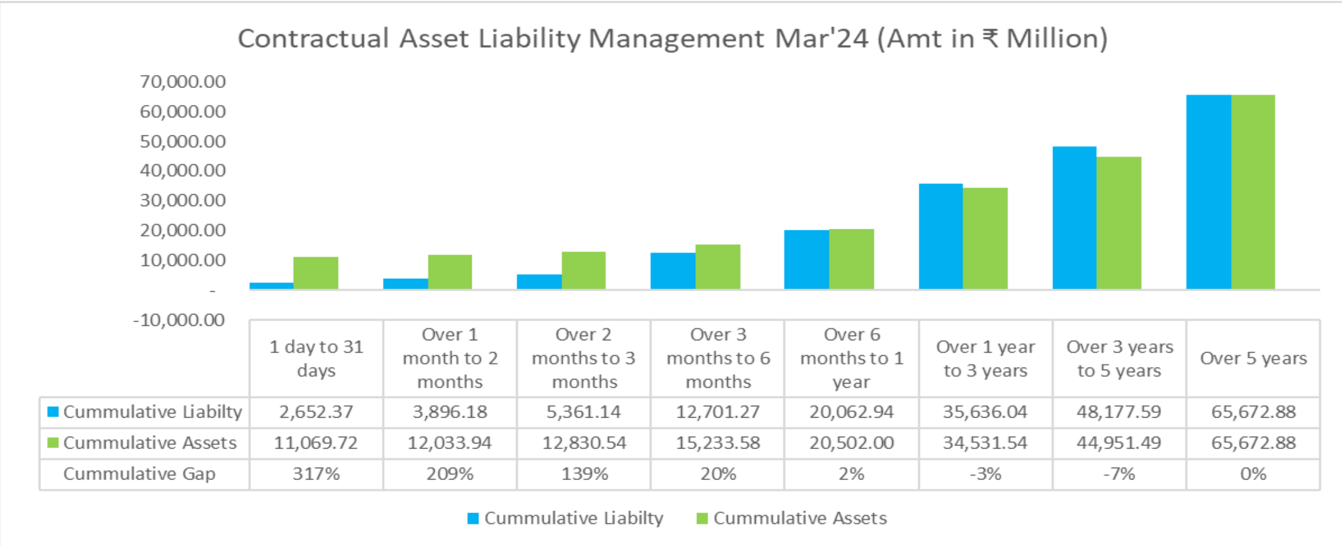


	1 day to 31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Cumulative Liabilities (A)	31,892.80	49,175.35	68,089.41	103,750.94	224,487.58	433,365.28	505,404.49	604,479.19
Cumulative Assets (B)	90,585.96	112,969.45	135,719.88	186,787.80	267,915.21	485,864.72	537,125.91	604,479.19
Cumulative Gap	184.03%	129.73%	99.33%	80.03%	19.35%	12.11%	6.28%	0.00%

Note: numbers represent ALM framework

HHFL's Asset-Liability Management

As at March 31, 2024, we had a positive asset liability management on cumulative basis across majority of the time buckets, with a surplus of 3.17 times. The average tenure of our loans and borrowings as at March 31, 2024 was 162.12 months and 33.87 months, respectively. Additionally, a majority of our liabilities, as at March 31, 2024, had a maturity period exceeding five years.



	1 day to 31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Cummulative Liabilty	2,652.37	3,896.18	5,361.14	12,701.27	20,062.94	35,636.04	48,177.59	65,672.88
Cummulative Assets	11,069.72	12,033.94	12,830.54	15,233.58	20,502.00	34,531.54	44,951.49	65,672.88
Cummulative Gap	317%	209%	139%	20%	2%	-3%	-7%	0%

Note: numbers represent ALM framework

Strong Business Growth and Financial Performance

Our business has grown significantly over the past three Fiscals, as evidenced by the following key financial metrics.

Particulars	Fiscal/ As at March 31,			CAGR: Fiscal/ as of March 31, 2022 – Fiscal/ as of March 31, 2024
	2024	2023	2022	
	(₹ million unless otherwise indicated)			
AUM(1)	518,208.11	417,508.93	330,524.82	25.21%
AUM Growth(2) (%)	24.12%	26.32%	20.18%	-
Disbursements (3)	344,632.47	277,133.34	196,999.89	32.27%
Disbursement Growth(4) (%)	24.36%	40.68%	-	-
Adjusted Profit/(loss) after tax (5)	9,857.38	7,899.99	(1,918.98)	-
Adjusted PAT Growth(6) (%)	24.78%	N/A	-	-
Adjusted Net Worth(7)	83,772.07	75,534.92	47,675.20	32.56%
Adjusted Net Worth Growth(8) (%)	10.91%	58.44%	-	-
Net Interest Income(9)	43,820.17	35,456.50	25,633.43	30.75%

Particulars	Fiscal/ As at March 31,			CAGR: Fiscal/ as of March 31, 2022 – Fiscal/ as of March 31, 2024
	2024	2023	2022	
	(₹ *million unless otherwise indicated*)			
Net Interest Income Growth(10) (%)	23.59%	38.32%	-	-
Adjusted Operating Expenses(11)	22,307.40	20,160.92	15,322.07	20.66%
Adjusted Operating Expenses Growth (%)	10.65%	31.58%	-	-
Adjusted ROA(12) (%)	2.12%	2.12%	(0.64)%	
Adjusted ROE(13) (%)	12.38%	12.82%	-3.94%	-

Notes:

1. *AUM: sum of (i) Total Gross Loans, which is the aggregate amount of loan receivables from customers including future principal, overdue principal outstanding, overdue interest and interest accrued but not due before considering impairment allowances, as at the last day of the relevant Fiscal, and (ii) Assigned Loan Assets which have been transferred by our Company by way of assignment, as at the last day of the relevant Fiscal.*
2. *AUM Growth: percentage growth in AUM as of the last day of the relevant Fiscal over the AUM as of the last day of the preceding Fiscal.*
3. *Disbursements: total amount of new loans disbursed to the customers during the relevant Fiscal.*
4. *Disbursement Growth: percentage growth in disbursement for the relevant Fiscal over disbursements in the preceding Fiscal.*
5. *Adjusted Profit/(loss) after tax: Restated profit/(loss) after tax excluding CCPS Cost for the relevant Fiscal.*
6. *Adjusted PAT Growth: Growth in Adjusted Profit/(loss) after tax for the relevant Fiscal over the Adjusted Profit/(loss) after tax for the preceding Fiscal.*
7. *Adjusted Net Worth: Net Worth as of the last day of the relevant Fiscal considering CCPS value as equity. CCPS value is the carrying amount of CCPS as of the last day of the relevant Fiscal.*
8. *Adjusted Net Worth Growth: percentage growth in Adjusted Net Worth as of the last day of the relevant Fiscal over Adjusted Net Worth as of the last day of the preceding Fiscal.*
9. *Net Interest Income: Interest income for the relevant Fiscal reduced by finance cost for the relevant Fiscal.*
10. *Net Interest Income Growth: percentage growth in Net Interest Income in the relevant Fiscal over the Net Interest Income in the preceding Fiscal.*
11. *Adjusted Operating Expenses: Operating Expenses minus CCPS Cost for the relevant Fiscal.*
12. *Adjusted ROA: ratio of Adjusted profit/(loss) after tax for the relevant Fiscal to average Total Gross Loans for the relevant Fiscal.*
13. *Adjusted ROE: ratio of Adjusted profit/(loss) after tax for the relevant Fiscal to average Adjusted Net Worth for the relevant Fiscal.*

We had the second highest AUM per employee at ₹116.00 million amongst peers identified by CRISIL, as at March 31, 2024, and the second highest net interest margin amongst our peer group in Fiscal 2024, according to the CRISIL Report.

Experienced management team, respected board, and marquee investors

Our management team has extensive experience in the financial services industry and has been instrumental in developing and implementing our business strategy. Our Managing Director and Chief Executive Officer, Abhimanyu Munjal, has been associated with our Company across various roles since 2011. He was appointed as our Chief Operating Officer on June 4, 2013, and thereafter as the Chief Executive Officer in May 4, 2015. Members of our senior management team have an average of 25 years of experience in the financial services industry and an average of five years of experience at our Company. Many of our senior management executives have held senior positions at leading banks and financial institutions. We rely on the experience and commitment of our senior management team to help us drive the growth of our business and maintain the continuity of our organisational culture. Our senior management team has received 906,338 employee stock options, which further align their interests with the organisation interests. For further details on our management, please see "*Our Management*" on page 303.

Our management team is supported by a qualified and independent board, which provides us with robust corporate governance oversight. Five out of the 10 directors on our board are Independent Directors.

Our shareholders include marquee investors such as AHVF II Holdings Singapore II Pte. Ltd. (managed by affiliates of Apollo Global Management, Inc.), Otter Limited (Chrys Capital), LC Hercules (Cayman) Limited (Lugard Capital Limited), Apis Growth II (HIBISCUS) Private Limited (Apis Partners), JM Financial Credit Solutions limited and JM Financial Products Limited. We have benefited significantly from their vision and leadership, and they, along with our senior management, have been instrumental in formulating and executing our Company's core strategy.

Our Strategies

Continue momentum of growth by addressing significant credit gaps in the rapidly growing Aspiring India and MSME Segments

We aim to strategically expand our business by addressing the significant credit gap within the rapidly growing Aspiring India and MSME customer segments.

The Aspiring India segment, to which a significant portion of our retail customers belong, is a fast-growing segment, with the number of Aspiring India households expected to grow from 103.00 million households in Fiscal 2022, to 181.00 million households by Fiscal 2030, according to the CRISIL Report.

In regard to the MSME segment, the Government of India anticipates an increase in MSME contribution to GDP from 29.20% in Fiscal 2022 to 40.00%-50.00% by Fiscal 2030, according to the CRISIL Report. MSME customers are becoming an increasingly attractive customer base with the shift towards the formalisation and digitisation of MSMEs, which generates additional data points for lenders and improves the efficacy of credit assessments, according to the CRISIL Report. As at March 31, 2022, less than 15.00% of approximately 70.00 million MSMEs had access to formal credit, with the MSME credit gap estimated to have widened to ₹103.00 trillion by March 31, 2024, according to the CRISIL Report. These underserved segments, which include ETC, prime and near-prime customers are spread across urban, semi-urban, and rural areas, and present a substantial growth potential.

We will continue to expand our offerings for the Aspiring India segment through two-wheeler loans, car loans, electric vehicle loans, mortgage loans, and consumption loans. On the other hand, for the growing MSME segment, we will continue to offer and further enhance our product offerings which currently include business loans, supply chain finance, construction finance, and loans against property. To further augment our efforts in catering to the Aspiring India and MSME segments, we are revamping our customer journeys, from the loan application and loan sourcing/login stages to the loan disbursal stage, across both our Retail and MSME business lines. These efforts leverage our range of technology capabilities, as well India's public digital infrastructure, with the aim of minimising manual operations and providing our customers and internal teams with a faster, seamless and hassle-free experience.

In the retail segment, we seek to expand our market share in the mortgage loans vertical. Mortgage loans constituted 10.29%, 9.46%, and 8.54% of our AUM in retail finance as at March 31, 2024, March 31, 2023 and March 31, 2022, respectively. The Indian housing finance market is projected to grow at a CAGR of 13.00-15.00%, reaching ₹51.00-52.00 trillion in Fiscal 2027, up from ₹33.50 trillion as at December 31, 2023, according to the CRISIL Report. The RBI's appointed Committee on the Development of Housing Finance Securitisation Market estimates total incremental housing loan demand to be between ₹50.00 trillion to ₹60.00 trillion, according to the CRISIL Report. Furthermore, NBFCs and housing finance companies held a 19.70% market share in housing finance as at December 31, 2023, according to the CRISIL Report. This indicates a promising growth potential for our mortgage loan vertical.

We also aim to increase our market share in the fast-growing MSME finance segment, which includes MSME secured loans comprising loans against property and construction finance to developers and MSME unsecured loans comprising business loans and supply chain finance. Our MSME customer base grew to 63,610 customers as at March 31, 2024 from 51,648 customers as at March 31, 2023 and 20,022 customers as at March 31, 2022, with AUM in secured loans reaching ₹61,036.26 million, ₹44,037.67 million and ₹29,201.43 million, in Fiscals 2024, 2023 and 2022, respectively, and AUM in unsecured loans reaching ₹46,761.95 million, ₹40,777.35 million and ₹32,312.94 million, respectively.

Our advanced technology platforms and user interfaces position us well to capture growth in these customer segments. By leveraging our digital architecture and experience with NTC customers, we will continue increasing our share of ETC customers. As our MSME and retail customers transition from data-poor to data-rich profiles with the advancement of India's digital public infrastructure, we will leverage our data analytic capabilities and customer database to develop customised products that suit their needs at various stages in their lifecycles, thereby increasing our share of higher credit-worthy customers.

Focus on leveraging our customer base by cross-selling products to grow our loan portfolio and fees and maximise the lifetime value of our customers.

We plan to continue leveraging our customer base to cross-sell lending and non-lending products across different business verticals to existing customers, thereby increasing our fee income and profitability. Cross-selling offers attractive profit margins as it eliminates additional customer acquisition costs. Our data analytics capabilities enable us to analyse customer information and financial requirements, allowing us to identify and suggest suitable products. For example, we push notifications to our instant personal loan customers via our mobile app, suggesting other products they are eligible for. We cross-sell personal loans, used car loans, and mortgage loans to our existing loan customers. Additionally, we partner with insurance providers to cross-sell insurance packages, earning commissions on such sales. We plan to continue growing sales of non-lending products within our customer platform.

Within the MSME vertical, we offer various downstream products, such as loans against property, construction finance, supply chain finance and business loans. These products enable us to maintain contact with our MSME customers throughout their business lifecycles, thereby increasing our revenues. We aim to increase the number of products per customer within our growing customer base.

As we seek to cross-sell more products, we also aim to increase our share of PPC. Leveraging our large and diverse customer database, we can accurately identify customer risk profiles, particularly regarding payment history. Further, we also leverage alternate data sources such as credit bureaus and account aggregators, to assess a customer's intention to pay and capacity to pay. This enables us to selectively offer new loans to customers with good credit histories and further tailor the terms of our loan offers to enhance the attractiveness of our products. For instance, we offered personal loans to 8.42%, 7.93% and 7.50% of our total customers as of March 31, 2024, 2023, and 2022, respectively.

By focusing on cross-selling and leveraging data analytics, we aim to enhance customer engagement, increase product offerings per customer, and drive our overall profitability. We have forayed into personalised offer generations for customers based on analytics combined with data augmentation through third party apps. We run personalised campaigns leveraging on our channel ecosystem and martech stack, including real-time nudges through our app. We also have a DIY journey built on our app and the web, together with assistance wherever required.

Leverage technology and AI integration to transform our operational efficiency, customer experience, and competitive position

We intend to further enhance technology and AI integration across all our business operations to support our growth and optimise operating expenses, while providing an enhanced customer experience. This strategy begins with leveraging digital marketing and data analytics across various channels to boost digital customer acquisitions. By targeting affluent and creditworthy customers through these efforts, we aim to drive higher margins and facilitate future cross-sell opportunities. We have implemented AI and ML based scorecards in our retail finance vertical to underwrite both our NTC and ETC customers. To further enhance customer journeys, we plan to roll out AI and ML based application scorecards for underwriting, across all other business verticals to further accelerate turnaround times. We collect and store data in a cloud-based data lake environment. As at March 31, 2024, our data lake contains 102 data points at the micro-market level and collaborates with over 30 data partners. We have the ability to gather data down to the pin-code level, and this level of detailed, quality data enhances our analytics capabilities across various functions and enables data-driven business decision-making. This is intended to allow us to more accurately assess behavioural and fraud risk throughout a customers' life cycle, thereby lowering our risk. Our technological advancements will also support increased non-cash collections. We are committed to further optimising our processes, including by automating our fulfilment processes, customer service and other operational tasks, to reduce costs and enhance our overall productivity. Our technological capabilities will also assist us in further streamlining our approval and documentation procedures, reduce our turnaround times and minimise errors as we continue to grow.

Our distribution and collections network are integrated through our central system, enhancing data management and promoting straight-through processing of loan applications across business verticals. This integration strengthens our service delivery in an efficient manner.

To stay at the forefront of digital innovation, we plan to establish a centre of excellence and new age verticals to develop new digital initiatives in-house. Additionally, we aim to partner with leading technology companies to build a technology partner ecosystem . We also plan to collaborate with governments on technology-related initiatives, such as the Open Credit Enablement Network and Open Network for Digital Commerce, to establish our position at the forefront of India's credit digitisation efforts.

Focusing on these strategic initiatives will enhance our operational efficiency, customer experience, and competitive position in the market.

Diversify our borrowing profile and optimise our borrowing costs.

As we continue to grow our business, we seek to reduce our dependence on relatively expensive term loans from banks and financial institutions to lower our cost of funds. We intend to increase the share of ECBs and NCDs as a percentage of our total borrowings, including foreign debt sources, which offer lower interest rates. A lower average cost of borrowing enables us to competitively price our loan products, facilitating business growth and expansion of operations while also increasing our net interest margins.

Our Average Cost of Borrowings in Fiscals 2024, 2023 and 2022 was 7.95%, 6.90% and 6.37%, respectively. In Fiscal 2024, 2023, and 2022, ECBs (secured) comprised 10.93%, 11.47% and 3.01% of our Adjusted Total Borrowings, respectively, while redeemable NCDs comprised 8.94%, 13.59% and 11.81% of our Adjusted Total Borrowings, respectively.

We intend to continue focusing on our asset and liability management to ensure that we continue to have a positive asset-liability position. This strategic approach will enable us to further improve our credit ratings and further reduce the cost of our borrowings, thereby supporting sustainable growth and financial stability.

Strategic expansion of our distribution network

We have a comprehensive product portfolio which allows us to be selective in mapping specific products to specific markets. We distribute two-wheeler loans through sales executives at certain dealerships within Hero MotoCorp Limited's distribution network. Going forward, we seek to further increase our market penetration across our existing two-wheeler distribution network with a focus on customers with better credit scores and customers that showcase a higher potential for future cross sell opportunities.

We also plan to grow our partnership base. As at March 31, 2024, we have partnered with nine EV players across India. We plan to partner with additional EV players in India to grow our E2W loans to expand our overall vehicle financing business. We seek to partner with FinTech players to further expand our customer base which enables us to better penetrate broader and more diverse customer segments, including millennials and small merchants, and generates additional cross-sell potential We have integrated our technology systems with those of our partners, and plan to continue doing so with new partners to provide our customers with a seamless customer experience.

We intend to launch a mobile app for our partners in the second quarter of Fiscal 2025 called "The Bridge". This app reflects our dedication to building strong connections and long-lasting relationships. "The Bridge" is designed to enhance our partnerships by providing a seamless and efficient communication platform. "The Bridge" is expected to offer useful features such as:

- Digital Dashboard: Access to real-time business summaries at a glance.
- Lead Generation & Tracking: Generate and track information on potential leads.
- Real-Time Disbursals & Payouts: Monitor disbursals and monthly payouts with ease.
- Issue Resolution: Raise tickets within the app for swift issue resolution.
- Instant Notifications: Stay updated with instant notifications about important updates and activities.

Hiring and retaining talented individuals

Retaining top talent and hiring skilled individuals is crucial for us to remain competitive in our industry. To retain top talent, we focus on creating an engaging and supportive work environment that offers ample opportunities for career growth and professional development. This is achieved through training and enhancement programs, mentorship initiatives and clear career progression pathways.

Additionally, to ensure employee retention, we offer competitive compensation packages, including performance-based incentives and a holistic benefits policy. Further, we aim to promote a culture of inclusivity and meritocracy by recognising and rewarding employee contributions to further enhance job satisfaction and loyalty.

Our hiring strategy includes leveraging advanced recruitment technologies and platforms to identify and attract top candidates. Building strong relationships with universities and participating in campus recruitment drives help us tap into a pool of fresh talent. Moreover, our robust employer brand that showcases our commitment to innovation, ethics, and employee well-being attracts high-calibre professionals. We also deploy a thorough and efficient selection process through which we assess candidates' technical skills, cultural fit, and potential for future growth within the organisation.

Set out below are some of the key awards, accreditations, recognition, and appreciation received by our Company:

Calendar Year	Particulars
2019	• "India's 20 Best Workplaces in BFSI – 2019" by Great Place to Work Institute India • "Great Place to Work" by the Great Place to Work Institute, India
2020	• "Great Place to Work" by the Great Place to Work Institute, India
2021	• "Great Place to Work" by the Great Place to Work Institute, India
2022	• "Great Place to Work" by the Great Place to Work Institute, India
2023	• "TOP 100 India's Best Companies to Work For 2023" by the Great Place to Work Institute, India • "Great Place to Work" by the Great Place to Work Institute, India • "Brand of the Decade 2023" in the category of financial services by Brand Advertising Research & Consulting Private Limited (BARC)
2024	• "Great Place to Work" certified by the Great Place to Work Institute, India • "Top 25 BFSI to work" by the Great Place to Work Institute, India • "India's Best Workplaces" in the NBFC category by Great Place to Work Institute, India

Corporate Structure

Our corporate structure as at the date of this Draft Red Herring Prospectus is as follows:

Hero FinCorp Limited
99.24%
Hero Housing Finance Limited

Our Customers

We provide financing to a diversified pool of retail and MSME customers across various demographics, income levels, livelihoods, geographic regions, and credit histories throughout India including customers within the Aspiring India segment, comprising households with an annual income of between ₹0.20 million to ₹1.00 million, according to the CRISIL Report. 72.20% of our retail customers in Fiscal 2024 belonged to the Aspiring India segment. In addition, we provide financing to corporate and institutional clients.

Our retail customers comprise salaried and self-employed customers including NTC and ETC customers. We extend secured and unsecured loans ranging from ₹10,000.00 to ₹450.00 million to our retail customers. The amount of loan extended to each customer depends on customer eligibility and our assessment of customer risk.

Our MSME customers include self-employed professionals, wholesale and retail dealers, merchants, builders, and small and medium scale manufacturing concerns and service providers. Our MSME customers largely comprise credit-tested customers seeking funds for purposes such as expanding their business, purchasing assets and fulfilling their working capital requirements.

We extend secured and unsecured loans ranging from ₹1.00 million to ₹550.00 million to our MSME customers. The amount of loan extended depends on the loan type, customer eligibility and ticket size.

Further, we provide CIF loans to our corporate and institutional customers such as promoters, holding companies and operating entities of large corporations. We extend loans ranging from ₹500.00 million to ₹3,500.00 million secured by a basket of collaterals such as property, fixed assets, shares and current assets, depending on the results of our credit assessments.

We had an active customer base (i.e., customers with an ongoing loan) comprising the following, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Retail customers	5.00 million	4.30 million	3.90 million
MSME customers	29,060	21,927	12,703
CIF customers	360	390	244

The following table sets forth certain additional details of our retail loan profile as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Vehicle loan:			
NTC customers(1) (as a percentage of total outstanding vehicle loan accounts)	81.59%	82.10%	82.92%
ETC customers (as a percentage of total outstanding vehicle loan accounts)	18.41%	17.90%	17.08%
Personal loans:			
Salaried customers (as a percentage of total outstanding personal loan accounts)	56.58%	55.63%	42.61%
Self-employed customers (as a percentage of total outstanding personal loan accounts)	43.42%	44.37%	57.39%
ETC customers (as a percentage of total outstanding personal loan accounts)	98.81%	95.61%	83.30%
NTC customers(1) (as a percentage of total outstanding personal loan accounts)	1.19%	4.39%	16.70%
Mortgage loans:			
Salaried customers (as a percentage of total outstanding mortgage loan accounts)	39.15%	40.65%	39.34%
Self-employed customers (as a percentage of total outstanding mortgage loan accounts)	60.85%	59.35%	60.66%

Note:

(1) Indicates the percentage of loan accounts which did not have a credit score at the time of loan approval.

Our Products

We provide a range of financing options across our three business verticals:

1. **Retail Finance**

   (i) ***Vehicle Loans*****:** we offer our retail customers: (i) two-wheeler loans to finance their purchase of scooters and motorcycles from Hero MotoCorp Limited and electric two-wheelers from select brands; and (ii) used car loans to finance or refinance their purchase of used cars from any car brand. Our vehicle loans had an average ticket size of ₹93,000.00, ₹82,000.00 and ₹74,000.00 in Fiscals 2024, 2023 and 2022, respectively, with an average tenure of 2.73, 2.56 and 2.45 years, respectively. The vehicles purchased are hypothecated to us until the loan is fully repaid.

   (ii) ***Personal Loans:*** we offer retail customers personal loans in the form of (i) personal loans sourced through our partner platforms, (ii) HIPLs sourced through our app, (iii) open market personal loans sourced through our channel partners, particularly DSAs, and (iv) loyalty personal loans for customers with a credit history with Hero FinCorp. Our personal finance loans had an average ticket size of ₹0.16 million, ₹0.08 million and ₹0.12 million in Fiscals 2024, 2023 and 2022, respectively, with an average tenure of 2.71, 2.67 and 2.96 years, respectively.

   (iii) ***Mortgage Loans***: through HHFL, our subsidiary and housing finance arm, we offer secured home loans to self-employed and salaried retail customers seeking to purchase residential property or land to construct their homes, or to renovate or extend their homes. Our loans had an average ticket size of ₹2.17 million, ₹1.76 million and ₹1.56 million in Fiscals 2024, 2023 and 2022, respectively, with an average tenure of 19.25, 21.53 and 17.43 years, respectively.

2. **MSME Finance**: various secured and unsecured products such as: (i) business loans; (ii) loans against property to MSMEs seeking to mortgage their residential, commercial or industrial property in exchange for a loan; (iii) supply

chain finance; and (iv) construction finance to builders, developers for developing residential properties. Our MSME loans had an average ticket size of ₹4.94 million, ₹4.05 million and ₹4.36 million in Fiscals 2024, 2023 and 2022, respectively, with an average tenure of 9.07, 8.42 and 7.33 years, respectively. As at March 31, 2024, 2023 and 2022, 56.62%, 51.92% and 47.47% of our MSME loans were secured, respectively, while the remaining 43.38%, 48.08% and 52.53% were unsecured loans, respectively.

3. **Corporate and institutional finance**: We offer secured loans to marquee corporate and institutional customers such as promoters, holding companies and operating entities of large corporations. These large ticket loans range up to ₹3,500.00 million. Our CIF loans had an average ticket size of ₹976.34 million, ₹996.06 million and ₹890.30 million in Fiscals 2024, 2023 and 2022, respectively, with an average tenure of 3.02, 1.81 and 1.78 years, respectively. The majority of our CIF loans are secured by a basket of collaterals including property, fixed assets, shares and current assets.

In Fiscals 2024, 2023 and 2022, we disbursed a total of ₹344,632.47 million, ₹277,133.32 million and ₹196,998.95 million, respectively, of which 58.00%, 57.00% and 67.00% was secured by collateral, respectively. Our total AUM as at March 31, 2024, 2023 and 2022 was ₹518,208.11 million, ₹417,508.93 million and ₹330,524.82 million, respectively, of which 60.21%, 62.71% and 67.60% was secured by collateral, respectively.

Retail Finance

Vehicle Loans

We offer two-wheeler loans, E2W loans and used car loans to retail customers, which are secured by the purchased vehicles. Customers may take loans ranging between ₹ 10,000.00 to ₹5.00 million.

The following table provides details of our vehicle loans disbursements:

Particulars	**Fiscals**			**CAGR from March 31, 2022 to March 31, 2024**
	2024	**2023**	**2022**	
	(in ₹ million, except percentages)			
Total vehicle loans disbursements[(1)]	99,000.16	84,546.56	66,338.42	22.16%
Total vehicle loan disbursements as a percentage of total disbursements (%)	28.73%	30.51%	33.67%	—

Note:

(1) *Vehicle loans disbursements includes disbursements with respect to both two-wheeler and used car loans.*

As at March 31, 2024, 2023 and 2022, the AUM for our vehicle loans amounted to ₹127,942.58 million, ₹108,383.55 million and ₹98,760.38 million, respectively, or 24.69%, 25.96% and 29.88% of our total AUM, respectively. Our Stage 3 Loans for vehicle loans amounted to ₹8,480.43 million, ₹7,070.08 million and ₹11,251.10 million as at March 31, 2024, 2023 and 2022, respectively, or 1.64%, 1.69% and 3.40% of our total AUM as at those respective dates.

<u>Two-wheeler Loans</u>

Since 2013, we have provided financing to eligible customers of our parent company, Hero MotoCorp Limited, who are seeking to purchase new Hero-branded two-wheelers, including motorcycles and scooters, based on our underwriting assessments. In Fiscals 2024, 2023 and 2022, we financed 18.66%, 18.91% and 17.98% of Hero MotoCorp Limited's vehicle sales, respectively. We also offer retail customers E2W loans to purchase Hero MotoCorp E2Ws and E2Ws from other brands.

Customers seeking to purchase new two-wheelers can apply for loans ranging from ₹10,000.00 to ₹ 0.15 million, with a loan to value ("**LTV**") ratio of up to 95.00%, Under our "Meri Monthly Instalment" program ("**MMI**"), customers may select the amount of EMI to pay and our sales executive will design a loan plan based on the selected MMI. Customers benefit from flexible repayment tenures based on their financial preferences and capabilities, with tenures ranging from 6 months to 48 months. The vehicle is hypothecated to us until the loan is fully repaid.

The following table provides certain details of our two-wheeler loans for Fiscals 2024, 2023 and 2022.

Particulars	**Fiscals**		
	2024	**2023**	**2022**
Average ticket size[(1)] *(₹ thousand)*	74.98	70.95	65.76
Average residual tenure[(2)] *(years)*	1.78	1.76	1.73
Average yield[(3)] *(%)*	22.32	22.53	21.06

Notes:

(1) Average ticket size represents ratio of disbursement amount to disbursal count for the relevant Fiscal.

(2) Average residual tenure represents the average remaining period until the maturity as at the last day of the relevant Fiscal.

(3) Average yield represents weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal.

Distribution of two-wheeler loans

We distribute two-wheeler loans primarily through two-wheeler dealers, as well our digital channel authorised by Hero MotoCorp Limited and digital partners. Through our association with Hero MotoCorp Limited, we are able to leverage their extensive two-wheeler distribution network, to distribute our two-wheeler loans including E2W loans to customers purchasing Hero MotoCorp Limited's Vida EVs.

The table below shows our two-wheeler loans sourcing split across sales channels in Fiscals 2024, 2023 and 2022:

Particulars	Fiscals		
	2024	2023	2022
Two-wheeler dealers	97.35%	99.30%	99.88%
Digital partners	1.45%	0.70%	0.12%
Website/mobile app/digital marketing	1.01%	-	-
Others[1]	0.20%	-	-

Note:
(1) Others includes sourcing through our in-house sales team.

Used Car Loans

We offer retail customers the option to finance or refinance their purchase of used cars for personal use from any brand in over 500 locations across India, as at March 31, 2024. Used car loans range from ₹50,000.00 to ₹5.00 million and interest rates range from 13.50% to 22.00%. Loan tenures range from one year to five years. Existing used car loan customers with a proven track record can also avail of a top-up loan against the used cars for up to 200.00% of the existing loan value. The vehicle is hypothecated to us until the loan is fully repaid.

The following table provides certain details of our used car loans for Fiscals 2024, 2023 and 2022.

Particulars	Fiscals		
	2024	2023	2022
Average ticket size[(1)] *(₹ million)*	0.73	0.65	0.56
Average residual tenure[(2)] *(years)*	3.92	3.88	3.87
Average yield[(3)] *(%)*	16.68	16.25	16.36

Notes:
(1) Average ticket size represents ratio of disbursement amount to disbursal count for the relevant Fiscal.
(2) Average residual tenure represents the average remaining period until the maturity as at the last day of the relevant Fiscal.
(3) Average yield represents weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal.

Distribution of used car loans

We distribute our used car loans through DSAs, direct sourcing, digital partners and used car dealers.

The table below shows our used car loans sourcing split across sales channels in Fiscals 2024, 2023 and 2022:

Particulars	Fiscals		
	2024	2023	2022
DSAs including car dealers	43.40%	36.38%	61.58%
Direct sourcing	30.57%	20.93%	2.59%
Digital partners	26.03%	42.69%	35.83%

Personal Loans

We extend unsecured personal loans to both self-employed customers and salaried customers in government, private and public sector organisations. Under this loan segment, we provide unsecured personal loans to customers that either have a proven repayment track record with us or credit bureau history data, forming 98.81% of our personal loan customers as at March 31, 2024, so long as such customers fulfil our underwriting requirements. Each customer has a different risk profile based on parameters including their bureau track records, employer/business profile, experience, demographics, credit and default risk in their respective business segment and repayment track record. A cost premium or discount is attached to the overall interest rate of the loan based on each respective customer's credit risk.

The following table sets forth the spread of our personal loans by CIBIL scores as at March 2024, 2023 and 2022:

Bucket	2024		2023		2022	
	(Count)	(%)	(Count)	(%)	(Count)	(%)
<=550	5,474.00	0.93	19,330.00	2.12	3,053.00	1.85
551-620	22,908.00	3.88	68,645.00	7.52	13,459.00	8.15
621-700	53,563.00	9.08	189,255.00	20.74	40,160.00	24.32

Bucket	2024		2023		2022	
701-749	179,926.00	30.49	382,047.00	41.86	62,469.00	37.83
750-900	328,154.00	55.62	253,313.00	27.76	45,993.00	27.85
Grand Total	**590,025.00**	**100.00**	**912,590.00**	**100.00**	**165,134.00**	**100.00**

Note:
(1) Cross-sell customers have been excluded from the counts in the table above.

We provide personal loans in the form of (i) personal loans sourced through our partner platforms, (ii) HIPLs sourced through our app, (iii) open market personal loans sourced through our channel partners, particularly DSAs, and (iv) loyalty personal loans for customers with a credit history with Hero FinCorp.

Personal loans can be used for any purpose, including financing expenses such as medical, travel, home renovation and marriage expenses and purchases of consumer durable goods (such as personal gadgets, electronic products and home appliances). We also offer loan packages tailored for doctors, businessmen, self-employed individuals, corporate employees, government employees, salaried employees, women, chartered accountants and defence personnel. Customers may obtain a personal loan ranging from ₹50,000.00 to ₹0.50 million at a fixed interest rate

The following table provides certain details of our unsecured personal loans for Fiscals 2024, 2023 and 2022.

Particulars	Fiscals		
	2024	2023	2022
Average Ticket Size[(1)] *(₹ million)*	0.16	0.08	0.12
Average Residual Tenure[(2)] *(years)*	2.22	2.22	2.62
Average Yield[(3)] *(%)*	23.94	25.12	25.22
Average CIBIL Score[(4)]	716	594	747

Notes:
(1) Average Ticket Size: disbursement amount divided by disbursal count for the relevant Fiscal.
(2) Average Residual Tenure: average remaining period until the maturity as of the last day of the relevant Fiscal.
(3) Average Yield: weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal
(4) Average CIBIL Score: Mean value of the credit scores assigned by CIBIL/CRIF, ranging from 300 to 900, which indicates the credit worthiness of an individual.

As at March 31, 2024, 2023 and 2022, the AUM for our unsecured personal loans amounted to ₹155,993.81 million, ₹114,433.03 million and ₹72,664.22 million, respectively, or 30.10% %, 27.41% and 21.98% of our total AUM, respectively. Our Stage 3 Loans for unsecured personal loans amounted to ₹6,139.74 million, ₹6,443.36 million and ₹5,406.18 million as at March 31, 2024, 2023 and 2022, respectively, or 1.18%, 1.54% and 1.64% of our total AUM, as at those respective dates.

<u>Distribution of personal loans</u>

We offer our eligible two-wheeler loan customers with a history of timely payments of their EMIs with an exclusive pre-approved personal loan offer. Two-wheeler customers must have completed at least four EMI payments without any payment defaults to be eligible. Such customers may obtain an unsecured loan of up to ₹0.30 million, for a flexible loan tenure of two to four years. In Fiscals 2024, 2023 and 2022, respectively, 23.88%, 21.64% and 20.96%, of two-wheeler loan customers, availed themselves of personal loans.

We have partnered with digital partners such as One 97 Communications Limited (Paytm), One Mobikwik Systems Limited (Mobikwik), Infocredit Services Private Limited (Credit Vidya) and Paisabazaar Marketing and Consulting Private Limited (Paisa Bazar), whereby customers are able to apply for unsecured personal loans from us through such loan aggregators. While the loan aggregator assists customers with their loan applications and the customer application and loan fulfilment takes place through the loan aggregator's mobile app, the KYC and underwriting process is completed on our end.

We also source unsecured personal loans through our in-house sales team, DSAs and digital channels.

Through our mobile app, customers may apply for an instant cash loan through a fully digital end to end journey. Disbursal of the loan amount is made directly into the borrower's bank account within one to two days of loan approval. Customers are able to obtain an instant loan of up to ₹0.5 million based on customer profile and credit score.

The table below shows our unsecured personal loans sourcing split across sales channels in Fiscals 2024, 2023 and 2022:

Particulars	Fiscals		
	2024	2023	2022
Digital partners	53.18%	46.95%	33.31%
DSAs	7.47%	15.28%	22.67%
Direct sourcing	24.66%	28.90%	44.02%
Website/app/digital marketing	1.09%	0.08%	-
Cross-selling/top up	13.60%	8.79%	-
Total	**100.00%**	**100.00%**	**100.00%**

Mortgage Loans

HHFL, our subsidiary and housing finance arm, offers salaried and self-employed retail customers mortgage loans up to 90.00% of the collateral value for a loan tenure of up to 30 years, varying based on the purpose of the loan, the customer's age and the customer segment. Such mortgage loans are offered to enable customers to purchase residential property or land plots, construct, renovate or extend their homes. HHFL also offers customers mortgage loan balance transfers with top-up, whereby customers can transfer their outstanding mortgage loans from other financial institutions to us and receive a loan top-up.

For each mortgage loan, the value of the property at the time of origination is determined based on valuation reports from a registered valuer. The Master Direction – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the RBI prescribe the maximum permissible parameters of the loan amount that can be provided to mortgage loan customers. A property with a market value of up to ₹3.00 million is permitted to have an LTV ratio of up to 90.00%, a property with a market value of between ₹3.00 million and ₹7.50 million is permitted to have an LTV ratio of up to 80.00%, and property with a market value of more than ₹7.50 million is permitted to have an LTV ratio of up to 75.00%.

Our customers choose a variable interest rate or fixed interest rates in order to allow them to hedge against unexpected interest rate movements. Pricing of fixed interest rate loans and variable interest rate loans is generally determined based on market conditions. Fixed interest rate loans are subject to interest rates ranging from 8.50% to 20.15% per annum. In the case of variable rate loans, we price the interest rates on our loans at either a discount or a premium to the prime lending rate ("**PLR**"). As at March 31, 2024, 2023 and 2022, 6.14%, 19.53% and 29.86% of our loans were subject to fixed interest rates, respectively, with a weighted average yield of 11.22%, 10.29% and 10.75%, respectively, while 93.86%, 80.47% and 70.14% of our loans were subject to variable interest rates, respectively, with a weighted average yield of 12.08%, 12.15% and 11.08%, respectively. Home renovation or expansion loans tend to have longer loan tenures and lower interest rates.

The following table provides certain details of the mortgage loans for Fiscals 2024, 2023 and 2022.

Particulars	**Fiscal / As at March 31,**		
	2024	**2023**	**2022**
Average Ticket Size[(1)] *(₹ million)*	2.17	1.76	1.56
Average Residual Tenure[(2)] *(years)*	17.53	19.92	15.90
Average Collateral Value[(3)] *(₹ million)*	3.72	3.33	3.41
Weighted average LTV ratio[(4)] *(%)*	59.26	61.81	62.33
Average Yield[(5)] *(%)*	12.15	11.87	11.03

Notes:
(1) Average Ticket Size: Disbursement amount divided by disbursal count for the relevant Fiscal.
(2) Average Residual Tenure: average remaining period until the maturity as of the last day of the relevant Fiscal.
(3) Average Collateral Value: average market value of the asset used to secure the loan disbursed during the relevant Fiscal.
(4) Weighted average LTV ratio: ratio of secured loans disbursed to a customer to the value of collateral mortgage as of the last day of the relevant Fiscal.
(5) Average Yield: weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal

As of March 31, 2024, 2023 and 2022, the AUM for Mortgage Loans amounted to ₹53,326.21 million, ₹39,505.81 million and ₹28,240.24 million, respectively. Stage 3 Loans for Mortgage Loans amounted to ₹917.81 million, ₹870.24 million and ₹847.08 million as of March 31, 2024, 2023 and 2022, respectively, or 0.18%, 0.21% and 0.26% of our AUM as of those respective dates.

Distribution of mortgage loans

HHFL sources mortgage loans through a mix of distribution channels including our in-house sales team, DSAs.

The table below shows our mortgage loans sourcing split across sales channels in Fiscals 2024, 2023 and 2022:

Particulars	**Fiscals**		
	2024	**2023**	**2022**
In-house sales team	63.18%	48.54%	49.26%
DSAs	36.82%	51.46%	50.74%

MSME Finance

We offer a variety of financing options to MSMEs and business owners to support them in the operation and expansion of their business, including acquiring fixed assets and meeting working capital needs. We offer such customers (i) MSME secured loans in the form of loans against property and construction finance to developers to fund the development of residential properties and (ii) MSME unsecured loans in the form of business loans and supply chain finance. Our financing packages are tailored to meet the unique requirements and operating constraints that MSMEs encounter during various phases of their business. The loan amount and tenure available varies based on the type of business activity.

The following table provides a breakdown of our MSME finance disbursements by MSME secured loans and MSME unsecured loans for the Fiscals indicated:

Particulars	Fiscals						CAGR from March 31, 2022 to March 31, 2024
	2024		2023		2022		
	(in ₹ million)	*(%)*	*(in ₹ million)*	*(%)*	*(in ₹ million)*	*(%)*	*(%)*
MSME secured loans(1)	35,081.95	72.11%	26,225.80	65.79%	10,988.00	71.27%	78.68%
MSME unsecured loans(2)	13,568.17	27.89%	13,639.13	34.21%	4,429.50	28.73%	75.02%
Total MSME finance disbursements(3)	**48,650.12**	**100.00%**	**39,864.93**	**100.00%**	**15,417.50**	**100.00%**	**77.64%**

Notes:

(1) MSME secured loans includes loans against property and construction finance

(2) MSME unsecured loans includes business loans and supply chain finance.

(3) MSME finance disbursements represent the total amount of the new loans disbursed to the MSME customers during the relevant Fiscal.

MSME Secured Loans

We extend larger loans against property to MSME owners who mortgage their commercial or residential or mixed-use property as collateral. These loans provide them with working capital without having to liquidate their fixed assets and come with a lower interest rate which varies based on property valuation. Loan amounts range from ₹2.00 million to ₹550.00 million at fixed or floating interest rates ranging from 8.75% to 18.00% per annum, with an LTV ratio of up to 56.50% of the property's value and a loan tenure of up to 15 years.

We offer the following types of MSME secured loans:

(i) loans against property; and

(ii) construction finance.

The following table provides certain details of our MSME secured loans for Fiscals 2024, 2023 and 2022.

Particulars	Fiscal / As at March 31,		
	2024	2023	2022
Average Ticket Size(1) (₹ million)	23.30	22.65	22.70
Average Residual Tenure(2) (years)	10.81	10.27	6.85
Average Collateral Value(3) (₹ million)	4.03	3.98	4.17
Weighted Average LTV ratio(4) (%)	56.55%	56.22%	55.69%
Average Yield(5) (%)	11.69%	11.81%	11.49%

Notes:

(1) Average Ticket Size: Disbursement amount divided by disbursal count for the relevant Fiscal.

(2) Average Residual Tenure: average remaining period until the maturity as of the last day of the relevant Fiscal.

(3) Average Collateral Value: average market value of the asset used to secure the loan disbursed during the relevant Fiscal.

(4) Weighted average LTV ratio: ratio of secured loans disbursed to a customer to the value of collateral mortgage as of the last day of the relevant Fiscal.

(5) Average Yield: weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal

As at March 31, 2024, 2023 and 2022, the AUM for MSME secured loans amounted to ₹61,036.26 million, ₹44,037.67 million and ₹29,201.43 million, respectively, or 11.78%, 10.55% and 8.83% of our total AUM, respectively. Stage 3 Loans for MSME secured loans amounted to ₹1,376.73 million, ₹1,233.12 million and ₹1,742.80 million as at March 31, 2024, 2023 and 2022, respectively, or 0.27%, 0.30% and 0.53% of our total AUM as at those respective dates.

Loans Against Property

We extend larger loans against property to MSME owners who mortgage their commercial or residential, industrial or mixed-use property as collateral. These loans provide working capital without liquidating fixed assets and come with a lower interest rate which varies based on property type. Loan amounts range from ₹2.00 million to ₹80.00 million at fixed or floating interest rates ranging from 11.00% to 17.00% per annum, with an LTV ratio of up to 61.00% of the property's value and a loan tenure of up to 15 years.

Customers can secure the loan using residential, commercial or industrial properties or alternative collateral such as vacant plots and farmhouses or a combination of such property types. The title of the mortgaged property must be clear, marketable and free of any loan, litigation or mortgage on the property, and be insured against fire and other hazards. For each loan against property, the value of the property at the time of origination is determined based on valuation reports from a registered valuer.

Customers also have the option to avail themselves of lease rent discounting, whereby the loan is provided against rental receivables (which are typically routed through an escrow account) derived from lease contracts with tenants of an operational commercial property, which is the primary source of repayment of the loan and other related dues. The size of the loan is based on the discounted value of the rentals and the underlying property value. An equitable mortgage is created over the commercial property to secure the loan and other related dues. A key consideration in the credit appraisal process is the enforceability of the security and the quality of the tenant occupying the property.

Construction Finance

We offer secured loans to developers for developing residential properties. Loan amounts range from ₹2.50 million to ₹550.00 million at floating interest rates ranging between 12.50% and 18.00 % per annum, with an LTV ratio of up to 40.00% of the property's value and a loan tenure of up to 12-66 months including moratorium period. The project with its structures and building along with the cash flows generated by it form the collateral to the loan.

MSME Unsecured Loans

MSMEs and business owners can obtain an unsecured loan to fund expenses related to their working capital requirements, business expansion or marketing, inventory funding.

We offer the following types of MSME unsecured loans:

(i) business loans; and

(ii) supply chain finance.

Business Loans

We extend unsecured business loans to MSME customers who are traders, manufacturers and service providers and self-employed professionals. These loans provide additional working capital for their urgent business needs. Loan amounts range from ₹0.50 million to ₹5.00 million at high fixed interest rates ranging from 15.00% to 30.00% per annum and a loan tenure ranging from 12 months to 48 months.

These loans are underwritten based on an assessment of each loan. Each loan is assessed based on various factors including nature of business, operating history of business, CIBIL scores of respective individuals, partners or directors, commercial CIBIL scores, repayment track record of existing loan facilities, banking assessment, financial evaluation based on audited financial statements and GST returns, verification of the customer's business and residence addresses and video or physical personal discussions with our teams.

The following table provides certain details of our unsecured business loans for Fiscals 2024, 2023 and 2022.

Particulars	**Fiscals**		
	2024	**2023**	**2022**
Average Ticket Size(1) *(₹ million)*	1.65	1.58	1.46
Average Residual Tenure(2) *(years)*	2.53	2.64	2.59
Average Yield(3) *(%)*	18.23%	18.45%	18.34%

Notes:
(1) Average Ticket Size: Disbursement amount divided by disbursal count for the relevant Fiscal.
(2) Average Residual Tenure: average remaining period until the maturity as of the last day of the relevant Fiscal.
(3) Average Yield: weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal.

As at March 31, 2024, 2023 and 2022, the AUM for unsecured business loans amounted to ₹46,761.95 million, ₹40,777.35 million and ₹32,312.94 million, respectively, or 9.02%, 9.77% and 9.78% of our total AUM, respectively. Stage 3 Loans for unsecured business loans amounted to ₹1,144.06 million, ₹1,189.16 million and ₹1,855.93 million as at March 31, 2024, 2023 and 2022, respectively, or 0.22%, 0.28% and 0.56% of our total AUM, respectively.

Supply Chain Finance

We provide short-term working capital finance to MSME that have business relationships with large corporates (including Hero MotoCorp Limited and the Hero Group) whom we identify as anchors. We tailor specific finance solutions to finance the receivables and payables of such MSMEs. We provide invoice-based discounting to such MSMEs whereby we provide financing for the anchor's invoice to such MSMEs. We also provide inventory discounting whereby we finance part of the total amount payable by such MSMEs to such anchors for purchasing inventory. This service improves the MSME businesses' cash flow thereby reducing working capital cycles and optimising their working capital requirements.

MSMEs can take out a loan of up to ₹80.00 million (for single borrowers) or ₹120.00 million (for borrower groups) or up to 100% of their invoice value (whichever amount is higher) and for a maximum loan tenure of 120 days. Such loans are subject to floating interest rates ranging from 11.00% to 14.00%. We service such MSMEs through our digital discounting and digital repayment modules by providing them with 24/7 access to our user portals.

Distribution of MSME finance

We source loans against property and business loans primarily through DSAs. For supply chain finance and construction finance, we have an in-house sales team, and we assign dedicated relationship managers to forge lasting relationships with anchors (in supply chain finance) and customers.

Corporate and Institutional Finance

We offer secured loans to corporate and institutional clients such as promoters, holding companies and operating entities of large corporations. We have a diversified CIF customer base across industries such as real estate, metals, renewable energy, pharmaceuticals and financial institutional groups. As at March 31, 2024, 2023 and 2022, we had an active CIF customer base of 360, 390 and 244 entities, respectively, of which 51.30%, 50.00% and 37.50%, respectively, had credit ratings of A- or above issued by external credit rating agencies. Corporate and institutional clients have been granted loans up to ₹3,500.00 million, subject to fixed and/or floating interest rates ranging from 7.50% to 18.00 %, for a tenure of up to 10 years.

Our CIF customers secure their loans using a basket of collaterals including property, fixed assets, shares and current assets.

Customers may choose between a fixed interest rate and a floating interest rate. Pricing of fixed interest rate loans and variable interest rate loans is generally determined based on market conditions. As at March 31, 2024, 2023 and 2022, 40.32%, 48.48% and 63.25% of total CIF were subject to fixed interest rates with a weighted average yield of 11.26%, 11.09% and 11.48%, respectively, while 59.68%, 51.52% and 36.75% were subject to floating interest rates with a weighted average yield of 12.75%, 12.58% and 12.61%, respectively.

The following table provides certain details of our CIF loans for Fiscals 2024, 2023 and 2022.

Particulars	Fiscals		
	2024	2023	2022
Average Ticket Size(1) *(₹ million)*	976.34	996.06	890.30
Average Residual Tenure(2) *(years)*	2.19	1.38	1.19
Average Yield(3) *(%)*	11.57%	10.83%	10.82%

Notes:

(1) Average Ticket Size: Disbursement amount divided by disbursal count for the relevant Fiscal.

(2) Average Residual Tenure: average remaining period until the maturity as of the last day of the relevant Fiscal.

(3) Average Yield: weighted average interest rate on loan amounts extended to our customers in the relevant Fiscal.

As at March 31, 2024, 2023 and 2022, the AUM for our CIF loans amounted to ₹59,881.01 million, ₹50,364.54 million and ₹66,345.32 million, respectively, or 11.56%, 12.06% and 20.07% of our total AUM, respectively. Stage 3 Loans for CIF loans amounted to ₹2,653.74 million, ₹4,396.06 million and ₹3,754.52 million as at March 31, 2024, 2023 and 2022, respectively, or 0.51%, 1.05% and 1.14% of our total AUM as at those respective dates.

<u>Distribution of CIF Loans</u>

All of our CIF products are distributed through our direct sourcing teams comprising relationship managers.

Non-lending Product – Insurance

We hold a Corporate Agent (Composite) License from the Insurance Regulatory Development Authority of India for the distribution of insurance products. As at March 31, 2024, we partnered with four life insurance providers, four general insurance providers and two health insurance providers. Through these partnerships, we offer several insurance products, such as group credit life, health, motor and property insurance. We earn a commission on cross-selling such insurance products to our existing customer base.

The following table provides certain details of our cross-sold insurance products for Fiscals 2024, 2023 and 2022:

Particulars	Fiscals		
	2024	2023	2022
Number of policies attached *(in million)*	4.60	3.49	3.25
PPC for Non-lending product(1)	2.80	1.87	2.40

Note:

(1) 'Buy now pay later' merchants are not included in our calculation of PPC.

In Fiscals 2024, 2023 and 2022, we earned insurance commissions amounting to ₹1,139.91 million, ₹212.19 million and ₹153.64 million, respectively.

Our Distribution Network

Our extensive pan-India distribution network spans 18,603 pin-codes across 36 states and Union Territories in India, as at March 31, 2024. Our distribution network comprises our digital channels, HHFL branches, relationship managers and our sales executives, which is complemented by our asset-light, distribution partner network, comprising (i) two-wheeler and used car dealers, (ii) digital partners and (iii) DSAs. Leveraging our extensive omni-channel distribution network, we sourced 2.06 million customers in Fiscal 2024 and have served 11.80 million customers as at March 31, 2024.

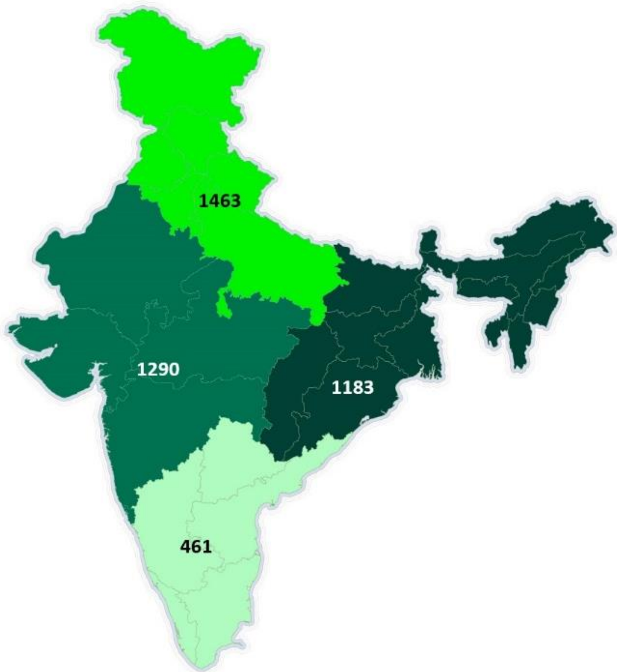
The following table provides a breakdown of total disbursements by distribution channel.

Particulars	Fiscals					
	2024		2023		2022	
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Two-wheeler dealers	73,057.47	21.20%	70,778.39	25.54%	57,698.83	29.29%
Digital partners	77,153.08	22.39%	51,755.53	18.68%	22,196.95	11.27%
DSAs[(1)]	63,672.19	18.48%	59,505.08	21.47%	34,393.10	17.46%
Direct sourcing	110,180.48	31.97%	86,199.79	31.10%	82,701.13	41.98%
Website/mobile app/digital marketing	2,205.53	0.64%	80.87	0.03%	0.00	0.00%
Cross-sell/Top-up	18,363.73	5.33%	8,813.66	3.18%	8.95	0.00%
Total	**344,632.47**	**100.00%**	**277,133.32**	**100.00%**	**196,998.95**	**100.00%**

Note:
(1) Includes loans sourced through used car dealers.

Our Pan India Presence

Our branch network is central to our broader pan-India distribution network. We had, 4,257 dealer touchpoints and 15,486 employees, of whom 7,543 were part of our in-house direct sales team and 140 leased branches. Our in-house sales team is supported by two call centres and 200 callers, as at March 31, 2024. The map below shows the spread of our dealer touchpoints across India as at March 31, 2024:



We had 140, 81 and 82 branches covering 15, 13 and 13 states across rural, semi urban and urban areas of India as at March 31, 2024, 2023 and 2022, respectively.

The following table sets forth the number of branches across rural, semi urban and urban areas of India as at March 31, 2024, 2023 and 2024:

	As at March 31,					
	2024		2023		2022	
	Number of Branches	**Percentage of total branches (%)**	**Number of Branches**	**Percentage of total branches (%)**	**Number of Branches**	**Percentage of total branches (%)**
Metro[(1)]	56	40.00%	42	51.85%	41	50.00%
Urban[(2)]	65	46.43%	28	34.57%	30	36.59%
Semi-urban[(3)]	14	10.00%	9	11.11%	9	10.98%
Rural[(4)]	5	3.57%	2	2.47%	2	2.44%
Total	**140**	**100.00%**	**81**	**100.00%**	**82**	**100.00%**

Notes:
(1) Metro comprises cities in India with a population over one million.
(2) Urban comprises cities with a population between 0.1 million and one million.
(3) Semi-urban comprises cities with a population between 10,000 and 0.1 million.
(4) Rural comprises areas with a population below 10,000.

Our in-house sales teams at our branches are involved in every step of a customer's loan lifecycle. The team sources loans directly or through a network of partner DSAs which generates leads and passes on the contacts to our in-house sales team. Our in-house sales team addresses customer queries and assists with the loan collection process.

Our call centres house a team of tele-executives equipped to manage business development for certain loans and post-disbursement customer queries. Our contact centre responds to the initial inquiries from potential customers and makes the first contact with potential customers and sets up an appointment between the customer and our in-house sales team channel partner after an initial verification of the credentials and loan requirements of the potential customer. An alert is also sent to our in-house sales team as well as to the customer. Our in-house sales team channel partner meets the customer to understand their financing requirements and updates the customer's status via our app, which gets updated on the system on a real-time basis. The lead management system then continues to track progress made by the in-house sales team on the loan application and provides regular status updates to stakeholders in the process at all key stages of the loan application process. The automated lead management process allows us to provide efficient service to our customers, facilitates end-to-end lead tracking, and monitors the performance of marketing campaigns and sales reports electronically.

We had two call centres as at March 31, 2024, 2023 and 2022, respectively. We staffed a total of 200, 186 and 170 callers, at our call centres, as at March 31, 2024, 2023 and 2022, respectively.

As at March 31, 2024, 2023 and 2022 we had 7,543, 6,228 and 5,870 employees on our in-house sales team, respectively. Our in-house sales team is employed on third party payroll but are trained by our sales and marketing team and we manage them through our branches. Our in-house sales team channel partners generate leads from potential customers through direct contact with customers, including through connectors, such as real estate developers and property brokers, who pass on contacts to the in-house sales team. Our in-house sales team provide "doorstep" services to certain customers and help customers complete the relevant loan documentation.

Hero MotoCorp Limited Two-wheeler Dealers

We leverage Hero MotoCorp Limited's extensive two-wheeler dealer networks to expand our distribution reach**.** Our two-wheeler distribution network comprised 4,257 dealer touchpoints comprising dealers and sub-dealers of Hero MotoCorp Limited spanning over 2,000 cities, towns and villages, as at March 31, 2024.

We enter into agreements with Hero MotoCorp Limited dealers in order to distribute our two-wheeler loans through their respective dealerships. We pay them a combination of fixed and variable amounts as commission on the new loans generated through their dealership. The majority of our new two-wheeler loans were sourced through Hero MotoCorp Limited's distribution network.

Direct Sourcing

We sourced 37.94% of our disbursements directly through our in-house direct sales team in Fiscal 2024. Our in-house direct sales team comprised 7,543 personnel as at March 31, 2024, and provide customers access to our used car loans, personal loans, mortgage loans, supply chain finance and construction finance products.

Our Digital Channels

We also source customers through our Hero FinCorp website, mobile app and digital marketing initiatives, through which we offer automated and assisted customer journeys.

Loan leads are sourced through our website or other digital channels and are directed to our in-house sales team for further assistance. Customers who wish to obtain an instant personal loan may complete their application journey on our website or download our mobile app, available on Google Play Store, and apply directly. Our mobile app generates automatic decisions on applications for instant personal loans.

Further, we leverage digital marketing for lead sourcing, including through social media channels and other leading digital marketing inventories. Our digital marketing efforts identify customers based on their propensity for a personal loan and serves advertisements on their preferred search engines and social media websites.

Distribution Network Partners

Our distribution network partners through which we source customers include (i) two-wheeler and used car dealers, (ii) digital partners and (iii) DSAs.

These channels generate customer leads that are passed onto territory managers sitting in our branch in that particular city, who follow-up with customers to discuss the terms of the loan. Our field team, comprising 9,141 employees, visit the customers to assist them in completing and closing the loan application.

Two-wheeler Dealers (excluding Hero MotoCorp Limited dealers)

We have partnered with 371, 47 and 15 E2W dealers of select EV brands, as at March 31, 2024, 2023 and 2022, respectively as at March 31, 2024, 2023 and 2022 for the distribution of two-wheeler loans to finance the purchase of E2Ws.

Used Car Dealers

We source used car loans through used car dealers who assist the customer in applying for the loan. As at March 31, 2024, 2023 and 2022, we had partnered with 2,711, 2,242 and 1,925 used car dealers, respectively.

Digital Partners

We have partnered with 18, 13 and 6 digital partners, as at March 31, 2024, 2023 and 2022, respectively, to provide their customers access to our two-wheeler loans, used car loans and personal loans. For example, we partnered with Cash invoice, a digital supply chain platform, to offer Hero MSME finance to the platform's MSME clients.

Direct Selling Agents

We have partnered with 883, 796 and 656 DSAs, as at March 31, 2024, 2023 and 2022, respectively, for the distribution of our used car loans, personal loans, unsecured business loans and loans against property. Corporate DSAs drive over 93.00% of our business in personal loans (excluding personal loans sourced through digital partners). Our DSAs are typically proprietorships operating retail channels, such as Arise Marketing India, Bhadwar Marketing, United Wheels and SF Car Bazaar, and professionals, such as chartered accountants and consultants, who provide advice to small businesses and recommend customers to us. We pre-screen all DSAs and conduct a know your DSA ("**KYD**") check with them before entering into an agreement with them. These DSAs do not work exclusively with us and may also work with other lenders, including our competitors.

The DSAs work under the supervision of our sales managers who monitor their performance on the basis of parameters such as understanding of our products and procedures, number and amount of loans sourced, TAT and instances of fraud, delinquencies or customer complaints. Once the DSAs identify prospective customers and submit loan application documents, the teams at our branches undertake credit appraisal and subsequently conduct loan fulfilment processes directly with the customer. DSAs are generally paid for their services in the form of a variable commission based on the disbursement of loans sourced by them. We plan to launch a DSA partner portal mobile app by the second quarter of Fiscal 2025 to provide customers with seamless access to our sourcing partners. Through the mobile app, our DSA partners will be able to check the status of their customer applications, payout and incentive status.

Our Technology Platform

We have made significant investments in building a robust technology architecture with the support of our technology partners. Our technology architecture is integrated into the entire loan lifecycle, from onboarding to underwriting, loan fulfilment, settlement and collection and servicing, which enables us to strengthen our product offerings and data analysis capabilities, and thereby enhance customer experience and retention. As at March 31, 2024, we had invested a total of ₹1,800.77 million in our IT systems and in Fiscals 2024, 2023 and 2022, we invested ₹484.26 million, ₹264.70 million, ₹184.33 million in our IT systems. As at March 31, 2024, 2023 and 2022 respectively, our IT and analytics team at our technology offices comprised 256 personnel, 153 personnel, and 64 personnel, respectively.

We have developed a robust technology stack that spans the entire loan lifecycle, facilitating an integrated loan experience:

- *Customer Onboarding*: Through our mobile app, customers are able to apply for personal loans via a fully digitalised application process. The mobile app enables us to push notifications informing them of other loans for which they may be eligible. In Fiscal 2024, 2023 and 2022, our mobile app was downloaded 2.79 million, 1.91 million and 1.80 million times, respectively, and had 1.60 million, 1.22 million and 1.34 million mobile app logins, respectively. Meanwhile, our sales executives at two-wheeler dealerships and our distributors have access to our loan origination system (LOS), Salesforce, and use it to compile customer data and upload the data to our systems in order to kickstart the loan application process. Further, we have a fully digital KYC capability through our Digi-Locker which allows us to digitally perform a bank statement analysis without requiring document uploads from our customers. We also offer an e-sign agreement process to digitally onboard customers. For customer onboarding through our distribution partners, we utilise Salesforce to enable our partners to seamlessly carry out customer onboarding digitally. These technologies enable us to efficiently collect and compile customer data across different business segments, which we analyse as part of the underwriting process.

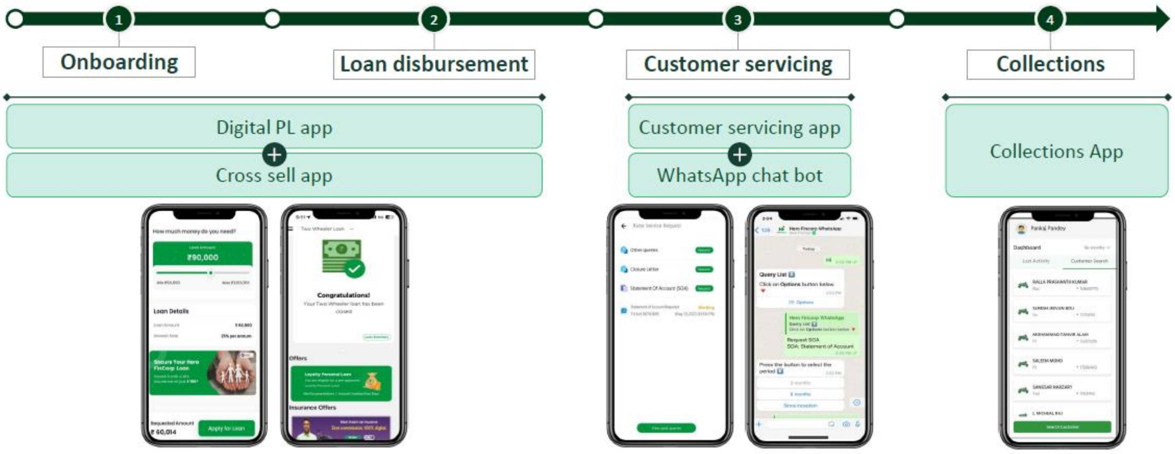
- *Underwriting*: We utilise an enterprise-wide LMS to provide an integrated platform for credit processing, credit management, general ledger, debt management and reporting. This system also assists us with the automation of the loan origination system, credit underwriting system, scorecard generation and maintaining customer history, amongst other functions. Our AI and ML-based application scorecard, built on over 15 risk and collection models, as at March 31, 2024, predicts the risk profile of borrowers, including first-to-credit customers, based on an analysis of data points captured through our customer database. The scorecard enables us to more accurately price our loans, and reduce our turnaround times, and in the case of instant loan applications via our mobile app, generate automatic loan decisions.

We have also implemented e-KYC measures whereby a customer's credit score is automatically retrieved from the credit bureau to further accelerate our loan processing times.

- *Fulfilment*: We implemented a digital term LMS known as FinnOne and a digital supply chain LMS known as Factorin to enable the quick disbursement, collections and loan servicing. We have also implemented electronic document management and e-signing to enable remote and immediate disbursements.

- *Settlement and Collection*: We have implemented a payout management system that helps our in-house collection team track overdue payments and allocate overdue collection cases to our call centres and field agents, and a collections app that our in-house collections team, field agents, call centre personnel and Hero MotoCorp Limited dealers use to track and record the status of loan repayments and overdue payments. Our collection process is driven by technology and data analytics which enhance the efficiency of our collection efforts. Retail customers can repay consumer loans through our mobile app. In April 2022, we enabled personal payment links to drive growth in online payments for retail collections, as well as analytics-driven retail collection which helps us in selecting the appropriate agency and collector for specific case resolutions. We have automated our back-end operations which are supported by our LMS, collateral management system, partner mobile app, sales mobile app and collections mobile app. Our collateral management system helps to manage the end-to-end lifecycle of collaterals and provide solutions to regulatory challenges, complex monitoring challenges and information for existing and new corporate loan collaterals. Our collection team has access to a collections mobile app that enables them to track and record the status of loan repayments and overdue payments.

- *Customer servicing and retention*: We provide multi-language, real-time, self-help services to customers through our mobile app, as well as omni-channel servicing, which reduces customer wait times and enhances the customer experience. Customers are able to request a statement of account or a foreclosure letter through the mobile app and discuss queries with the AI-enabled chatbot. In addition, customers can register their grievances through email, telephone or other instant online messaging platforms or our website.



In Fiscal 2023, we enabled the de-dupe process for all products. Through this process, in cases where customers have applied for multiple loans, if a customer is deemed to be ineligible for one loan type, they are automatically deemed to be ineligible for all loan types. This process helps us identify fraudulent loan application cases and reduces our credit risk. The digital vertical has improved the underwriting process with additional fraud and KYC checks for our instant personal loan products.

Lending Policies and Procedures

We process loans applications either through our underwriting team or our automated system which generates a decision through an established scorecard. In Fiscals 2024, 2023 and 2022, 3.5 million, 3.2 million and 2.7 million of loan applications were underwritten, respectively, while 49.22%, 45.60% and 44.80% of loan applications were automatically processed through our systems, respectively.

Scorecard Processing

We process two-wheeler loans and personal loans (other than cross-sold personal loans) through an automated system, which applies our scorecard to predict the risk profile of borrowers based on various pre-set parameters, including for NTC customers, and generates a decision on the loan application.

Our systems generate a scorecard based on data points captured through our customer database, as at March 31, 2024, comprising:

- *Customer DNA*: comprises the customer's address, income, family details, occupation and age.

- *Customer 360 data*: comprises the product behaviour (e.g., AUM, product types and purpose of the loan), customer credit history (e.g., missed payments and minimum payments), payment history (e.g., regular payment amounts and payment modes), channel choice (e.g., service channel, digital channel), interest shown (e.g., applications started, submitted and inquiries), customer events (e.g., marriage and birth of a child), feedback recorded for various services or products and external data (e.g., credit bureau data).

- *Others*: comprises customer tags (e.g., splendour user, bike enthusiast and traveller), customer persona (e.g., young and aspiring, and working mother), scores (e.g., product propensity and channel churn), forecasts (e.g., loan needs and next loan product) and interaction history (e.g., past requests and campaigns sent).

Loan Underwriting Process

We have a well-established and streamlined proprietary credit underwriting process and scoring model. As at March 31, 2024, 2023 and 2022, we had 713, 476 and 362 employees underwriting loans, respectively, with dedicated underwriting teams for each product type. We undertake an independent risk assessment on all loan applications, including the two-wheeler loans distributed through Hero MotoCorp Limited's dealer network. We have a centrally managed credit function for all business verticals that is overseen by our underwriting team based in Delhi, National Capital Region, India. This team implements a swim lane-based underwriting process across our retail finance vertical, which segments applicants based on their risk profiles and credit history. Our underwriting process is driven by data analytics and backed by AI and ML as we utilise our scorecard across all our retail finance loans. The underwriting process for our instant personal loans and personal loans sourced through digital partners is automated.

Upon obtaining a loan application along with the relevant documentation, our underwriting team reviews the documents and conducts a credit bureau check to identify credit default history at an early stage and generates a credit bureau report to review the applicant's credit score and track record of loan repayments, where applicable. The loan application is checked for various parameters including the completeness of the application form, relevant KYC documents, an initial money deposit cheque and income proofs, where applicable. The team then undertakes a risk assessment, including generating an application scorecard, following which it undertakes a debt capacity assessment.

Upon the receipt of property documents (wherever applicable), which are to be used as collateral, the officer initiates a legal and technical assessment, including by engaging external empanelled vendors, to verify the authenticity of the documents, the legal title to the collateral property and its market value. We have partnered with a third party service provider for use of their self-valuation mobile app, whereby borrowers applying for used car loans are required to download the mobile app and do a self-valuation of the vehicle. During document collection and prior to loan disbursement, our team also does an in-person check of the vehicle. In addition, we conduct personal discussions over the telephone as well as in-person visits at the customer's house or place of business. Our staff visit customers to understand their business, revenue streams, expenses and based on income validations, determine their loan eligibility.

The credit manager then prepares the credit appraisal memorandum and cash flow analysis. For salaried customers, the credit manager conducts telephonic discussions to prepare the credit appraisal memorandum. In the case of secured loans, the team valuates the collateral, including undertaking digital value assessments and in-person assessments. The credit team sends documents to the risk containment unit to verify their authenticity. We use a risk-based pricing matrix to determine the interest rate to be charged for different loans.

Loan Collection, Monitoring and Recovery

We have a robust collections strategy, centred around our centralised collections platform. Our collections platform operates across all business verticals to leverage operational synergies and collectively covers 18,603 pin-codes across India, as at March 31, 2024, with average monthly receipts of 950,000 receipts in Fiscal 2024.

We have well-established processes and a four-tier collections platform comprising our call centres, in-house collection team, outsourced field agencies and sales personnel. Our in-house collections team is the backbone of our collection network, primarily responsible for tracking repayment schedules, payments and defaults on loans, collect loan payments and reviewing customer accounts. Our in-house collections team is supported by 8,313 active field agents from 1,228 outsourced field agencies, our outsourced call centres operated by 545 personnel, and 4,257 Hero MotoCorp Limited dealers and sub-dealers, as at March 31, 2024.

The following table sets forth a breakdown of the number of personnel employed in each collection channel.

Particulars	As at March 31,		
	2024	2023	2022
Call centre executives	545	549	566
In-house collection team members	1,357	1,271	823
Collection team members	4,296	4,144	3,479
Field agents	8,313	8,319	11,261

At the outset of loan disbursement, we provide our customers with the option to make their payments using methods such as the National Automated Clearing House ("**NACH**"), post-dated cheques ("**PDC**"), electronic clearing service ("**ECS**") or cash. Customers are able to make online payments through our website and app. We employ a structured collection process wherein we remind our customers of their payment schedules through text messages, pre-recorded voice calls and calls from our call centres. In certain cases, our in-house team also visits our customers. We track loan repayment schedules on a monthly basis by monitoring instalments due and loan defaults. We ensure that all customer accounts are reviewed by our personnel at periodic intervals, particularly for customers who have larger exposures or have missed their payments. We have developed a statistical algorithm to predict the probability of default, which helps us in detecting early warning signs of potential defaults and mitigating risks. Retail customers can also repay their loans through our mobile app, and we have enabled personal payment links to drive growth in online payments for retail collections.

Leveraging our data analytics capabilities, we allocate overdue collection cases to the appropriate field agent based on customer risk score, past performance of outsourced field agencies and agency presence within the customer's location. For overdue cases, our field agents visit customers to collect instalments, including in cash. Field agents are responsible for collecting instalments, with each field agent typically having responsibility for specified number of borrowers, depending on the volume of loan disbursements in the area. We also leverage our collections application to track the deposit of cash by field agents in real time. If a customer misses instalment payments, our field agents identify the reasons for default and initiate prompt action pursuant to our internal guidelines. If the customer has not made payment by the due date and despite regular follow-ups for a certain period of time, a senior member of our collections team visits the customer and legal action is initiated if the customer's ability or intent to repay is suspect. Our collections team is able to track and record the status of loan repayments and overdue payments on our collections app. See "*—Our Technology Platform*" on page 264 for more details of the technologies underpinning our collections infrastructure.

The table below sets forth a breakdown of our collections in Fiscals 2024, 2023 and 2022:

Mode of collection	Fiscals		
	2024	2023	2022
Cash collections	16.69%	18.76%	24.00%
Digital collections	83.31%	81.24%	76.00%

Note:

(1) Digital collections comprise collections made through Nach, cheques, electronic clearing service payments, payments through payment gateways and aggregators.

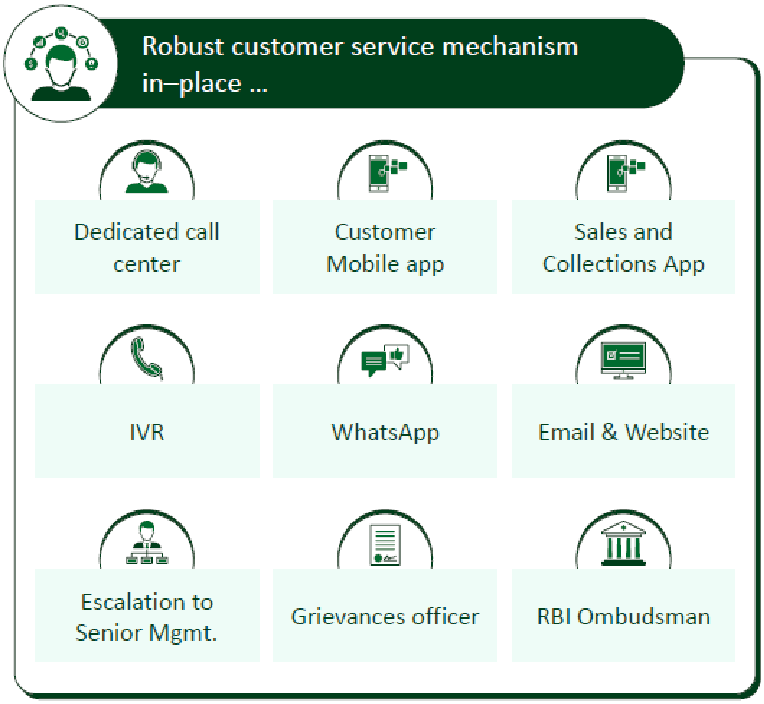
In the event of a default under a loan agreement, we may initiate the process for re-possessing collateral. We work with local authorities to repossess such assets and auction off the repossessed assets.

The following table sets forth our collection efficiency over the past three Fiscals.

Particulars	Fiscals		
	2024	2023	2022
Current	95.72%	95.79%	89.86%
0-30 days past due ("**DPD**")	94.36%	89.69%	74.00%
30-60 DPD	86.27%	93.08%	64.43%
60-90 DPD	91.54%	79.45%	60.53%
Over 90 DPD	69.05%	100.24%	44.55%
Overall	**94.42%**	**95.07%**	**83.00%**

Customer Service, Grievance Redressal and Customer Retention

We have established a multi-level customer query and grievance resolution process, which is aimed at helping us build stronger relationship with our customers. The image below provides an overview of our customer service mechanism:



Our mobile app is a source for our customers to easily access all important information related to their loans. Customers are able to discuss their queries with our AI-enabled chatbot on the app. In order to achieve customer satisfaction and loyalty, our call centres assist with post-disbursement customer service through regular communication of loan and account status to our customers and by responding to their queries and requests. At our branches, dedicated grievance officers seek to ensure timely resolution of the complaints or queries received. In addition, customers can register their grievances through email, telephone, SMS, an instant online messaging platform or our website. In Fiscals 2024, 2023 and 2022, 54.21%, 48.57% and 50.53% of queries were received through digital channels, respectively, and approximately 95.77%, 84.06% and 89.45% of such queries were resolved through digital channels, respectively.

When we receive a customer complaint, we first perform a preliminary check to verify the customer's details and subsequently assign a unique service request number. We ascertain the nature of the customer request and strive to provide a prompt resolution. If necessary, we escalate the matter to senior management and may engage our legal team in the response process. Our customer service managers co-ordinate with the relevant team members for resolution of complaints.

We endeavour to retain customers requesting pre-payment of loans. We monitor pre-payment requests and contact customers who may be considering balance transfer loans to other lenders. Our customer relationship managers try to retain such customers to the extent possible by understanding their requirements and providing suitable solutions. In the majority of cases, rate revisions and top up loans are offered to customers.

Treasury Functions

We have an independent, full-fledged treasury department that is reasonable for our capital requirements and asset liability management, including minimising the cost of our borrowings, managing our liquidity, diversifying fund raising sources, managing interest rate risk, currency risk and investing surplus funds and hedging foreign currency exposure in accordance with the criteria set forth in our investment policy. Our treasury and finance team periodically submit their reports to the Asset Liability Management Committee which submits its report to our Board.

We have access to diversified sources of funding. Our sources of funds include NCDs and commercial papers, term loans, working capital facilities and external commercial borrowings from financial institutions. As at March 31, 2024, our lenders included 10 public sector banks, 23 private sector and foreign banks, 11 mutual funds, 8 insurance companies and 8 provident and pension funds, among others. We maintain a mix of fixed rate and variable rate borrowings. As at March 31, 2024, 2023 and 2022, 24.00%, 26.41% and 28.76% of our total borrowings were subject to fixed interest rates, respectively, while 76.00%, 73.59% and 71.24% were subject to floating interest rates, respectively. In Fiscals 2024, 2023 and 2022, our average cost of borrowing was 7.95%, 6.90% and 6.37%, respectively.

The table below sets forth our different funding sources with respect to our outstanding principal and their respective contribution as a percentage of our total borrowings as at the dates indicated below:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total borrowings*	*(in ₹ million)*	*Percentage of total borrowings*	*(in ₹ million)*	*Percentage of total borrowings*
Debt Securities:						
Redeemable non-convertible debentures	28,813.15	6.24%	37,055.56	10.12%	27,194.78	9.48%
Commercial papers	38,224.00	8.28%	30,415.23	8.30%	32,615.66	11.37%
Debt Securities (A)	**67,037.15**	14.52%	**67,470.79**	18.42%	**59,810.44**	20.85%
Borrowing (other than Debt Securities):						
Term Loans:						
Term loan from banks and financial institutions (Secured)	275,849.73	59.75%	205,614.00	56.14%	183,717.24	64.06%
Term loan from banks - Foreign currency loan (Secured)	508.47	0.11%	773.17	0.21%	1,036.10	0.36%
External commercial borrowing (Secured)	47,597.31	10.31%	39,348.28	10.74%	8,623.12	3.01%
Loans repayable on demand from banks:						
Cash credit (Secured)	4,244.78	0.92%	3,193.70	0.87%	5,467.03	1.91%
Working capital demand loans (Secured)	23,150.11	5.01%	14,700.72	4.01%	17,613.20	6.14%
Working capital demand loans (Unsecured)	2,000.00	0.43%	2,000.00	0.55%	3,850.00	1.34%
Additional special refinance facility from National Housing Bank	5,053.50	1.09%	500.00	0.14%	0.00	0.00%
Borrowing (other than Debt Securities) (B)	**358,403.90**	77.63%	**266,129.87**	72.66%	**220,306.69**	76.82%
Subordinated Liabilities (Unsecured) (C)	36,253.71	7.85%	32,677.94	8.92%	6,680.17	2.33%
Total Borrowings (A+B+C)	**461,694.76**	100.00%	**366,278.60**	100.00%	**286,797.30**	100.00%

The table below provides a breakdown of our borrowing mix with respect to our outstanding principal by type of lenders (excluding non-convertible debentures and subordinated liabilities):

Particulars	As at March 31,					
	2024		2023		2022	
	Number of facilities	**Amount (in ₹ million)**	**Number of facilities**	**Amount (in ₹ million)**	**Number of facilities**	**Amount (in ₹ million)**
Banks	32	334,155.01	33	263,384.80	35	216,879.32
NBFCs and Financial Institutions	2	29,486.19	2	11,590.70	1	16,363.60
Others	11	32,050.00	10	21,500.00	12	20,500.00
Total	**45**	**395,691.19**	**45**	**296,475.50**	**48**	**253,742.92**

We assign loans through direct assignment to banks and financial institutions, which enables us to optimise our total cost of borrowings, funding and liquidity requirements, capital management and asset liability management.

We adhere to an investment policy established by the Board that adheres to RBI guidelines. The policy sets forth standard operating procedures for carrying out treasury transactions and investing in various instruments. Through our investment activities, we seek to maintain adequate liquidity, ensure the smooth operation of daily cash flow and invest any surplus funds generating through our operations. As at March 31, 2024, 2023 and 2022, our treasury investment portfolio was valued at ₹19,737.05 million, ₹22,557.90 million and ₹20,846.79 million, respectively, constituting 3.71%, 5.19% and 6.06% of our total assets as at those respective dates. We maintain varying rates of liquidity coverage based on our assessment of macro-economic factors. We maintained an average liquidity coverage ratio on a daily basis (i.e. ratio of stock of high quality liquid assets to the total net cash outflows over the next 30 calendar days) of 123.22%, 142.20% and 209.25% in Fiscals 2024, 2023 and 2022, respectively, which was above the regulatory requirement of 85.00%. A simple daily and monthly average is calculated based on such daily liquidity coverage ratio to determine our overall liquidity coverage ratio for the full year. We maintained a liquidity coverage ratio above regulatory requirements at all times in each respective Fiscal. In Fiscal 2024, the RBI liquidity coverage ratio guidelines became applicable to HHFL as its asset size surpassed ₹50,000 million. HHFL maintained a daily weighted average liquidity coverage ratio of 122.97% in Fiscal 2024, in compliance with the regulatory requirement of 60.00%. We maintained total liquidity of ₹62,267.28 million, ₹55,481.04 million and ₹56,424.63 million as at March 31, 2024, 2023 and 2022, respectively, comprising cash and treasury investments of ₹20,022.06 million, ₹24,784.74 million and ₹21,481.69 million, respectively, and bank lines of ₹42,245.22 million, ₹30,696.30 million and ₹34,942.94 million, respectively.

We closely monitor the contractual maturity periods of our assets and liabilities and categorise them based on the number of years in which they mature. We maintain a balanced mix of short-term and long-term assets and liabilities, which minimises the risk of liquidity shortfalls and interest rate fluctuations.

Capital Adequacy

Our Company is subject to the CAR requirements prescribed by the RBI. In accordance with the NBFC Scale Based Regulations, NBFCs such as our Company are required to maintain a minimum capital ratio, consisting of Tier I and Tier II Capital, of not less than 15.00% of our aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items, of which Tier I capital cannot be less than 10.00%. All deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15.0% of its aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items.

As part of our governance policy, we ordinarily maintain capital adequacy higher than the statutorily prescribed CAR. Our CAR in Fiscals 2024, 2023 and 2022 on a standalone basis was 16.28%, 20.57% and 15.60%, respectively, above the RBI mandated norm. We have increased our provisioning and had a Provision Coverage Ratio (PCR) of 51.41% in Fiscal 2024, from 48.74% in Fiscal 2023 and 43.16% in Fiscal 2022. In Fiscal 2024, we had a CAR of 16.28% and a PCR of 51.41%.

Our subsidiary, HHFL, also had a CRAR of 19.60%, 30.21% and 24.44% as at March 31, 2024, 2023 and 2022, respectively, above NHB's mandated requirement of 15.00%.

Credit Ratings

The following table sets forth certain information with respect to our credit ratings as at March 31, 2024.

Facility	Crisil Limited ("CRISIL")	Investment Information and Credit Rating Agency ("ICRA")	Credit Analysis & Research Limited ("CARE")	Standard & Poor's	Moody's
Secured non-convertible debentures	AA+ / Stable	AA+ / Stable	—	—	—
Long-term principal protected market linked debentures	PPMLD AA+ / Stable	—	—	—	—
Tier I Perpetual Debt Programme	AA+ / Stable	—	—	—	—
Unsecured subordinated Tier II non-convertible debentures	AA+ / Stable	AA+ / Stable	—	—	—
Bank facilities	—	—	—	—	—
Long-term banking facilities	AA+ / Stable	AA+ / Stable	AA+ / Stable	—	—
Short-term banking facilities	—	A1+	—	—	—
Commercial papers	A1+	A1+	A1+	—	—
Entity level	—	—	AA+ / Stable	BB+/Stable/B	Ba1 / Stable

Risk Management

Risk management forms an integral part of our business as we are exposed to various risks related to our lending business and operating environment, and it is embedded in our day-to-day business transactions and activities. We have a differentiated approach to managing risks across our platforms with robust governance mechanisms in place that not only manage risks at each of the segment levels but also at the Company level.

We promote a strong risk culture throughout the organisation designed to help reinforce resilience by encouraging a holistic approach to manage risk and returns and provide management with greater insights into potential risks and their impact on our Company's operations and profitability.

Over the years, we have built a robust risk management framework with strong risk fundamentals and continue to monitor the internal and external risks arising out of macro-economic factors, regulatory changes and the ever-evolving geo-political scenario. The trade outlook for calendar year 2024 is expected to be negatively impacted by geopolitical frictions, persisting inflation and lower global demand, according to the CRISIL Report.

Our risk management function has been instrumental in setting up the risk management process to identify, measure, monitor and report risks in our Company; and, in parallel, upgrade and reposition risk management by bringing in greater understanding and clarity on risk management practices in our Company.

We follow a three-tier risk management framework, called the 'Three Lines of Defence' model. These three lines serve as the founding pillars upon which our risk governance model is built and defined.

a. **1st Line of Defence** – Implementation Pillar: Our business units form the first line of defence. Frontline teams and operational managers have primary accountability for identifying, assessing and managing the various operational and compliance risks relating to our business and for implementing corrective actions to address process and control deficiencies.

b. **2nd Line of Defence** – Identification, Monitoring, and Control Pillar: The second line of defence comprises risk management and compliance functions that operate independently from the management and personnel who originate and manage risk exposures. This line coordinates, oversees and objectively challenges the management and execution of business and operations, whilst keeping in mind the risk and control framework. It has the ability to escalate and veto high-risk business activities.

c. **3rd Line of Defence** – Independent Assurance Pillar: the third line of defence is the audit function of our internal audit department, which is independent of both business and risk functions and performs independent evaluations and assessments of the first two lines of defence. This pillar relies on the review procedure conducted by the other two lines of defence and uses the results to assess and develop an audit approach that combines various assurance practices that are in place. This approach promotes convergence between various monitoring, evaluation and assessment procedures, and aims to reduce inefficiencies in time, cost and effort. The internal audit department has an independent function, providing independent assurance and consulting services designed to add value and improve our operations, and make appropriate recommendations for improving our corporate governance.

Our Risk Management Framework, which is enforced and monitored through our three lines-of-defence model, focuses on the following key areas: (i) credit risk management, (ii) fraud prevention, and (iii) digitisation, automation and cybersecurity:

(i) Credit Risk Management

Credit risk management is focused on our profile-based underwriting capabilities, automated scorecards, risk mitigated partnership models, credit policy monitoring, portfolio monitoring, early warning systems, independent model validations, our risk appetite limits and expected credit loss forecasting. Our credit policy monitoring entails regular updates to our credit policies based on learnings from our portfolio and prevailing market trends to maintain the quality of our portfolio thereby curbing losses. Further, we also monitor our portfolio and sourcing trends in real time in order to pre-empt any early trends and take corrective actions to minimise damage to our portfolio.

(ii) Fraud Prevention

Fraud prevention is focused on utilising our experienced team of fraud risk professionals to detect and curb our fraud risks. We have robust fraud prevention controls including screening and sampling across all our products, monitoring our sourcing quality and policy adherence, detecting mystery shopping, conducting invisible monitoring, recognising fraud detection patterns, implementing an enhanced enterprise-level de-dupe functionality, monitoring activities of DSAs, sales managers and third-party distributors to detect any triggers of attempted fraud, harnessing digital KYC for fraud prevention and conducting contact point verification. We also carry out industry level database checks to identify customers with reported default or high-risk histories and any past suspicious activities.

(iii) Digitisation, Automation, and Cybersecurity

Digitisation, automation and cybersecurity is focused on all our digitised processes and our scorecard-driven underwriting capabilities. This also governs the risk management of our digitised collection channels and our alternate data-based underwriting capabilities leveraging third party support such as Geo IQ and Credit Vidya.

Internal Capital Adequacy Assessment

We also have Internal Capital Adequacy Assessment ("**ICAAP**") processes in line with regulatory guidelines issued under the Scale-based-Regulatory-Framework for NBFCs. The objective of the ICAAP exercise is to have a process to identify and measure all the risks applicable to the NBFC and review overall capital adequacy in relation to such NBFC's risk profile and have a strategy for maintaining capital levels.

To complete the ICAAP assessment exercise, we undertake a comprehensive exercise of materiality assessment of risks which are potentially material to our business model. ICAAP under Pillar 1 covers the core risks, being credit risk and operational risk. To measure the requirement of additional capital under Pillar 2, we undertake quantitative and qualitative assessment of each possible risk, such as liquidity risk, market risk, compliance risk, strategic risk, reputation risk, IT risk and model risk. We carry out the ICAAP exercise annually and present it to the Board for deliberations on additional capital charge requirements under Pillar 1 and Pillar 2 and effective capital planning.

Board Oversight

Our Board maintains oversight on the implementation of the Risk Management Framework through our Risk Management Committee, which assists the Board in setting-up and monitoring of risk management principles and policies, strategies, risk appetite limits, and risk mitigation controls. Under the overall ambit of corporate governance, we have in place a risk management policy along with other risk related policies. The Risk Management Committee reviews the overall portfolio quality, macro-economic scenario, and its impact on the Company, along with emerging trends in various products/ segments, compliance to risk appetite limits, ECL, ICAAP, and collection/ recovery related updates amongst other metrics at least on a quarterly basis.

Risk Categories and Mitigation

We recognise that various risks arise in each transaction. Accordingly, we maintain an enterprise level risk appetite and manage our risks within the limits of our risk appetite. We are exposed to the following categories of risks:

Credit Risk

Credit risk arises in our direct lending operations from the failure of a borrower to honour their financial or contractual obligations to us. We manage credit risks through our policy framework, robust underwriting practices before a customer is onboarded and portfolio monitoring after a customer is onboarded. We undertake the following measures in line with our policy framework:

- Establishing and ensuring compliance with documented credit policies and credit approval matrix for each vertical.
- Implementing credit underwriting practices that ensure that appropriate risk and reward measures are met.
- Carrying out prudent delegation of credit sanctioning permissions to performing underwriters based on various factors such as their experience with us, their overall experience in underwriting and the performance of the portfolio being underwritten by them.
- Setting up prudential limit categories to limit the concentration risk stemming from a particular group of borrowers, industry or sector.
- Ensuring that no conflicts of interest arise between business and credit teams by clearly defining roles and responsibilities of each team member.
- Implementing an internal risk rating model to serve as a single point indicator of diverse risk profiles of potential customers and to enable consistent decision making.
- Monitoring portfolio risk profiles through comprehensive risk reviews by our joint managing director and chief executive officer, our chief revenue officer and other senior members in our Company.
- Implementing an effective early warning system to proactively detect incipient stress in our portfolio and take appropriate corrective actions.
- Conducting periodic account reviews and customer meetings for applicable segments.

Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market variables such as market prices, interest rates and foreign exchange rates beyond prices set out in an agreement. Examples of market risks include interest rate risks and foreign currency risks. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while maximising returns. We manage our market risks through our asset liability management policy.

Liquidity Risk

Liquidity planning is an important aspect of our risk management framework. Liquidity risk arises due to the unavailability of an adequate amount of funds at an appropriate cost and tenure to meet our financial obligations. Financial obligations include our liabilities to lenders and investors. We use several metrics to measure our liquidity risk such as liquidity coverage ratio, stock ratios, structured liquidity statements and interest rate sensitivity analysis. We monitor liquidity risk according to our Asset-Liability Management Policy through our Asset Liability Management Committee ("**ALCO**"). The ALCO ensures adherence to our risk limits as set by our Board and also implements our liquidity management strategies. The ALCO also takes decisions on the desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibility and controls for managing liquidity risk, and overseeing the liquidity positions.

Strategic Risk

Strategic Risk is the risk that our business strategies are ineffective, being poorly executed, or insufficiently resilient to changes in the business environment. We manage our strategic risk through:

- Budgeting and planning: By adopting strategic planning processes and annually approving a strategic plan for our organisation and rigorously tracking the adherence to such a plan.
- Stress Testing: We perform stress testing and scenario analysis by assuming rapid changes in external environment (such as the general slowdown of economy, regulatory changes, changes in the fiscal/monetary policies, extreme liquidity conditions, economic sanctions and market risk events). Stress tests reveal undetected areas of potential credit risk exposure and linkages between different categories of risk. The output of such portfolio wide stress tests is reviewed by our senior management and Board and suitable changes are made to our prudential risk limits.

Operational Risk

Operational risk refers to the risk of loss due to losses arising from failure of internal systems, process and personnel or external events. Operational risk includes legal risk but excludes strategic and reputational risks. Operational risk is inherent in all financial products, services, activities, processes, and systems. Managing operational risk is becoming an important feature of sound risk management practices in modern financial markets in the wake of the phenomenal increase in the volume of transactions, high degree of structural changes and complex support systems.

We have set up a robust operational risk management framework which enables identification of risks and put in place appropriate controls to mitigate or minimise the risk. We have implemented the following tools to mitigate our operational risks:

- Key risk indicators: Key risk indicators are metrics that provide early signals of increased risk exposures across our enterprise. These indicators are an important tool we use to continuously monitor any high risk activities. Key risk indicators include key ratios, numbers or percentages that serve as indicators of evolving risks, potential opportunities, and areas requiring increased supervision and automation.

- Incident reporting: We ensure that all operational risk events are reported. An operational risk event is defined as an incident that has caused or has the potential to cause loss to us either directly or indirectly in association with other incidents. Such events are associated with people, process, systems and external factors associated with the organisation. It includes actual and potential operational losses and gains, as well as near misses (i.e. where we did not experience an explicit loss or gain resulting from an operational risk event).

- Training and awareness: In order to create operational risk awareness across all levels within our organisation, we conduct in person induction training, on-the-job training and e-mail awareness campaigns.

Information and Cybersecurity Risk

Information and cybersecurity risk relates to the loss of confidentiality, integrity, or availability of information, data, or system which might cause reputation, financial and/ or regulatory impact to our Company. We manage information and cybersecurity risk through a defined ISO 27001 based information security risk management framework whereby we seek to identify and handle the cyber related risks on the basis of periodic risk assessment activity. We have also put in place our information security policy to monitor and manage our information and cybersecurity risk.

Internal Control Systems

We have established internal control systems that are tailored to our business and the size of our operations.

At the beginning of each financial year, a risk-based internal audit plan approved by our Audit Committee is rolled out. The internal audit plan is aimed at evaluating the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit function process owners undertake corrective action in their respective areas. Key audit observations and corrective actions thereon are reviewed by the Audit Committee on a quarterly basis.

The internal auditor identifies and assesses opportunities for improvement in business processes, systems and controls and provides recommendations for changes to be adopted in the existing processes.

Data Protection and Data Privacy

We prioritise customer trust and emphasise on data privacy and security. We maintain a robust IT governance structure to ensure we comply with RBI master direction for NBFC, IT Act and other applicable regulations. We have various security controls in place to mitigate risks and safeguard ourselves against security breaches and technological lapses at multiple levels. Further, we regularly conduct internal and external audits and upgrade our data storage and networking related technologies to ensure continued data security. Our information security management system has been accredited by the International Organisation for Standardisation ("**ISO**") (ISO 27001:2013).

Marketing

Our marketing objective is to build brand awareness and create a brand identity as the 'trusted and preferred' banking partner. We focus on establishing relationships and creating a community connect to build trust and credibility. Our marketing strategy is focused on leveraging digital media through our social media handles, websites and other online platforms, and offline media, such as outdoor displays, newspaper advertisements and radio, to reach out to our desired audience in an effective and efficient way. Our marketing efforts are focused on three broad areas of brand building, brand and product recall and lead generation activities, both through digital and other means.

We regularly launch campaigns and undertake different activities to increase brand visibility and awareness of our products and services in the communities we serve, including financial literacy camps and referral programmes. We also have a corporate marketing program that includes participation in conferences, press and media coverage and the issue of promotional materials.

Intellectual Property

We rely on a combination of trademarks and intellectual property licenses and other contractual rights to protect our core business and intellectual property. Pursuant to a letter issued by Hero InvestCorp Private Limited, one of our Promoters, consent was granted to our Company to use the "Hero" trademark to conduct its businesses. The Hero FinCorp mark is a registered trademark of Hero Fincorp which was registered since 2016. There has been no objection to the usage of this trade mark till the date of this Draft Red Herring Prospectus.

We have 42 registered trademarks and have 96 trademarks pending registration as at the date of this Draft Red Herring Prospectus. See also "*Risk Factors—Internal Risks—We may not be able to prevent others from unauthorised use of our intellectual property and may in the future become subject to patent, trademark and/or other intellectual property infringement claims.*" on page 64.

Competition

The finance industry in India is highly competitive. We face competition from Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and private unorganised and informal financiers who principally operate in the Indian market. We generally compete on the basis of the range of product offerings, ability to customise products, brand recognition, customer base, interest rates, turnaround time, fees and customer service, as well as for skilled employees. Our primary competitors include other NBFCs and banks. For further details, see "*Risk Factors—Internal Factors—The Indian financial services industry in which we operate is highly competitive and the growth of our business depends on our ability to compete effectively.*" on page 50.

Please find below an overview of the competitive landscape in each of our business segments, according to the CRISIL Report:

1. Retail Finance

(i) **Vehicle Loans:** NBFCs face fierce competition from banks, particularly in two-wheeler and used car loan category as the lending rates offered are lower as compared to NBFCs. Changing regulatory framework for vehicle-finance companies has been crucial in determining the growth path of NBFCs. Over the years, regulations with respect to NBFCs have been converging with those of banks and this could lead to keener competition in the future. Further, higher provisioning requirements may impact the profitability of NBFCs.

(ii) **Personal Loans:** With its attractive risk-reward potential, the personal loans segment has become highly competitive over the past few years with aggressive competition from both banks and NBFCs. The market is dominated by banks on account of their wide presence, large customer base which helps with cross selling and lower interest rates as compared to NBFCs.

(iii) **Mortgage Loans**: Banks have access to borrowers' banking behaviour and repayment history, based on which they approach their regular customers by offering lower interest rates (as compared to housing finance companies) and zero or lower processing fee.

2. **MSME Finance**: More players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business, intensifying competition. For example, in June 2018, Amazon India Limited launched a platform for lenders and sellers, wherein sellers can choose loan offers from various lenders at competitive rates. In August 2021, Meta Platforms Incorporated (earlier known as Facebook) partnered with Indifi Technologies Private Limited to provide loans to small businesses that advertise on its platform.

3. **CIF:** With respect to the overall wholesale credit industry, banks have the lions share of approximately 93.00% of the market share. The emergence of alternate investment funds and private credit in the wholesale credit space is helping corporations and mid-market companies with their financing requirements, and they are experiencing a strong demand from companies for bespoke or tailored financing options.

Our Employees

As at March 31, 2024, 2023 and 2022, we had a total of 15,486, 13,403 and 11,578 total employees, respectively, comprising 4,469, 3,589 and 2,617 on-roll employees, respectively, and 11,017, 9,814 and 8,961 third-party contractual staff employees, respectively. The following table sets forth the number of on-roll employees by function as at March 31, 2024, 2023 and 2022 respectively:

Function	As at March 31,					
	2024		2023		2022	
	Number of on-roll employees	Percentage of total on-roll employee count	Number of on-roll employees	Percentage of total on-roll employee count	Number of on-roll employees	Percentage of total on-roll employee count
Sales and Product	1,495	33.50%	1,126	31.40%	938	35.80%
Operations	273	6.10%	254	7.10%	211	8.10%
Credit[(1)]	713	16.00%	476	13.30%	362	13.80%
Collections	1,357	30.40%	1,271	35.40%	823	31.50%
Risk	56	1.30%	50	1.40%	28	1.07%
Technology	234	5.20%	135	3.80%	49	1.80%
Finance	97	2.20%	85	2.40%	86	3.30%
HR	60	1.30%	53	1.50%	41	1.60%
Other Support Functions[(2)]	184	4.10%	139	3.80%	79	3.00%
Total	**4,469**	**100.00%**	**3,589**	**100.00%**	**2,617**	**100.00%**

Notes:

(1) Credit includes our underwriting team.

(2) Other support functions includes other departments such as administrative, fraud control and analytics, compliance and legal, internal audit, insurance etc.

Our human resource team has implemented various initiatives that seek to nurture our employees' social, physical and psychological well-being and personal development. We are a people-centric organisation and take pride in engaging our employees towards continuous improvements and innovation and nurturing a meritocratic culture. We promote our internal pool of talents through our internal mobility program, RISE, and the conversion of contractual staff employees to on-roll employees, further strengthening our talent pool. Through a comprehensive "Promote for Potential" approach, we seek to ensure that we maximise our employees' potential by placing them in positions suited to their talents. Our employees are assessed on a rating scale based on financial and non-financial parameters.

We conduct training programmes for our employees on topics such as lending operations, underwriting and due diligence, KYC and anti-money laundering and anti-bribery norms, risk management, information technology and grievance redressal. All of our staff are required to attend the "Pledging Respect and Integrity with Discipline and Ethics" modules, which is a collection of compulsory compliance learning series that our employees are required to complete each year. The modules are available in 10 vernacular languages, enabling all staff to participate in the program. Meanwhile, our managers undergo the 'Management Essentials' training program to build their supervisory capabilities. Under the 'GROW 1.0 program', first time managers receive training on listening, speaking, development and thinking skills. Under the 'GROW 2.0 program', experienced managers receive training on leadership, development and collaboration skills. We have also introduced an 'Ivy League platform', which is focused on developing our future leaders. The 'Ivy League' platform is a competency-enhancement program in partnership with BML University and Imperial College Business School, London focused on providing various digital learning and sessions. The enhanced three-stage 'Ivy League' program ensures high potential employees are given an opportunity to learn new skills, work on operational efficiency as well as to learn how to manage a cross-functional project.

We have adopted the 'Agile Way of Working' ("**AWOW**"). AWOW puts the organisational goal at the centre through the creation of 'Agile Squads', which are small multidisciplinary teams that are largely self-managed, and multiple Agile Squads are collectively called a 'Tribe' with a Tribe leader assigned to them. The Agile way of working includes iterative and incremental development where projects are divided into time-bound iterations called sprints or work cycles. Each sprint typically lasts for a few weeks and involves planning, executing, reviewing, and adapting the work within that timeframe. The framework consists of cross-functional and self-organising teams with different skills and expertise who work collaboratively to achieve project goals.

Outsourcing

We outsource some of our operations to various third parties including document storage, payment processing, system application management, IT server management, loan origination and management system, customer onboarding, legal and technical valuation services. See "*Risk Factors – Internal Risks – We outsource certain activities, such as sourcing and collection related services, to third-party contractual staff, including third-party distributors and service providers such as direct selling agents, two-wheeler dealers, and digital aggregators as well as collection agents. Any deficiency, interruption in service or lapse by such third-party contractual staff may have adverse consequences on our business and reputation*" on page 46.

Corporate Social Responsibility and Social Impact

We have adopted a Corporate Social Responsibility ("**CSR**") policy ("**CSR Policy**") in compliance with the requirements of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Government of India. In Fiscal 2024, we expended ₹ 49.90 million on CSR initiatives. We aspire to contribute to building economic, social and environmental capital, which align with our goal of uplifting underprivileged communities.

We have constituted a CSR Committee which is responsible for planning and implementing our CSR initiatives in accordance with our CSR Policy. For further details see "*Our Management – Corporate Social Responsibility Committee*" on page 316. Our CSR Policy is focused on the following areas:

- Achieving one or more of the following: supporting rural development through financial literacy; promoting education including skill development and scholarships; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; and preserving and promoting sports;

- Engaging in affirmative action/ interventions, such as skill building and vocation training, to enhance the employability of and generate livelihood for people, including disadvantaged sections of the society;

- Carrying out activities during natural calamities or enacting our disaster management system;

- Empowering women and creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; and

Our key initiatives include:

- *The Raman Kant Munjal scholarships*: This scholarship aims to provide financial support to students from low-income backgrounds with an annual family income of less than ₹400,000 in pursuing their higher education in the fields of finance, management and economics. In addition to financial support, we equip such students with soft skills, provide advice on interview preparation and connect them with industry mentors. In Fiscals 2024, 2023 and 2022 we provided scholarships to 265, 214 and 155 students across India, respectively.

- *DhanCharcha*: We launched this financial and digital literacy campaign in alignment with the Government of India's national strategy for financial education. Under this campaign, our Raman Kant Munjal Foundation onboards and trains rural female volunteers, including educating them on government funded financial schemes available to those living in rural areas. Once trained, these volunteers provide door-to-door awareness in rural areas and promote the enrolment of rural residents in various governmental financial schemes. Since the inception of this campaign in Fiscal 2019, we have provided financial literacy sessions to almost 1.10 million beneficiaries at the grassroot level through this initiative, as at March 31, 2024. In Fiscal 2024, we provided financial literacy sessions to 0.46 million beneficiaries.

- *Hunar:* Through our youth skill enhancement programme, 'Hunar', we educate unskilled youth and equip them to become business correspondents, debt recovery agents and loan processing officers. We operate skill centres in New Delhi and Mumbai. In Fiscal 2024, 412 participants benefitted from this programme.

- *Pathakshala*: Our school transformative initiative, 'Pathakshala', is dedicated to improving the quality of education in government schools. Through this initiative, we provide infrastructural support to select government schools and conduct training programmes for teachers with the aim to create a conducive learning environment for students. In Fiscal 2024, we transformed a government school in Gurugram, Haryana into a "Hero Model School" that benefitted 1,100 students and 35 teachers as at March 31, 2024. We have also trained approximately 142 teachers across other government schools and our Hero Asha Centres, which are after-school resource centres, providing remedial education for students studying in government schools, as at March 31, 2024.

Properties

Our registered office is located at 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110057, India and our corporate office is located at 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057, India. Our registered office is leased for a term of three years starting from February 1, 2023 and our corporate office is leased for a term of nine years starting from January 16, 2022. As at March 31, 2024, the average lease tenure of our leased premises is approximately nine years.

As at March 31, 2024, 2023 and 2022, we conducted our operations through 23, 16 and 14 branches (excluding the HHFL branches), respectively, across India. As at June 30, 2024, we conducted our operations through 26 branches across India. All of our branches have been taken on a lease basis. For further details, see, *"Risk Factors – Internal Risks –We conduct all our business operations on leased premises and our inability to renew such leases may adversely affect our operations."* on page 68.

Insurance

We maintain insurance policies that are customary for companies operating in our industry. Our principal types of coverage include cyber risk protector insurance, directors' and officers' liability insurance, fidelity insurance, fire and burglary insurance, group Mediclaim insurance, group personal accident insurance, group term insurance, and money insurance. In addition, we have a money insurance policy pertaining to cash in safes and in transit. These policies are renewed from time to time. Our insurance policies may not be sufficient to cover our economic loss. See "*Risk Factors—Internal Risks—Our insurance* *coverage of ₹2,810.48 million as at March 31, 2024 may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition.*" on page 63.

KEY REGULATIONS AND POLICIES

Given below is a summary of certain sector specific key laws and regulations in India, which are applicable to our Company. The information detailed in this section has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. For details regarding the registrations and approvals obtained by our Company under applicable laws and regulations see, "Government and other Approvals" on page 495.

1. Key Regulations Applicable to our Company

The Reserve Bank of India Act, as amended (the "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 in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A company categorized as an NBFC is required to have a net owned fund of such amount as the RBI may, by notification in the Official Gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC.

Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. No appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 ("NBFC Scale Based Regulations")

Applicability

The NBFC Scale Based Regulations are applicable to all NBFCs, categorized into the following layers:

(i) *NBFC- Base Layer ("**NBFC-BL**")*: It comprises non-deposit taking NBFCs with an asset size of less than ₹10 billion and (b) NBFCs undertaking the following activities: (i) NBFC-Peer to Peer Lending Platform ("**NBFC-P2P**"), (ii) NBFC-Account Aggregator ("**NBFC-AA**"), (iii) Non-Operative Financial Holding Company ("**NOFHC**") and (iv) NBFC not availing public funds and not having any customer interface.

(ii) *NBFC-Middle Layer ("**NBFC-ML**")*: It comprises (a) all deposit taking NBFCs ("**NBFCs-D**"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 10 billion and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealer ("**SPD**"), (ii) Infrastructure Debt Fund-Non-Banking Financial Company ("**IDF-NBFC**"), (iii) Core Investment Company ("**CIC**"), (iv) Housing Finance Company ("**HFC**") and (v) Non-Banking Financial Company-Infrastructure Finance Company ("**NBFC-IFC**").

(iii) *NBFC- Upper Layer ("**NBFC-UL**")*: It consists of NBFCs that are specifically identified by the RBI as warranting enhanced regulatory requirement.

(iv) *NBFC-Top Layer ("**NBFC-TL**")*: It remain empty unless the RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer.

References to NBFC-ND-SI (systemically important non - deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as applicable. Under the NBFC Scale Based Regulations, all regulations applicable to an NBFC-BL are also applicable to an NBFC-ML, unless specified otherwise.

Corporate Governance

<u>Constitution of Committees</u>

All NBFC-ML are required to constitute the committees disclosed below:

(i) *Audit Committee*: An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013 shall be the audit committee for the purposes of the NBFC Scale Based Regulations as well, its powers, duties and functions shall be as provided under Section 177 of the Companies Act, 2013.

(ii) *Nomination and Remuneration Committee*: NBFCs are required to constitute a nomination and remuneration committee to ensure 'fit and proper' status of proposed or existing directors, which shall have the same powers functions and duties laid down under Section 178 of the Companies Act, 2013.

(iii) *Risk Management Committee*: NBFCs are required to constitute a risk management committee for evaluating the overall risks faced by the NBFC including liquidity risk.

(iv) *Asset-Liability Management Committee*: Non-deposit taking NBFCs with asset size more ₹ 10 million are required to constitute an asset liability management committee. The asset liability management committee is required to be headed by the chief executive officer/ managing director or the executive director of such NBFC, as prescribed under the Guidelines on Liquidity Risk Management Framework in the NBFC Scale Based Regulations.

(v) *IT Strategy Committee*: NBFCs are required to constitute an IT Strategy Committee consisting of not less than three members of its Board of Directors and shall be chaired by an Independent Director.

(vi) *IT Steering Committee*: NBFCs are required to constitute IT Steering Committee with representation at Senior Management level from IT and business functions to assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs.

Fit and Proper Criteria for Directors

Applicable NBFCs are required to (a) maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the NBFC Scale Based Regulations; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the NBFC Scale Based Regulations; (c) obtain a deed of covenant signed by directors, in the format prescribed under the NBFC Scale Based Regulations; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the Applicable NBFCs that fit and proper criteria in selection of the directors has been followed. The statement must be submitted to the Regional Office of the Department of Non-Banking Supervision of the RBI where the Applicable NBFC is registered, within 15 days of the close of the respective quarter. The statement submitted for the quarter ending March 31, is required to be certified by the auditors.

Disclosure and Transparency

Applicable NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following:

(i) progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned Applicable NBFC; and

(ii) conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

NBFC-ML are required to disclose the following in their annual financial statements:

(i) registration/licence/authorisation obtained from other financial sector regulators;

(ii) ratings assigned by credit rating agencies and migration of ratings during the year;

(iii) penalties, if any, levied by any regulator;

(iv) information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries;

(v) asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the NBFC Scale Based Regulations;

(vi) Capital to Risk Assets Ratio (CRAR);

(vii) Exposure to real estate sector, both direct and indirect;

(viii) Maturity pattern of assets and liabilities;

(ix) Related party disclosure; and

(x) Disclosure of complaints.

Additionally, the NBFCs shall comply with the following disclosure requirements in the format included in the NBFC Scale Based Regulations:

(i) composition of the Board;

(ii) committees of the Board and their composition;

(iii) general body meetings;

(iv) details of non-compliance with the requirements of the Companies Act, 2013;

(v) details of penalties and strictures;

(vi) breach of covenants; and

(vii) divergence in asset classification and provisioning.

NBFCs are also required to disclose following in their balance sheet: (i) capital to risk assets ratio; (ii) exposure to real estate sector (direct and indirect); and (iii) maturity pattern of assets and liabilities. Further, NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.

Acquisition or Transfer of Control

Applicable NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the Applicable NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation. NBFCs are required to continue informing the RBI regarding any change in their directors or management regardless of their application for prior written permissions.

Prudential Norms

All NBFCs are required to maintain capital risk adequacy ratio consisting of Tier – I and Tier – II capital which shall not be less than 15% of the NBFC’s aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier – I capital in respect of Applicable NBFCs, at any point of time, shall not be less than 10%.

NBFCs risk exposure to a single party or a single group of parties is also kept under control through ceiling limits on NBFCs investment and lending capacity to single party or a single group of parties. NBFCs are not to invest more than 25% of their Tier 1 capital to a single party and more than 40% of their Tier 1 capital to a single group of parties. The NBFCs are also mandated to formulate a policy for managing the exposure risk to single party/ single group of parties.

NBFCs are required to obtain prior approval of the RBI to open branches exceeding 1,000. NBFCs which already have more than 1,000 branches are required to approach the RBI for prior approval for any further branch expansion.

Liquidity Risk Management Framework and Liquidity Coverage Ratio

<u>Liquidity Risk Management Framework</u>

Non-deposit taking NBFCs with an asset size of ₹ 1,000 million and above and all deposit taking NBFCs are required to adhere to the liquidity risk management framework prescribed under the NBFC Scale Based Regulations. The guidelines, *inter alia*, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, framework for stress testing, liquidity planning under alternative scenarios, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

Liquidity Coverage Ratio

All non-deposit taking NBFCs with an asset size of more than ₹ 50,000 million and all deposit taking NBFCs irrespective of their asset size are required to adhere to the Guidelines on Liquidity Coverage Ratio under the NBFC Scale Based Regulations. All non-deposit taking NBFCs with asset size of ₹ 100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high quality liquid asset to survive any acute liquidity stress scenario lasting for 30 days. The stock of high-quality liquid asset to be maintained by the NBFCs is required to be a minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement is binding on NBFCs from December 1, 2020 with the minimum high quality liquid assets to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024, in accordance with the timeline prescribed below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	50%	60%	70%	85%	100%

All non-deposit taking NBFCs with asset size of ₹50 billion and above but less than ₹100 billion are required to also maintain the required level of liquidity coverage ratio in accordance with the timeline given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	30%	50%	60%	85%	100%

Asset Classification and Provisioning Norms

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

Asset Classification

(i) a "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

(ii) a "sub-standard asset" means (a) an asset which has been classified as non-performing asset for a period not exceeding 18 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the NBFC Scale Based Direction.

(iii) a "doubtful asset" means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 18 months.

(iv) a "loss asset" means (a) an asset which has been identified as loss asset by an Applicable NBFC or its internal or external auditor or by the RBI during the inspection of the Applicable NBFC, to the extent it is not written off by the Applicable NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(v) a "non-performing asset" means: (a) an asset for which interest has remained overdue for a period of more than 90 days; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than 90 days or on which interest amount remained overdue for a period of more than 90 days; (c) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of more than 90 days; (d) a bill which remains overdue for a period of 90 days or more; (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of more than 90 days; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 90 days; (g) the lease rental and hire purchase instalment, which has become overdue for a period of more than 90 days; (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset. Provided that in the case of lease and hire purchase transactions, an Applicable NBFC is required to classify each such account on the basis of its record of recovery.

Provisioning Norms

In addition to provisioning norms under applicable accounting standards and the NBFC Scale Based Regulations, all applicable NBFCs are required to, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets as provided hereunder:

<table>
<tr><th>S. No.</th><th colspan="2">Provisioning Requirement</th></tr>
<tr><td>1.</td><td colspan="2">Loans, advances and other credit facilities including bills purchased and discounted</td></tr>
<tr><td></td><td>(i) Loss Assets</td><td>The entire asset is to be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding is to be provided for.</td></tr>
<tr><td></td><td>(ii) Doubtful Assets</td><td>(a) 100% provision to the extent to which the advance is not covered by the realizable value of the security to which the Applicable NBFC has a valid recourse is to be made. The realizable value is to be estimated on a realistic basis.
(b) In addition to (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e., estimated realizable value of the outstanding) is to be made on the following basis –
<table><tr><th>Period for which the asset has been considered as doubtful</th><th>Per cent of provision</th></tr><tr><td>Up to one year</td><td>20%</td></tr><tr><td>One to three years</td><td>30%</td></tr><tr><td>More than three years</td><td>50%</td></tr></table></td></tr>
<tr><td></td><td>(iii) Sub-standard Assets</td><td>A general provision of 10% of total outstanding is to be made.</td></tr>
<tr><td>2.</td><td colspan="2">Lease and hire purchase assets -</td></tr>
<tr><td></td><td>(i) Hire purchase Assets</td><td>I. In respect of hire purchase assets, the total dues (overdue and future instalments taken together) as reduced by -
(a) the finance charges not credited to the profit and loss account and carried forward as unmatured finance charges; and
(b) the depreciated value of the underlying asset, is to be provided for.

<u>Explanation:</u> (i) the depreciated value of the asset is to be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of 20% per annum on a straight line method; and (ii) in the case of second hand asset, the original cost is to be the actual cost incurred for acquisition of such second hand asset.

II. Additional provision for hire purchase and leased assets:
<table><tr><td>Where hire charges or lease rentals are overdue upto 12 months</td><td>Nil</td></tr><tr><td>Where hire charges or lease rentals are overdue for more than 12 months upto 24 months</td><td>10% of the net book value</td></tr><tr><td>Where hire charges or lease rentals are overdue for more than 24 months but upto 36 months</td><td>40% of the net book value</td></tr><tr><td>Where hire charges or lease rentals are overdue for more than 36 months but upto 48 months</td><td>70% of the net book value</td></tr><tr><td>Where hire charges or lease rentals are overdue for more than 48 months</td><td>100% of the net book value</td></tr></table>
III. On expiry of a period of 12 months after the due date of the last instalment of hire purchase/leased asset, the entire net book value is to be fully provided for</td></tr>
</table>

Standard Asset Provisioning

All NBFC-BLs are required to make provisions for standard assets of 0.25%, which shall not be reckoned for arriving at the net NPAs. NBFC-MLs are required to make provisions for standard assets of 0.40%, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the Applicable NBFCs.

Balance sheet disclosures

(i) Applicable NBFCs are required to separately disclose in their financial statements the provisions made, as prescribed under the NBFC Scale Based Regulations, without netting them from income or against the value of assets.

(ii) The provisions are to be distinctly indicated under separate heads of account as:
   (a) provisions for bad and doubtful debts; and
   (b) provisions for depreciation in investments.

(iii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the applicable NBFC.

(iv) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.

(v) Additionally, applicable NBFCs are required to disclose: (a) exposures including to real estate sector, capital markets, sectoral, intra-group, etc.; (b) related party disclosure; and (c) disclosure of complaints.

Regulation of Excessive Interest Charged by NBFCs

(i) The board of directors of each Applicable NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

(ii) The rates of interest and the approach for gradation of risks are also required to be made available on the website of the Applicable NBFCs or published in the relevant newspapers. The information published in the website or otherwise published is required to be updated whenever there is a change in the rates of interest.

(iii) The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. The board of directors of Applicable NBFCs are required to layout appropriate internal principles and procedures in determining interest rates and processing and other charges.

Accounting Standards

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by NBFCs insofar as they are not inconsistent with any of the provisions of the Scale Based Regulations. NBFCs that are required to implement Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in Annex II of these Directions. Disclosure requirements for notes to accounts specified in scale based directions shall continue to apply.

Fair Practices Code

All Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the NBFC Scale Based Regulations. The NBFCs shall convey in writing to the borrower in the vernacular language by means of sanction letter or otherwise, along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The NBFC Scale Based Regulations stipulate that such fair practices code should cover, *inter alia*, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The NBFC Scale Based Regulations also prescribe general conditions to be observed by Applicable NBFCs in respect of loans and requires the board of directors of Applicable NBFCs to lay down a grievance redressal mechanism.

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 Scale Based Regulations prohibit regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a Board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable without being discriminatory within a particular loan or product category.

*Reset of Floating Interest Rate on Equated Monthly Instalments ("**EMI**") based Personal Loans*

At the time of sanction of EMI based floating rate personal loans, regulated entities (including NBFCs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom is available for elongating the tenor or increasing the EMI. The notification requires the instructions enumerated therein to be extended to existing and new loans suitably by December 31, 2023, and for existing borrowers to be sent a communication through appropriate channels, intimating the options available to them.

Declaration of Dividend

The NBFC Scale Based Regulations intend to infuse greater transparency and uniformity in practice of distribution of dividends by setting eligibility criteria and disclosure requirements for NBFCs for distribution of dividends. According to the NBFC Scale Based Regulations, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) prescribed levels of capital adequacy; (ii) prescribed levels of Net NPA; (iii) compliance with provisions of Section 45IC of the RBI Act; and (iv) continuous general compliance with RBI regulations and guidelines concerning NBFCs. The NBFC Scale Based Regulations also prescribe to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the NBFC Scale Based Regulations.

Instructions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

The NBFC Scale Based Regulations specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the NBFC Scale Based Regulations is required to formulate an outsourcing policy which is to be approved by its board of directors.

Integrated Ombudsman Scheme, 2021

The NBFC Scale Based Regulations specify that all NBFCs covered under the Integrated Ombudsman Scheme, 2021 ("**Scheme**"), must comply with the directions provided under the Scheme. The Scheme is an expeditious and cost free apex level mechanism for resolution of complaints of customers of NBFCs registered with RBI under Section 45-IA of the RBI Act, relating to deficiency in certain services rendered by NBFCs.

The NBFC Scale Based Regulations also specify that pursuant to RBI's circular on Appointment of Internal Ombudsman by NBFCs dated November 15, 2021, all applicable NBFCs shall appoint an Internal Ombudsman and shall adhere to the corresponding guidelines. Further, on December 29, 2023, the Reserve Bank of India had issued Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023.

Prevention of Money Laundering Act, 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation of records and reporting of transactions.

Master Direction (Know Your Customer) Directions, 2016 dated February 25, 2016, as amended (the "KYC Directions")

The KYC Directions require regulated entities (as defined KYC Directions) to follow certain customer identification procedures while undertaking a transaction. These directions are applicable to every entity regulated by RBI, including scheduled commercial banks, regional rural banks, local area banks, primary (urban) co- operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non- banking companies and residuary non-banking companies, amongst others. Every entity regulated thereunder is required to adopt a 'know your customer' ("**KYC**") policy, duly approved by its board of directors, which shall include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; customer due diligence; and monitoring of transactions. Regulated entities are required to ensure compliance with the KYC policy through specifying 'senior management' for the purposes of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of compliance with KYC and anti-money laundering policies and procedures, including legal and regulatory requirements; concurrent/internal audit system for compliance to verify compliance with KYC and anti-money laundering; and submission of quarterly audit notes and compliance to the audit committee of the board of directors of the regulated entity.

Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Monitoring of Frauds Directions")

The Monitoring of Frauds Directions are applicable to all deposit taking NBFCs and NBFC-ND-SIs and requires them to put in place a reporting system for recording of frauds. All frauds are required to be reported to the RBI. Fraud reports are required to be submitted to the Central Fraud Monitoring Cell of the RBI in case amount of fraud ₹ 10 million and above. In cases where the amount of fraud is less than ₹ 10 million, reports shall be sent to the regional office of the Department of Non-Banking Supervision of the RBI, under whose jurisdiction the registered office of the related entity falls. The amounts involved in frauds reported by the entity shall be disclosed in its balance sheet for the year of such reporting. The Monitoring of Frauds Directions also requires submission of a copy when there is any progress, in the format prescribed.

Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024 dated February 27, 2024 ("Returns Master Direction")

The Returns Master Direction lists detailed instructions in relation to submission of supervisory returns prescribed by the RBI for various categories of commercial banks, AIFIs, NBFCs, etc., including their periodicity, reference date, applicability and the purpose of filing such returns.

Master Direction - Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Auditor's Report Directions")

The Auditor's Report Directions set out disclosures that are to be included in every auditor's report on the accounts of an NBFC such as: (i) 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 (ii) compliance with net owned fund requirements as laid down in the Master Directions.

Master Direction - Information Technology Framework for the NBFC Sector Directions, dated June 8, 2017 ("IT Framework Directions")

The IT Framework Directions have been notified with the view of benchmarking the information technology/information security framework, business continuity planning, disaster recovery management, information technology ("**IT**") audit and other processes to best practices for the NBFC sector. Systemically important NBFCs are required to comply with the IT Framework Directions by June 30, 2018. The IT Framework Directions require all systemically important NBFCs to undertake IT governance through formation of an IT strategy committee and formulation of a board approved IT policy. They also require systemically important NBFCs to conduct an information system audit at least once in a year.

In addition to the above IT Framework Directions, we are also required to comply with the Information Technology Act, 2000, as amended, and the rules framed thereunder.

Notification on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents, dated June 24, 2014, issued by the Reserve Bank of India ("RBI")

By virtue of its notification dated June 24, 2014, the RBI permitted NBFCs-ND to act as business correspondents of banks, with the aim of accelerating financial inclusion. Prior to this notification, NBFCs could not be appointed as business correspondents. The following conditions need to be satisfied in order for the banks to engage NBFCs-ND as business correspondents:

(i) It should be ensured that there is no comingling of bank funds and those of the NBFC-ND appointed as business correspondent;

(ii) There should be specific contractual arrangement between the bank and the NBFC-ND to ensure that possible conflicts of interest are adequately taken care of; and

(iii) Banks should ensure that the NBFC-ND does not adopt any restrictive practice such as offering savings or remittance functions only to its own customers and the forced bundling of services offered by the NBFC-ND and the bank does not take place.

Guidelines on Risk-based Internal Audit ("RBIA") System for Select NBFCs and Urban Co-operative Banks dated February 3, 2021 (the "RBIA Guidelines")

The RBIA for non-deposit taking NBFCs with an asset size of ₹ 5,000 crore and above (the "**Applicable NBFCs**"), was mandated by the RBI through its notification dated February 3, 2021 bearing reference number DoS.CO.PPG./SEC.05/11.01.005/2020-21. Under the RBIA Guidelines, Applicable NBFCs are required to implement the RBIA framework by March 31, 2022. The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the Applicable NBFCs. Under the RBIA Guidelines, the board of directors of the Applicable NBFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. The RBIA Guidelines also mandate that the policy be reviewed periodically, and that the internal audit function is not outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of Applicable NBFCs should be conducted at least on an annual basis. The RBI has also issued guidelines on Default Loss Guarantee ("**DLG**") on June 08, 2023 and capped the DLG cover on any outstanding portfolio which is specified upfront shall not exceed five per cent of the amount of that loan portfolio.

Master Direction –Transfer of Loan Exposures, dated September 24, 2021

Data Quality Index for Commercial and Microfinance Segments by Credit Information Companies dated September 30, 2023.

Pursuant to the directions, the Board must approve a policy for transfer and acquisition of loans which lay down the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for capture, storage and management of data, risk management, periodic Board level oversight, etc. Further, the policy must also ensure independence of functioning and reporting responsibilities of the units and personnel involved in transfer / acquisition of loans from that of personnel involved in originating the loans. The loan transfers shall not impact the terms and conditions of the original loan contract. The general requirements also state that the lender may not re-acquire a loan exposure.

Transfer of Stressed Loans

Stressed Loans are mean loan exposures which are classified as NPA or as special mention accounts. Such loans can only be transferred through novation or assignment. 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 –

(i) Norms and procedure for transfer or acquisition of such loans;

(ii) Valuation methodology to be followed to ensure that the realisable value of stressed loans, including the realisability of the underlying security interest, if available, is reasonably estimated;

(iii) Delegation of powers to various functionaries for taking decision on the transfer or acquisition of the loans;

(iv) Stated objectives for acquiring stressed assets;

(v) 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 is ₹ 1,000 million, the NBFCs would require two external valuation reports.

The RBI permits only Scheduled Commercial Banks, All India Financial Institutions, Small Finance Banks, and NBFCs, (Permitted Transferees) and Asset Reconstruction Companies (ARCs) to acquire stressed loans. Further, the NBFCs can acquire the stressed loans only on cash basis. Such NBFCs must hold the loans for a period of six months in their books and are generally prohibited to acquire those loans 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.

Disclosure and Reporting

Under the Master Direction, an NBFC must set out (a) disclosures concerning total amounts of loans not in default, and stressed loans transferred and acquired on a quarterly basis in their financial statements; (b) disclosures to trade reporting platforms notified by the RBI of each loan transfer transaction undertaken and maintain a database of such transactions.

Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents, dated August 12, 2022

In light of the alleged deviations and violations by agents employed by regulated entities and reiterating that the responsibility for outsourcing activities vests ultimately with regulated entities, the RBI has directed regulated entities, including NBFCs, to strictly ensure that they or their agents do not resort to intimidation or harassment of any kind for recovery of overdue loans, making false and misleading representations, etc.

Guidelines on Digital Lending dated September 2, 2022 ("Digital Lending Guidelines")

RBI has laid down guidelines for digital lending which are required to be complied with by regulated entities (as defined in the circular, which include NBFCs). The Digital Lending Guidelines *inter alia* stipulate that regulated entities shall ensure that all loan servicing, repayment, etc., are executed by the borrower directly in the regulated entity's bank account without any pass-through account/ pool account of any third party. Further, the Digital Lending Guidelines state that the rate of any penal charges shall be disclosed upfront on an annualized basis to the borrower. Regulated entities are also required to make certain disclosures to borrowers *inter alia* with respect to Annual Percentage Rate (APR), Key Fact Statement (KFS), details of recovery agent etc. The Digital Lending Guidelines have included a framework for grievance redressal, including a nodal grievance redressal officer and regulate the collection and storage of borrowers' data, mandating the formulation of a comprehensive privacy policy by regulated entities.

Master Direction – Information Technology Governance, Risk, Control and Assurance Practices dated November 7, 2023 ("Master Direction - IT")

Pursuant to notification dated November 7, 2023 bearing the reference number DoS.CO. CSITEG/SEC.7/31.01.015/2023-24, the RBI issued guidelines to regulate the governance of information technology ("**IT**") and the risks, assurance practices, control mechanisms and disaster management associated with IT and cyber security. The Master Direction - IT is applicable to all NBFCs, including all NBFC-BL, NBFC-ML and NBFC-TL, but excludes NBFC-Core Investment Companies. The key requirements are as follows:

IT Governance

The Master Direction - IT lays down a framework for information technology ("**IT Governance Framework**") that focuses on strategic alignment, risk management, resource management, performance management and disaster recovery management. NBFCs are obligated to set up an IT Governance Framework that specifies the governance structure adhering to the business objectives of the respective NBFC, that specifies the roles of the board of directors and includes adequate oversight mechanisms to mitigate risks associated with cyber and information security. Under the IT Governance Framework, an IT Strategy Committee ("**ITSC**") must be established that shall, *inter alia*, ensure that the NBFC has an effective IT strategic planning process and the NBFC's IT governance provides for accountability. The risk management policy, which shall include IT related risks and cyber security related risks, shall be reviewed periodically by the risk management committee of the board, in consultation with the ITSC.

IT Infrastructure and Services Management

The Master Direction – IT also mandates NBFCs to have a framework that supports their information systems and infrastructure ("**IT Service Management Framework**") to ensure operational resilience. In the event there are third-parties handling the NBFC's information technology or cyber security, the NBFC are required to put in place appropriate vendor risk assessment processes to, *inter alia*, mitigate risk and to eliminate and address any conflict of interests.

IT Information and Security Risk Management

Under the Master Direction – IT, NBFCs are mandated to set up a framework that, *inter alia*, contains internal control and processes to mitigate and manage risks, identifies critical information systems and provides for the fortification of the same and contains procedures and controls to ensure a secure transmission/ storage/ processing of data and information.

Business Continuity Plan and Disaster Recovery Policy

The Master Direction – IT, prescribes a business continuity plan and disaster recovery policy in order to reduce the likelihood and impact of disruptive incident and to ensure the continuity of business. Disaster recovery drills in relation to critical information are required to be done at least on a half-yearly basis and for other information systems, as per the risk assessment of the NBFC.

Information System ("IS") Audit

The Master Direction - IT states that the audit committee of the board shall overlook the functioning of the IS Audit. All entities are required to have an IS audit policy that shall describe the mandate, scope and purpose of the audit. The audit committee, under the Master Direction - IT, has to review the critical issues related to IT, information security and cyber security and thereafter, provide guidance to the management regarding the same.

Master Circular dated April 3, 2023 on Bank Finance to Non- Banking Financial Companies

The circular lays down RBI's regulatory policy regarding financing of NBFCs by banks. The circular specifies, inter alia, certain guidelines for bank finance to NBFCs registered with RBI and bank finance to NBFCs not requiring registration. The circular further specifies activities which are not eligible for bank credits and other prohibitions on bank finance to NBFCs.

Master Direction –Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. While complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures. The RBI, to regulate the issuance of securitisations, introduced the STA Directions to be applicable to all Scheduled Commercial Banks (including Small Finance Banks but excluding Regional Rural Banks), all All-India Term Financial Institution and all NBFCs (including HFCs). These directions enunciated the assets which were eligible for securitisation and provided for skin-in-the-game requirements by way of specifying Minimum Retention Requirement(s) ("MRR") for any lender who transfers from its balance sheet a single asset or a pool of assets to a Special Purpose Entity ("SPE") as a part of a securitisation transaction and would include other entities of the consolidated group to which the lender belongs.

RBI Circular –Risk Management System –Appointment of Chief Risk Officer for NBFCs dated May 16, 2019

With the increasing role of NBFCs in direct credit intermediation, the RBI has mandated that NBFCs in categories – Investment and Credit Companies, Infrastructure Finance Companies, Micro Finance Institutions, Factors and Infrastructure Debt Funds with asset size of more than ₹ 50 billion shall appoint a Chief Risk Officer ("CRO") with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management. Detailed instructions regarding the CRO's appointment, tenure, independence, and functioning have been specified and are to be strictly followed by such NBFCs, such as, the CRO should possess adequate professional qualifications and experience in risk management, be appointed for a fixed term with board approval, and have direct reporting lines to the MD & CEO/risk management committee of the board. The CRO will be responsible for identifying, measuring, and mitigating risks. All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals shall be limited to being an advisor. In NBFCs that follow committee approach in credit sanction process for high value proposals, if the CRO is one of the decision makers in the credit sanction process, they shall have voting power and all members shall be individually and severally liable for all the aspects, including risk perspective related to the credit proposal.

RBI circular on Compliance Function and Role of Chief Compliance Officer (CCO) –NBFCs dated April 11, 2022

In terms of the abovementioned circular, which is applicable to NBFCs in the upper layer and middle layer, the applicable entities are required to inter alia put in put in place a board approved policy and a compliance function, including the appointment of a chief compliance officer, based on the framework stipulated in the said circular. As per the circular, the chief compliance officer shall be the nodal point of contact between the NBFC and the regulators or supervisors and shall necessarily be a participant in the structured or other regular discussions held with RBI. Further, compliance to RBI inspection reports shall be communicated to RBI necessarily through the office of the compliance function.

Master Direction –Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 dated April 10, 2023 ("IT Outsourcing Directions")

The master direction by the RBI provides guidelines for outsourcing information technology services by financial institutions, including banks, NBFCs, and payment system operators. The directions recognise the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish REs ability to fulfil its obligations to customers nor impede effective supervision by the RBI. As per the IT Outsourcing Directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity itself, had the same activity not been outsourced. The regulated entities need to ask their service providers to develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan.

A regulated entity can also outsource any IT activity/IT enabled service within its business group/conglomerate, subject to conditions specified in the directions. Regulated entities intending to outsource any of its IT activities are required put in place a comprehensive Board approved IT outsourcing policy which shall incorporate, inter alia, the roles and responsibilities of the Board, committees of the Board (if any) and Senior Management, IT function, business function as well as oversight and assurance functions in respect of outsourcing of IT services. The IT Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. The RBI has the power to impose penalties for violations of the directions. These directions came into effect from October 1, 2023.

Reserve Bank of India's Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 1, 2023

The RBI issued the "*Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances*" on April 1, 2023, collating the clarifications from the "*Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications*" issued on November 12, 2021 ("**November 12 Circular**"). The clarification was issued with a view of ensuring uniformity in the implementation of IRACP norms across all lending institutions. The November 12 Circular clarified certain aspects of the extant regulatory guidelines, which will be applicable to be all lending institutions. The clarifications were made applicable immediately from the date of circular except for the instructions related to specification of due date / repayment date which were made applicable from December 31, 2021 and instructions related to non-performing assets classification in case of interest payments and customer education which will be applicable from March 31, 2022 onwards. The November 12 Circular, amongst other things, requires borrower accounts to be flagged as overdue by lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as special mention accounts ("**SMA**") as well as NPA is required to be undertaken as part of day-end processes for the relevant date, such that the date of SMA/ NPA shall reflect the asset classification status of an account at the day-end of that calendar date. The November 12 Circular clarifies that the SMA classification requirement for borrower accounts is applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution. Further, the November 12 Circular provides that upgradation of accounts classified as NPAs may be upgraded to 'standard' only if the entire arrears of interest and principal are paid by the borrower, as opposed to such upgradation being undertaken upon payment of only interest overdues.

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 underserviced sections of the economy. By entering into 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 all registered NBFCs based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFC 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 banks. The master agreement may contain necessary clauses on representations and warranties which the originating NBFC shall be liable for in respect of the share of the loans taken into its books by the bank. The co-lenders are mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

Priority Sector Lending Classification

Pursuant to its 'Statement on Developmental and Regulatory Policies' and notification dated April 7, 2021, the RBI with a view to ensure continued availability of credit to specified sectors to aid faster economic recovery, decided to extend the priority sector lending ("**PSL**") classification for lending by banks to NBFCs for on-lending by six months i.e. up to September 30, 2021. Previously, the PSL classification, allowing banks to classify lending to NBFCs for on-lending to agriculture/MSME/housing as PSL, was permitted till March 31, 2021. Considering the increased traction observed in delivering credit to underserved/unserved segments of the economy, the facility was extended till March 31, 2022 vide RBI circular dated October 8, 2021. To ensure continuation of the synergies that had been developed between banks and NBFCs in delivering credit to the specified priority sectors, the facility has been allowed on an on-going basis pursuant to RBI circular dated May 13, 2022.

IRDAI (Registration of Corporate Agents) Regulations, 2015 ("CA Regulations")

Corporate agents are granted a certificate of registration by the IRDAI in accordance with the CA Regulations for solicitation and servicing of insurance business for any of the specified category of life, general and health. A corporate agency registration is valid for a period of three years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration is subject to the applicant meeting the eligibility criteria prescribed in the CA Regulations. The criteria includes matters inter alia(a) whether the applicant has the necessary infrastructure such as, adequate office space, equipment and trained manpower on their rolls to effectively discharge its activities; (b) whether the principal officer, directors and other employees of the applicant have violated the code of conduct set out under the CA Regulations in the last three years; (c) whether any person, directly or indirectly connected with the applicant, has been refused in the past the grant of a licence/registration by the IRDAI; and (d) whether the applicant, in case the principal business of the applicant is other than insurance, maintain an arms-length relationship in financial matters between its activities as corporate agent and other activities.

Further, pursuant to the IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2022, a corporate agent, depending on the type of registration (i.e., general, life or health) a corporate agent is permitted to act as a corporate agent for a maximum of nine general, life or health insurers, as applicable. In the case of corporate agent (composite) the total number of arrangements with life, general and health insurers, shall not exceed twenty-seven at any point of time.

IRDAI (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2023 ("EOM Regulations")

The EOM Regulations prescribe inter alia the limit and scope of the expenses of management in general insurance and health insurance business. The EOM Regulations include all operating expenses of general or health insurance business, commission to insurance agents, intermediaries or insurance intermediaries and the commission and expenses on reinsurance inward, which are charged to revenue account, under the ambit of 'expenses of management'. In terms of the EOM Regulations, no insurer carrying on general insurance business in India shall incur expenses of management in excess of 30% of gross premium written in India in a fiscal year. Further, no insurer exclusively carrying on health insurance business in India, shall incur expenses of management exceeding 35% of gross premium written in India in a fiscal year as expenses of management. The EOM Regulations require every insurer to have a well-documented policy for allocation and apportionment of expenses of management amongst various business segments. The said policy shall be approved by the board of directors of the company.

IRDAI (Payment of Commission) Regulations, 2023 ("Commission Regulations")

The Commission Regulations, which came into force from April 1, 2023, prescribe inter alia the limits for payment of commission under life insurance and general insurance products offered by the insurers. The Commission Regulations define 'commission' as any compensation including remuneration, or reward, by whatever name called, paid by an insurer to insurance agent, intermediary or insurance intermediary, as applicable, for soliciting or procuring or transacting insurance business. In terms of the Commission Regulations, every insurer is required to adopt a board approved policy with respect to payment of commission and the objectives of the said policy shall inter alia take into consideration (i) the interest of the policyholders; (ii) nature and tenure of insurance policy; and (iii) the interest of the insurance agent, intermediary or insurance intermediary.

IRDAI Information and Cyber Security Guidelines, 2023 ("Cyber Security Guidelines")

In terms of the Cyber Security Guidelines, all regulated entities are mandated to establish and maintain an organisation structure for governance, implementation and monitoring of information security, comprising the board of directors, risk management committee and information security risk management committee. The ultimate responsibility for information security of an organisation vests with the board of directors of the regulated entity, in addition to receiving quarterly inputs on matters related to information security and approving its information and cyber security policy.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended ("SARFAESI Act")

The SARFAESI Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. Any asset reconstruction company may acquire assets of a bank or financial institution, including NBFCs, by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed.

If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company shall be deemed to be the lender in relation to those financial assets. The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts.

Under the provisions of the SARFAESI Act, a secured creditor, can recover dues from its borrowers by taking any of the measures as provided therein, including (i) taking possession of the secured assets or (ii) taking over the management of business of borrower. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as a NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority.

However, the requirement for a secured debt to be classified as a NPA shall not apply to a borrower who has raised funds through debt securities. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act

Recovery of Debts due to Banks and Financial Institutions Act, 1993, as amended("DRT Act")

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of Debt Recovery Tribunals ("**DRTs**"), procedure for making application to DRTs, powers of DRTs and modes of recovery of debts determined by DRTs, including inter alia attachment and sale of movable and immovable properties of defendants, taking possession of property over which security interest is created or any other property of the defendant and appointing receiver for such property and to sell the same, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT.

Insolvency and Bankruptcy Code, 2016, as amended (the "IBC")

The IBC empowers creditors, whether secured, unsecured, financial, operational or decree holder to trigger resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

The Digital Personal Data Protection Act, 2023 ("DPDP Act")

The Parliament passed the DPDP Act on August 9, 2023. The DPDP Act received the assent of the President and was notified on August 11, 2023. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice to data principals in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. The DPDP Act further provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent. The notice should contain details about the personal data to be collected and the purpose of processing. Consent may be withdrawn at any point in time. An individual whose data is being processed (data principal), will have the right to inter alia(i) obtain information about processing; (ii) seek correction and erasure of personal data; and (iii) nominate another person to exercise rights in the event of death or incapacity. The DPDP Act lays down several duties for the data principal.

As per the DPDP Act, data principal shall not inter alia(i) register a false or frivolous grievance or complaint; and (ii) furnish any false particulars or impersonate another person in specified cases. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy, completeness and consistency of data; (ii) build reasonable security safeguards to prevent breach of personal data; (iii) inform the Data Protection Board of India (established under the DPDP Act) and affected persons in the event of a breach; and (iv) erase personal data upon the data principal withdrawing her consent or as soon as it is reasonable to assume that the specified purpose is no longer being served, whichever is earlier.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Master Directions – HFC")

Definition of housing finance and housing finance company

The RBI Master Directions – HFC defines the term 'housing finance' as financing purchase/construction/ reconstruction/renovation/repairs of residential dwelling units, which includes *inter alia* loans to individuals or group of individuals including co-operative societies for construction or purchase of new dwelling units, loans to individuals or group of individuals for purchase of old dwelling units and loans to individuals or group of individuals for purchasing old or new dwelling units by mortgaging existing dwelling unit. Further, a 'housing finance company' is defined as a company incorporated under the Companies Act that fulfils the following conditions:

i. it is an NBFC (the company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income) whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets); and

ii. out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals.

Net owned fund

In terms of the RBI Master Directions – HFC, HFCs are required to maintain a minimum net owned fund of Rs. 200 million to commence with the business of housing finance as its principal business or to carry on the business of a HFC.

Capital adequacy

As per the RBI Master Directions – HFC, HFCs are required to maintain a minimum capital ratio on an ongoing basis, consisting of Tier I and Tier II capital, of not less than 15% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. At a minimum, tier I capital of HFCs cannot be less than 10% and the total Tier II capital at any point of time, should not exceed 100% of Tier I capital.

Acquisition / transfer of control

In addition to raising funds though borrowings, HFCs may also raise funds by way of issue of its equity shares. In terms of the RBI Master Directions – HFC, prior written permission of RBI shall be required for (i) any takeover or acquisition of control of an HFC, which may or may not result in change of management; (ii) any change in the shareholding of an HFC accepting or holding public deposits, including progressive increases over time, which would result in acquisition or transfer of shareholding of 10% or more of the paid-up equity capital of the HFC by or to a foreign investor; or (iii) any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital of the HFC.

However, no such approval is required in case of any shareholding going beyond 10% or 26%, as applicable, due to buyback of shares or reduction in capital where it has approval of a competent court. However, the same shall be reported to the NHB not later than one month from the date of its occurrence.

2. Restrictions in Foreign Ownership applicable to our Company

The Consolidated FDI Policy Circular of 2020 (No. 5(2)/2020) dated October 15, 2020, as amended ("FDI Circular") issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT")

Foreign investment in NBFCs, carrying on activities approved for FDI, is subject to the conditions specified in Paragraph 5.2.26 of the FDI Circular. Pursuant to these norms, FDI of up to 100% is permitted under the automatic route in our Company. This sector is also subject to minimum capitalization norms as prescribed by the RBI or other government agencies from time to time.

Emergency Credit Line Guarantee Scheme dated May 23, 2020

The Government of India, through the Ministry of Finance, Department of Financial Services introduced the emergency credit line guarantee scheme ("**ECLGS**"). Pursuant to the ECLGS, the National Credit Guarantee Trustee Company ("**NCGTC**"), a wholly owned trustee company of the Government of India, provided a 100% credit guarantee with respect to eligible credit facilities extended by NBFCs in the form of additional term loans. The NCGTC, pursuant to a circular dated June 29, 2023 the ECLGS up to March 31, 2023 or until guarantees for an amount of ₹ 5,000 billion are issued (taking into account all components of the ECLGS), whichever is earlier.

Special Liquidity Scheme for NBFCs/HFCs dated July 1, 2020 and the Partial Credit Guarantee Scheme

The Government of India approved the Special Liquidity Scheme for NBFCs and HFCs to improve the liquidity position of NBFCs through a special purpose vehicle to avoid potential systemic risks to the financial sector. In order to avail the scheme, NBFCs are required to, inter alia, (a) have made a net profit in one of the two preceding financial years; and (b) be rated investment grade by a SEBI registered rating agency.

3. Intellectual property laws

Certain laws relating to intellectual property rights under the Trade Marks Act, 1999, the Copyright Act, 1957 and the Patents Act, 1970 are applicable to us.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to register trademarks applied for in India and to provide for better protection of trademark for goods and services and also to prevent use of fraudulent marks. Application for the registration of trademarks has to be made to Trade Marks registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use of intention to use a trademark in the future. The Trade Marks Act prohibits any registration of trademarks which are identical/similar to other trademarks or commonly used name of chemical compound among others. It also provides for penalties for falsifying and falsely applying trademarks and using them to cause confusion among the public. The Trade Marks Act provides for civil remedies in the event of infringement of registered trade marks or for passing off, including injunction, damages, account of profits or delivery-up of infringing labels and marks for destruction or erasure.

The Patents Act, 1970 ("Patents Act")

The Patents Act recognises both product and process patents and prescribes eligibility criteria for grant of patents, including the requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection. The term of a patent under the Patents Act is twenty years from the date of filing an application for the patent.

The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 ("**Copyright Laws**") governs copyright protection in India. The Register of Copyrights under the Copyright Laws acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Designs Act, 2000 ("DA") and the Designs Rules, 2001 ("DR")

The DA regulates and protects the originality of an article's design and prohibits the piracy of registered designs. The Central Government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc.

4. Employee related legislations

In addition to the aforementioned material legislations which are applicable to our Company, other labour related legislations that may be applicable to the operations of our Company include:

a) Contract Labour (Regulation and Abolition) Act, 1970;

b) Payment of Wages Act, 1936;

c) Payment of Bonus Act, 1965;

d) Employees' State Insurance Act, 1948;

e) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

f) Equal Remuneration Act, 1976; 270

g) Payment of Gratuity Act, 1972;

h) Minimum Wages Act, 1948;

i) Employee's Compensation Act, 1923;

j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013

k) Apprentices Act, 1961;

l) Industrial Disputes Act, 1947 and the Industrial Disputes (Central) Rules, 1957;

m) Employee's Compensation Act, 1923;

n) The Maternity Benefit Act, 1961;

o) The Interstate Migrant Workmen Act, 1979;

p) Industrial Employment (Standing Orders) Act, 1946;

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019, which received the assent of the President of India on August 8, 2019, and will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976, and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020, which received the assent of the President of India on September 28, 2020, and will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020, which received the assent of the President of India on September 28, 2020, and will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, and the Payment of Gratuity Act, 1972, and (iv) the Occupational Safety, Health and Working Conditions Code, 2020, which received the assent of the President of India on September 28, 2020 and will repeal certain enactments including the Factories Act, Motor Transport Workers Act, 1961, The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification dated December 18, 2020 and May 3, 2023, respectively, by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India.

5. 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 1961, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;
- 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;
- Professional tax-related state-wise legislations; and,
- Customs Act, 1962.

***6.* Other Indian laws**

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, fire-safety related laws, guidelines for regulation and control of ground water extraction in India issued by the Central Ground Water Authority, and rules framed thereunder, the Contract Act, 1872, and other applicable laws and regulation 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 'Hero Honda Finlease Limited' at New Delhi under the Companies Act, 1956 pursuant to a certificate of incorporation dated December 16, 1991 issued by the Additional Registrar of Companies, Delhi and Haryana and commenced operations pursuant to a certificate for commencement of business dated January 13, 1992 issued by Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Company was changed to 'Hero FinCorp Limited' to align with the name change of Hero MotoCorp Limited, and a fresh certificate of incorporation dated July 26, 2011 was issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

The RBI had granted a certificate of registration dated April 9, 1996, under the former name 'Hero Honda Finlease Limited' to carry on the business of a non-banking financial institution without accepting public deposits. A fresh certificate of registration dated September 1, 2011, was granted by the RBI, pursuant to change of name of our Company from 'Hero Honda Finlease Limited' to 'Hero FinCorp Limited'. For further details, see "*Government and Other Approvals*" on page 495.

Changes in the Registered Office

There has been no change in the Registered Office of our Company since its incorporation.

Main Objects of our Company

1. *"To carry on the business of leasing, hire purchase and letting on hire and entering into any financial arrangement in acquiring by import or otherwise and providing on lease, hire or rent in India and abroad all types of plant, machinery, equipment, tools, dies, moulds, appliances, implements, instruments or apparatus, installations and fittings, for domestic, industrial, commercial, trading, office or agricultural use; vehicles including motor cars, buses, lorries, trucks, tempos, rickshaws, coaches, motorcycles, scooters and motor vehicles of all kinds and description, ships, aeroplanes and cycles, bicycles and carriages and all other vehicles of all kinds whatsoever whether moved, propelled or driven by motor, steam, oil, petrol, electricity and any mechanical or other power or devices; and accessories of all such vehicles, land, buildings, offices, show-rooms, shops, factories, godowns or any immovable properties or real estate; furniture, fixtures and utensils; air conditioners, refrigerators, televisions, video tape recorders and all other electrical and electronic equipments; and all other things of whatsoever nature or description capable of being used therewith or in the manufacture, maintenance and working thereof.*

2. *To carry on business of an investment company or an investment trust company, to undertake and transact trust and agency investment, financial business, financiers and for that purpose to lend or invest money and negotiate loans in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and also to issue on commission, to subscribe for, underwrite, take, acquire and hold, sell and exchange and deal in shares, stocks, bonds or debentures or securities of any Government or Public Authority or Company, gold and silver and bullion and to form, promote, subsidise and assist companies, syndicates, partnerships and individuals to promote and finance industrial enterprises and also to give any guarantees for payment of money or performance of any obligation or undertaking, to give advances, loans to undertake any business, transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers and under-writers.*

3. *To act as consultants and to advise and assist on all aspects of corporate, commercial and industrial management or activity including production, manufacturing, personnel, advertising & public relations, public welfare, marketing, taxation, technology, insurance, purchasing, sales, quality control, computer applications, software, productivity, planning, research and development, organization, import and export business, industrial relations and management and to make evaluations, feasibility studies, project reports, forecasts and surveys and to give expert advice and suggest ways and means for improving efficiency in mines, trades, plantations, business organizations, registered or co-operative societies, partnership or proprietary concerns and industries of all kinds in India and elsewhere in the world and improvement of business management, office organization and export management; to supply to and provide, maintain and operate services, facilities, conveniences, bureau and the like for the benefit of any company; to recruit and/or advice on the recruitment of staff for any company.*

4. *To undertake the supervision of any business of operation of any company or registered or co- operative society, partnership or proprietory concern including in particular but not limiting the generality of the foregoing to establish, assist, run and maintain purchasing organization for effecting economy in purchase by any company and sales, export and marketing organizations for popularising the use of, creating markets for and for effecting sales and export of any products, merchandise or goods of any company, turnkey projects, legal and secretarial services, personnel services, EDP costing, commercial financial and economic information including issue of bulletins and to undertake liaison work and public relation on behalf of any company.*

5. *To act as investors, guarantors, underwriters and financiers with the object of financing industrial enterprises, to lend or deal with the money either with or without interest or security including in current or deposit account with any*

bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loan upon such terms and conditions as the Company may approve. Provided that the Company shall not do any banking business as defined under the Banking Regulations Act, 1949.

6. *To carry on the business of real estate and to acquire by purchase, lease, exchange, development, construction, building, erection, or to demolish, re- erect, alter, repair, re-model or otherwise deal in and make advances on the security of and deal in land, buildings, estates, hereditaments, roads, highways, docks, bridges, canals, dams, ports, reservoirs, or any other structural or architectural work of any kind whatsoever and for such purpose to prepare, estimates, designs, plans, specifications or models and to do such other or any act that may be requisite thereof, and to otherwise deal in offices, flats, houses, bungalows, chawls, factories, godowns, warehouses, shops, cinema theatres and other conveniences of all kinds and properties of all kinds and description, and to act as town-planners, surveyors, valuers, appraisers, decorators, furnishers, furniture makers, merchants dealers in cement, steel, iron, fuel, coke, wood coal, timber and other building requisites and to manufacture requisites for above and prefabricated houses, apartments and structures etc.*

7. *To carry on in India and elsewhere the business of dealing in the full spectrum of warranties i.e. warranty administration, customer data base administration, customers report, handling of warranty and marketing schemes on behalf of manufacturers.*

8. *To carry on in India and elsewhere the business as an agent in the sale and servicing of warranty contracts in respect of all types of electrical and electronic devices, domestic appliances, consumer products and goods, industrial & commercial products and goods, all types of motor and transport vehicles and to act as manager of all sort of warranty scheme.*

9. *To carry on the business of distribution of co-branded cards, smart cards, charge cards, or any other type of instrument of similar nature by whatever name called for use in India or any other country outside India and development of such business in India either on its own or in collaboration/association with other organisations — Indian or international and for this purpose, identifying and entering into an agreement with any shop, store, wholesale dealer, retail outlet restaurant, eating house, hotel lodge, travel agent, and any other merchant establishment, whether incorporated or not, for any purpose permissible for the Company to carry on under law and also to market such cards, whether issued by any bank/ Corporate or any other entity.*

10. *To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services allowed as per the applicable provisions".*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our MoA in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' Resolution	Particulars
July 6, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect an increase in authorised share capital of our Company from ₹ 500,000,000 divided into 50,000,000 equity shares of face value of ₹ 10 each to ₹ 1,000,000,000 divided into 100,000,000 equity shares of face value of ₹ 10 each
	Amendment to Clause III A of the Memorandum of Association of our Company to substitute the heading, "*The main objects to be pursued by the Company on its incorporation are:*" with the following "The objects to be pursued by the Company on its incorporation are:".
	Amendment to Clause III B of the Memorandum of Association of our Company to substitute the heading, "*The objects incidental or ancillary to the attainment of main objects are:*" with the following "*The matters which are necessary for furtherance of the objects specified in clause III A are:*".
	Clause III C of the Memorandum of Association of our Company relating to the other objects was deleted.
September 15, 2016	Clause V of the Memorandum of Association of our Company was amended to reflect an increase in authorised share capital of our Company from ₹ 1,000,000,000 divided into 100,000,000 equity shares of face value of ₹ 10 each to ₹ 1,500,000,000 divided into 150,000,000 equity shares of face value of ₹ 10 each
March 8, 2022	Clause V of the Memorandum of Association of our Company was amended to reflect an increase and reclassification in authorised share capital of our Company from ₹ 1,500,000,000 divided into 150,000,000 equity shares of face value of ₹ 10 each to ₹ 23,000,000,000 divided into (i) ₹ 3,000,000,200 divided into 300,000,020 equity shares of face value of ₹ 10 each; and (ii) ₹ 9,369,999,650 divided into 17,036,363 Class A CCPS and ₹ 10,630,000,150 divided into 19,327,273 Class B CCPS
	Amendment to the object clause to include the following: "*To carry on the business of distribution of co-branded cards, smart cards, charge cards, or any other type of instrument of similar nature by whatever name called for use in India or any other country outside India and development of such business in India either on its own or in collaboration/association with other organisations — Indian or international and for this purpose, identifying and entering into an agreement with any shop, store, wholesale dealer, retail outlet*

Date of Shareholders' Resolution	Particulars
	restaurant, eating house, hotel lodge, travel agent, and any other merchant establishment, whether incorporated or not, for any purpose permissible for the Company to carry on under law and also to market such cards, whether issued by any bank/ Corporate or any other entity."
September 16, 2022	Amendment to the object clause to include the following "*To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services allowed as per the applicable provisions*".
June 30, 2024	Clause V of the Memorandum of Association of our Company was amended to reflect an increase in authorised share capital of our Company from ₹ 23,000,000,000 divided into (i) ₹ 3,000,000,200 divided into 300,000,020 equity shares of face value of ₹ 10 each; and (ii) ₹ 9,369,999,650 divided into 17,036,363 Class A CCPS and ₹ 10,630,000,150 divided into 19,327,273 Class B CCPS to ₹ 33,000,000,000 divided into (i) ₹ 3,000,000,200 divided into 300,000,020 equity shares of face value of ₹ 10 each; (ii) ₹ 9,369,999,650 divided into 17,036,363 Class A CCPS and ₹ 10,630,000,150 divided into 19,327,273 Class B CCPS; and (iii) ₹ 10,000,000,000 divided into 100,000 NCRPS having face value of ₹ 100,000 each.

Major events and milestones of our Company

The table below sets forth some of the key events and milestones in the history of our Company:

Calendar year (unless otherwise mentioned)	Particulars
1991	• Incorporation of our Company as Hero Honda Finlease Limited
1992	• Received certificate of commencement of business
1996	• Received license to operate as an NBFC from the RBI
2011	• Name of the company changed from "*Hero Honda Finlease Limited*" to "*Hero FinCorp Limited*"
2014	• Launched two-wheeler financing business
2015	• Launch of corporate finance business
2016	• Private equity investment of ₹ 2.00 billion by Otter Limited in our Company; and • Private equity investment of ₹ 440 million by Credit Suisse (Singapore) Limited in our Company
2017	• Incorporation of our Subsidiary, '*Hero Housing Finance Limited*'; • Launched pre-owned car finance business; • Received registration to act as a '*Corporate Agent*' from IRDAI; and • Achieved AUM of ₹100 billion
2020	• Private equity investment of ₹ 10.75 billion by Apis Growth II (Hibiscus) Pte. Ltd., Otter Limited, Credit; Suisse (Singapore) Limited along with some other investors in our Company; • Our customer base crossed 5 million; and • Launched Digital Loan Product
2021	• Launched '*SimplyCash*' (Hero Instant Personal Loan) - a digital loan product through dedicated app.
2023	• Launched electric vehicle financing; and • Our customer base crossed 10 million

Awards, accreditations, and accolades received by our Company

Set out below are some of the key awards, accreditations, recognition, and appreciation received by our Company:

Calendar Year	Particulars
2019	• Our Company was awarded as one of the "India's 20 Best Workplaces in BFSI - 2019" by Great Place to Work Institute India • Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India
2020	• Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India
2021	• Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India
2022	• Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India • Our Company was awarded as one of the "Best Workplaces For 2022" by the Great Place to Work Institute, India
2023	• Our Company was awarded as one of the "TOP 100 India's Best Companies to Work For 2023" by the Great Place to Work Institute, India • Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India • Our Company was awarded "Brand of the Decade 2023" in the category of financial services by Brand Advertising Research & Consulting Private Limited (BARC)
2024	• Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India • Our Company was awarded as one of the "Top 25 BFSI to work" by the Great Place to Work Institute, India • Our Company was awarded as one of the "TOP 76 India's Best Companies to Work For 2023" by the Great Place to Work Institute, India

Corporate profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, technology, and managerial competence, see *"Our Business", "Our Management", "Management's Discussion and Analysis of Financial Condition and Results of Operations"* and "*Risk Factors"* on pages 237, 303, 446 and 31, respectively.

Time and cost over-runs

There have been no time and cost overrun in the business operations of our Company as on the date of this Draft Red Herring Prospectus.

Defaults or re-scheduling/restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings from the lenders.

Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/ facility creation, launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, to the extent applicable, see *"Our Business" and "– Major Events and Milestones of our Company"* on pages 237 and 297, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years

Our Company has not made any material acquisitions or divestments of any business or undertaking, and have not undertaken any merger, amalgamation or any revaluation of assets during the 10 years preceding the date of this Draft Red Herring Prospectus.

Shareholders' agreements and other material agreements

Except as set out below, there are no other arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, any agreements between our Company, our Promoters and our Shareholders, agreements of like nature and clauses/ covenants which are material to our Company. Further, there are no other clauses/ covenants that are adverse or prejudicial to the interest of the minority and public shareholders of our Company. Further, except as disclosed below, 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.

A. Key Terms of all Subsisting Shareholders Agreements and Investment Agreements.

Shareholders' agreement dated January 24, 2020 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited and BMOP, and Apis Growth II (Hibiscus) Pte. Ltd. (together, "Parties"), as amended by the amendment agreement dated January 31, 2022 and Apis Amendment Agreement ("Apis Shareholders' Agreement").

Our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP, and Apis Growth II (Hibiscus) Pte. Ltd. ("**Apis**") have entered into the Apis Shareholders' Agreement *inter alia* recording their rights and obligations in relation to the operation and management of our Company and other matters thereto. Certain rights that the parties are entitled to under the APIS Shareholders' Agreement *inter alia* include (i) rights in relation to restrictions on transfer of Equity Shares, including right of first offer and right of first refusal; (ii) consultative rights; and (iii) information rights.

In view of the Offer, the Parties have entered into the Apis Amendment Agreement with the objective of enabling implementation of the Offer, and provided their consents on certain matters in relation to the Offer. Pursuant to the Apis Amendment Agreement, the Parties have also agreed to waive certain special rights including, restrictions on the transfer of Equity Shares pursuant to the Offer for Sale, delayed IPO rights of Apis, certain consultative rights and information rights of Apis.

The Apis Shareholders Agreement will automatically terminate in respect to each Party, in its entirety, *inter alia* by mutual written consent of the Parties or on the date of listing of the Equity Shares pursuant to the Offer, subject to the survival of certain provisions related to amongst others, confidentiality, notices and dispute resolution.

The Apis Amendment Agreement will terminate and the amendments, consents and waivers provided under the same will cease to be effective, without any further acts of the Parties and without any liabilities or obligations, on the earlier of the date (a) expiry of 12 months from receipt of final SEBI observations in relation to the DRHP filed by the Company with SEBI; (b) in the event that the Board, or IPO Committee constituted for the purposes of the IPO thereof decide not to undertake the Offer (including withdrawal of any DRHP filed) with the prior written consent of Apis; then the date of the meeting in which the same is decided; (c) in the event that the Company has not filed the DRHP in relation to the Offer with SEBI or the Stock Exchanges within 4 (four) weeks from July 31, 2024; or (d) such other date as mutually agreed between the Parties in writing.

Shareholders' agreement dated January 31, 2022 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited , Hero MotoCorp Limited, BMOP and AHVF II Holdings Singapore II Pte. Ltd. (together, "Parties"), as amended by the amendment agreement dated February 11, 2022 and AHVF Amendment Agreement ("AHVF Shareholders' Agreement").

Our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and AHVF II Holdings Singapore II Pte. Ltd. ("**AHVF**") have entered into the AHVF Shareholders' Agreement *inter alia* recording their rights and obligations in relation to the operation and management of our Company and other matters thereto. Certain rights that the parties are entitled to under the AHVF Shareholders' Agreement *inter alia* include (i) rights in relation to restrictions on transfer of Equity Shares, including right of first offer, right of first refusal, and tag along rights; (ii) right of AHVF II Holdings Singapore II Pte. Ltd to nominate one director; (iii) pre-emptive rights; and (iv) information rights.

In view of the Offer, the Parties have entered into the AHVF Amendment Agreement with the objective of enabling implementation of the Offer, and provided their consents on certain matters in relation to the Offer. Pursuant to the AHVF Amendment Agreement, the Parties have also agreed to waive certain special rights including, rights of first refusal and tag along rights, consultative rights and information rights of AHVF.

The AHVF Shareholders' Agreement will automatically terminate in respect to each Party, in its entirety, *inter alia* by mutual written consent of the Parties or on the date of listing of the Equity Shares pursuant to the Offer, subject to the survival of certain provisions related to confidentiality, notices and dispute resolution.

The AHVF Amendment Agreement will terminate and the amendments, consents and waivers provided under the same will cease to be effective, without any further acts of the Parties and without any liabilities or obligations, on the earlier of (a) expiry of 12 months from receipt of final SEBI observations in relation to the DRHP filed by the Company with SEBI; (b) in the event that the Board, or IPO Committee thereof decide not to undertake the Offer (including withdrawal of any DRHP filed) with the prior written consent of the AHVF, then the date of the meeting in which the same is decided; (c) in the event that the Company has not filed the DRHP in relation to the IPO with SEBI or the Stock Exchanges within 4 (four) weeks from July 31, 2024; or (d) such other date as mutually agreed between the Parties in writing.

Shareholders' Agreement dated January 31, 2022 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP, JM Financial Credit Solutions Limited and JM Financial Products Limited (together, "Parties"), as amended by the amendment agreement dated February 11, 2022 and JM Amendment Agreement ("JM Shareholders' Agreement").

Our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP, JM Financial Credit Solutions Limited and JM Financial Products Limited have entered into the JM Shareholders' Agreement *inter alia* recording their rights and obligations in relation to the operation and management of our Company and other matters thereto. Certain rights that the parties are entitled to under the JM Shareholders' Agreement *inter alia* include (i) rights in relation to restrictions on transfer of Equity Shares; (ii) rights including right of first offer, right of first refusal and right of call option; and (ii) information rights.

In view of the Offer, the Parties have entered into the JM Amendment Agreement with the objective of enabling implementation of the Offer, and provided their consents on certain matters in relation to the Offer. Pursuant to the JM Amendment Agreement, the Parties have also agreed to waive certain special rights including, restrictions on the transfer of Equity Shares pursuant to the Offer for Sale.

The JM Shareholders' Agreement will automatically terminate in respect to each Party, in its entirety, *inter alia* by mutual written consent of the Parties or on the date of listing of the Equity Shares pursuant to the Offer, subject to the survival of certain provisions related to confidentiality, notices, notices and dispute resolution.

The JM Amendment Agreement will terminate and the amendments, consents and waivers provided under the same will cease to be effective, without any further acts of the Parties and without any liabilities or obligations, on the earlier of the date (a) expiry of 12 months from receipt of final SEBI observations in relation to the DRHP filed by the Company with SEBI; (b) in the event that the Board, or IPO Committee thereof decide not to undertake the Offer (including withdrawal of any DRHP filed) with the prior written consent of JM Financial Credit Solutions Limited and JM Financial Products Limited, then the date of the meeting in which the same is decided; (c) in the event that the Company has not filed the DRHP in relation to the IPO with SEBI or the Stock Exchanges within 4 (four) weeks from July 31, 2024; or (d) such other date as mutually agreed between the Parties in writing.

Investment agreement dated September 13, 2016 entered into by and among our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited; Hero MotoCorp Limited, BMOP and LC Hercules (Cayman) Limited (together, "Parties"), as amended by amendment agreements dated February 13, 2020, January 31, 2022 and November 27, 2023, and a deed of adherence dated November 27, 2023 and LC Amendment Agreement ("LC Investment Agreement").

Our Company, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and LC Hercules (Cayman) Limited ("**LC**") have entered into the LC Investment Agreement *inter alia* recording their rights and obligations in relation to the operation and management of our Company and other matters thereto. Certain rights that the parties are entitled to under the LC Investment Agreement *inter alia* include (i) rights in relation to restrictions on transfer of Equity Shares, including right of first offer, tag-along rights; (ii) pre-emptive rights, consultative rights; and (iii) information rights.

In view of the Offer, the Parties have entered into the LC Amendment Agreement with the objective of enabling implementation of the Offer, and provided their consents on certain matters in relation to the Offer. Pursuant to the LC Amendment Agreement, the Parties have also agreed to waive certain special rights including, restrictions on the transfer of Equity Shares pursuant to the Offer for Sale, and information rights of LC.

The LC Investment Agreement will automatically terminate in respect to each Party, in its entirety, on the date of listing of the Equity Shares pursuant to the Offer, subject to the survival of certain provisions related to confidentiality, notices and dispute resolution.

The LC Amendment Agreement will terminate and the amendments, consents and waivers provided under the same will cease to be effective, without any further acts of the Parties and without any liabilities or obligations, on the earlier of the date (a) expiry of 12 months from receipt of final SEBI observations in relation to the DRHP filed by the Company with SEBI; (b) in the event that the Board, or IPO Committee constituted for the purposes of the Offer thereof decide not to undertake the Offer (including withdrawal of any DRHP filed) with the prior written consent of LC then the date of the meeting in which the same is decided; (c) in the event that the Company has not filed the DRHP in relation to the Offer with SEBI or the Stock Exchanges within 4 (four) weeks from July 31, 2024; or (d) such other date as mutually agreed between the Parties in writing.

Investment agreement dated September 9, 2016 entered into by and among our Company, Link Investment Trust, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and Otter Limited (together, "Parties"), as amended by amendment agreements dated January 31, 2020 and January 31, 2022, and Otter Amendment Agreement ("Otter Investment Agreement").

Our Company, Link Investment Trust, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited, Hero MotoCorp Limited, BMOP and Otter Limited ("**Otter**") have entered into the Otter Investment Agreement *inter alia* recording their rights and obligations in relation to the operation and management of our Company and other matters thereto. Certain rights that the parties are entitled to under the IA *inter alia* include (i) right of Otter to nominate one director to the board; (ii) affirmative voting rights with certain investors; (iii) rights in relation to restrictions on transfer of Equity Shares, including right of first offer, tag-along rights; and (iv) information rights.

In view of the Offer, the Parties have entered into the Otter Amendment Agreement with the objective of enabling implementation of the Offer, and provided their consents on certain matters in relation to the Offer. Pursuant to the Otter Amendment Agreement, the Parties have also agreed to waive certain special rights including, restrictions on the transfer of Equity Shares pursuant to the Offer for Sale, delayed IPO rights of Otter, certain consultative rights and information rights of Otter.

The Otter Investment Agreement will automatically terminate in respect to each Party, in its entirety, on the date of listing of the Equity Shares pursuant to the Offer, subject to the survival of certain provisions related to confidentiality, notices and dispute resolution.

The Otter Investment Amendment Agreement will terminate and the amendments, consents and waivers provided under the same will cease to be effective, without any further acts of the Parties and without any liabilities or obligations, on the earlier of the date (a) expiry of 12 months from receipt of final SEBI observations in relation to the DRHP filed by the Company with SEBI; (b) in the event that the Board, or IPO Committee constituted for the purposes of the Offer thereof decide not to undertake the Offer (including withdrawal of any DRHP filed) with the prior written consent of LC, then the date of the meeting in which the same is decided;; (c) in the event that the Company has not filed the DRHP in relation to the Offer with SEBI or the Stock Exchanges within 4 (four) weeks from July 31, 2024; or (d) such other date as mutually agreed between the Parties in writing.

B. Key terms of other material agreements

Our Company has not entered into any material agreement including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

Holding Company

Our Company does not have any holding company.

Details of guarantees given to third parties by the Promoters offering the Equity Shares in Offer

Our Promoters have not given any guarantees, on behalf of our Company, to third parties that are outstanding as of the date of this Draft Red Herring Prospectus.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoter, or any other employee

Our Key Managerial Personnel or Senior Management Personnel, Director, Promoters, or any other employee have not entered into any agreement with any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Our Subsidiary

As of the date of this Draft Red Herring Prospectus, our Company has one subsidiary.

Hero Housing Finance Limited ("HHFL")

Corporate Information

HHFL was incorporated on June 16, 2016, as a public limited company under the Companies Act. Its corporate identity number is U65192DL2016PLC301481. Its registered office is located at 9, Community Centre, Basant Lok Vasant Vihar, South Delhi, New Delhi 110 057, Delhi, India.

Nature of Business

HHFL is engaged in the business of (non-deposit taking) housing finance.

For details of HHFL's registration, see *"Government and Other Approvals – Our Material Subsidiary"* on page 496.

Capital Structure

The authorized share capital of HHFL is ₹ 10,000,000,000 divided into 1,000,000,000 equity shares of ₹ 10 each and HHFL's issued and subscribed shares are ₹ 6,298,079,990 and paid-up share capital is ₹6,298,079,990 divided into 629,807,999 equity shares of ₹10 each.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of Hero Housing Finance Limited is as follows:

S. No.	Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
1.	Hero FinCorp Limited	624,999,939	99.24
2.	Rakesh Bansal	1,200,000	0.19
3.	Ashish Bhutani	800,000	0.13
4.	Tulika Sonthalia	520,000	0.08
5.	Dhoop Mittal	475,000	0.08
6.	Gautam Munjal	300,000	0.05
7.	Peeyush Jindal	300,000	0.05
8.	Rahul Kishore	300,000	0.05
9.	Amit Arora	150,000	0.02
10.	Sourabh Madra	140,000	0.02
11.	Amit Sharma	130,000	0.02
12.	Bipin Balak Dudani	130,000	0.02
13.	Paramjit Singh Nayyar	100,000	0.02
14.	Viresh Kumar	60,000	Negligible
15.	Pooja Sharma	50,000	Negligible
16.	Vivek Madan	50,000	Negligible
17.	Tanmay Kumar	43,000	Negligible
18.	Neeraj Jain	40,000	Negligible

S. No.	Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
19.	Ankur Kapoor	15,000	Negligible
20.	Puneet Taneja	2,500	Negligible
21.	Sahil Arora	2,500	Negligible
22.	Abhimanyu Munjal*	10	Negligible
23.	Rahul Munjal*	10	Negligible
24.	Shyam Lal*	10	Negligible
25.	Priya Kashyap*	10	Negligible
26.	Dhoop Mittal*	10	Negligible
27.	Sajin Purushothaman Mangalathu *	10	Negligible
Total		**629,807,999**	**100.00**

* *Holding on behalf of our Company*.

Financial Information

(in ₹ million)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Equity Share capital	6,298.08	6,292.28	4,607.88
Net worth	7,974.39	7,592.25	4,320.32
Total income	5,690.39	4,205.50	3,115.71
Revenue from operations	5,468.20	4,003.34	2,983.30
Profit after tax	361.04	226.26	20.91
Basic earnings per equity share (in ₹)	0.57	0.40	0.05
Diluted earnings per equity share (in ₹)	0.57	0.40	0.05
Total borrowings	44,700.95	32,441.87	24,719.51

Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company has no joint venture.

Common pursuits between our Subsidiaries and our Company

Our Subsidiary is not engaged in lines of business that are similar to our Company.

Business interests in our Company

Our Subsidiary has no business interests in our Company.

Other Confirmations

There are no accumulated profits or losses of our Subsidiary, which are not accounted for by our Company in our Restated Consolidated Financial Information.

The equity shares of our Subsidiary are not listed on any stock exchanges.

None of the securities of our Subsidiary have been refused listing by any stock exchange in India or abroad.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 10 Directors including two Executive Director, three Non-Executive Directors and five Independent Directors (including two women Independent Directors).

Our Board

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

Sr. No	Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth and Age	Other Directorships
1.	**Dr. Pawan Munjal** **Designation**: Chairman and Non-Executive Director **Address**: N-87, Near Panchsheel Club, Panchsheel Park, South Delhi 110 017, Delhi, India **Occupation**: Business **Term**: Liable to retire by rotation **Period of Directorship**: Director since December 16, 1991 **DIN**: 00004223 **Date of Birth**: October 28, 1954 **Age:** 69 years	**Indian Companies** • Bahadur Chand Investments Private Limited • Hero InvestCorp Private Limited • Hero MotoCorp Limited • Indian School of Business • Munjal Acme Packaging Systems Private Limited • PAN Mining Private Limited • Rockman Industries Limited **Foreign Companies** • Hero Future Energies Global Limited
2.	**Renu Munjal** **Designation**: Whole-time Director **Address**: B-109, Greater Kailash – I, New Delhi 110 048, Delhi, India **Occupation**: Business **Term**: Five years from May 3, 2024, liable to retire by rotation **Period of Directorship**: Director since July 11, 1992 **DIN**: 00012870 **Date of Birth**: March 6, 1955 **Age:** 69 years	**Indian Companies** • Bahadur Chand Investments Private Limited • BM Munjal Energies Private Limited • Hero Electronix Private Limited • Hero Housing Finance Limited • Hero InvestCorp Private Limited • Munjal Acme Packaging Systems Private Limited • RKMFT Private Limited • Rockman Auto Private Limited **Foreign Companies** Nil
3.	**Abhimanyu Munjal** **Designation**: Managing Director and Chief Executive Officer **Address**: B-109, Greater Kailash Part -I, New Delhi 110 048, Delhi, India **Occupation**: Business **Term**: Five years from May 3, 2024, liable to retire by rotation **Period of Directorship:** Director since June 1, 2016 **DIN**: 02822641	**Indian Companies** • Advantedge Technology Partners Private Limited • AMFT Private Limited • Foodcraft India Private Limited • Hero Housing Finance Limited • RKMFT Private Limited **Foreign Companies**

Sr. No	Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth and Age	Other Directorships
	Date of Birth: July 14, 1983 **Age:** 41 years	• Hero Future Energies Asia Pte. Ltd. • Hero Future Energies Global Ltd. • Margot Holdings Limited
4.	**Pradeep Dinodia** **Designation**: Non-Executive Director^ **Address**: House No., A-9A, Maharani Bagh, Sriniwaspuri, South Delhi 110 065, Delhi, India **Occupation**: Chartered Accountant **Term**: With effect from June 27, 2024, liable to retire by rotation **Period of Directorship**: Director since May 29, 2016. **DIN**: 00027995 **Date of Birth**: December 2, 1953 **Age**: 70 years	**Indian Companies** • DCM Shriram Limited • Hero MotoCorp Limited • Shriram Pistons & Rings Limited **Foreign Companies** Nil
5.	**Sanjay Kukreja** **Designation**: Non-Executive Director **Address**: A-362, Defence Colony, Lajpat Nagar, South Delhi, 110 024, Delhi, India **Occupation**: Service **Term**: With effect from September 15, 2016, liable to retire by rotation **Period of Directorship**: Director since September 15, 2016 **DIN**: 00175427 **Date of Birth**: June 24, 1977 **Age:** 47 years	**Indian Companies** • Gebbs Healthcare Private Limited • HDFC Credila Financial Services Limited • Intas Pharmaceuticals Limited **Foreign Companies** Nil
6.	**Amar Raj Singh Bindra** **Designation**: Independent Director **Address**:3/F, Eva Court, 36 MacDonnel Road, Hong Kong **Occupation**: Professional **Term**: Five years with effect from May 1, 2023 **Period of Directorship**: Director since May 1, 2023 **DIN:** 09415766 **Date of Birth**: February 22, 1956 **Age:** 68 years	**India Companies** • CRISIL Limited **Foreign Companies** • CRISL Irevna U.K. • Morgan Stanley Bank Asia Limited Hong Kong
7.	**Paramdeep Singh** **Designation**: Independent Director	**Indian Companies** • Authorgen Technologies Private Limited

Sr. No	Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth and Age	Other Directorships
	Address: 7 Roads End, Glen Head, New York 11545, United States **Occupation**: Professional **Term**: Five years with effect from May 1, 2023 **Period of Directorship**: Director since May 1, 2023 **DIN:** 03579758 **Date of Birth**: February 13, 1981 **Age:** 43 years	• Saavn Media Limited **Foreign Companies** • LeagueApps Inc. • iTutor.com Inx • Saavn Global Holdings Ltd. • Vitamin K9, LLC • Music Makes Us Feels, LLC
8.	**Anuranjita Kumar** **Designation**: Independent Director **Address**: W30074, Wellington Estate, DLF Phase 5, Gurugram 122 009, Haryana, India **Occupation**: Service **Term**: Three years with effect from February 5, 2024 **Period of Directorship**: Director since February 5, 2024 **DIN:** 05283847 **Date of Birth**: November 2, 1971 **Age:** 52 years	**Indian Companies** • Acme Solar Holdings Private Limited • HDFC Credila Financial Services Limited • Northcap Services Private Limited • TBO Tek Limited **Foreign Companies** • Northcap Services FZCO (Dubai UAE)
9.	**Aparna Popat Ved** **Designation**: Independent Director **Address**: 21, Valentina, N. Gamadia Road, Mahalaxmi, Cumbala Hill, Mumbai 400 026, Maharashtra, India **Occupation**: Self-employed **Term**: Three years with effect from June 27, 2024* **Period of Directorship**: Director since June 27, 2024 **DIN:** 08661466 **Date of Birth**: January 18, 1978 **Age:** 46 years	**Indian Companies** • Sports VKan Private Limited • Zomato Limited **Foreign Companies** Nil

Sr. No	Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth and Age	Other Directorships
10.	**Kaushik Dutta** **Designation**: Independent Director **Address**: 843, Lavy Pinto Block, Asiad Games Village, Khel Gaon, New Delhi 110 049, Delhi, India **Occupation**: Chartered accountant **Term**: Three years with effect from June 27, 2024* **Period of Directorship**: Director since June 27, 2024 **DIN:** 03328890 **Date of Birth**: May 1, 1962 **Age:** 62 years	**Indian Companies** • Ather Energy Private Limited • Paisabazaar Marketing and Consulting Private Limited • PB Fintech Limited • Newgen Software Technologies Limited • Resilient Innovations Private Limited • Thought Arbitrage Research Institute • Zomato Hyperpure Private Limited • Zinka Logistics Solutions Limited • Zomato Limited **Foreign Companies** • Newgen Software Inc. (USA)

^Pursuant to a resolution dated June 27, 2024 passed by the Board of Directors, Pradeep Dinodia was redesignated as a Non-Executive Director with effect from June 27, 2024, subject to approval of the Shareholders.
**Appointed as an Independent Director, subject to approval of the Shareholders.*

Brief Biographies of Directors

Dr. Pawan Munjal is the Chairman and Non-Executive Director of our Company. He holds a bachelor’s degree in engineering (mechanical group) from Kurukshetra University, Thanesar, Haryana and has also received an honourary degree from National Institute of Technology, Kurukshetra, Thanesar, Haryana. He has been associated with our Company since December 20, 1991. He has several years of experience in the banking and finance sector. He is currently associated with Hero MotoCorp, among others.

Renu Munjal is the Whole-time Director of our Company. She holds a bachelor’s degree in home science from South Delhi Polytechnic College for Women, Delhi, New Delhi. She has been associated with our Company since June 16, 1992. She has over 31 years of experience in the banking and finance sectors. She is currently associated with Bahadur Chand Investments Private Limited, Hero Electronix Private Limited, Rockman Auto Private Limited and Hero Future Energies Private Limited, among others.

Abhimanyu Munjal is the Managing Director and Chief Executive Officer of our Company. He has completed the International Foundation Programme in Business Management from the Warwick University, United Kingdom. He has completed a senior executive programme from the Wharton School, University of Pennsylvania, Pennsylvania, USA. He has been associated with our Company since 2011 in different roles. He was appointed as the chief operating officer of our Company on June 4, 2013 and thereafter as the joint managing director and chief executive office of our Company with effect from May 5, 2015. He is currently the Managing Director and Chief Executive Officer of our Company. He has over 10 years of experience in the banking and finance sector. He is currently associated with Hero Housing Finance Limited, RKMFT Private Limited and Foodcraft India Private Limited, among others, as a director. He is a member of national council at the Confederation of Indian Industry’s National Council and is the chair on the CII’s committee on NBFCs & HFCs. Abhimanyu Munjal was announced as part of the “Top 25 Financial Technology CEOs of Asia” published by the Financial Technology Report in 2020. He was the recipient of the 'Most Promising Business Leaders' in 2019 by the Economic Times and also received recognition under ‘40 under Forty’ published by The Economic Times. He was also awarded "India's Best Leaders in Times of Crisis" by Great Place to Work in 2021.

Pradeep Dinodia is a Non-Executive Director of our Company. He holds a bachelor’s degree in economics from University of Delhi. He also holds a bachelor’s degree in law from the University of Delhi. He was admitted as an associate of the Institute of Chartered Accountants of India in 1978 and as a fellow of the Institute of Chartered Accountants of India in 1983. He has been felicitated with a gold medal by the Institute of Chartered Accountants of India for receiving the ‘R.V.K Umarjee Prize’ in cost accounting. He has been associated with our Company since May 29, 2016. He is the founder chairman and managing partner of S.R. Dinodia & Co. LLP,. He is currently on the board and committees of Hero MotoCorp Limited, DCM Shriram Limited and Shriram Pistons & Rings Limited.

Sanjay Kukreja is a Non-Executive Director of our Company. He has passed the examination for his bachelor’s degree in economics from Shri Ram College of Commerce, University of Delhi, New Delhi and holds a post graduate diploma in management from Indian Institute of Management, Bangalore. He has been associated with our Company since September 15, 2016. He is currently a designated partner and the chief investment officer of ChrysCapital Advisors LLP. He is currently on the board of GeBBS Healthcare Solutions and Intas Pharmaceuticals, among others. He has previously been associated with Magical Methods School Solutions Private Limited, among others. He is the co-founder and trustee of Ashoka University, Sonipat and Plaksha University, Mohali. He also chairs the committee on private equity and venture capital at the Federation of Indian Chambers & Commerce & Industry.

Amar Raj Singh Bindra is an Independent Director of our Company. He holds a bachelor's degree in commerce from Sydenham College of Commerce, Mumbai, Maharashtra and a master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has also completed the Wharton advanced management programme from the Wharton School, University of Pennsylvania, Pennsylvania, USA. He has been associated with our Company since May 1, 2023. He is currently also associated with CRISIL Limited as an independent director, among others. He has previously been associated with Citibank N.A. as the regional head and with the Australia and New Zealand (ANZ) Banking Group Limited as the head of credit and capital management.

Paramdeep Singh is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in arts from Tufts University, Massachusetts, USA. He has been associated with our Company since May 1, 2023. He is the co-founder and is currently the director of JioSaavn. He is currently also associated with Authorgen Technologies Private Limited.

Anuranjita Kumar is an Independent Director of our Company. She holds a bachelor's degree in arts (psychology) from the University of Delhi. She has a post graduate diploma is personnel management and industrial relations from XLRI Jamshedpur. She has been associated with our Company since February 5, 2024. She is the founder and currently the chief executive officer of WE-ACE. She is currently associated with Induscap Ventures LLP as a partner. She has had various roles across India, Singapore and the United Kingdom in Citibank N.A.

Aparna Popat Ved is an Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Mumbai, Mumbai, Maharashtra and holds a master's degree in business administration from Sikkim Manipal University, Gangtok,Sikkim, India. She has been associated with our Company since June 27, 2024. She is a former professional badminton player and has received an Arjuna Award for "best sportsperson" from the Ministry of Youth Affairs and Sports and has also received a certificate of recognition from the World Olympians Associations. She was the co-founder and was previously the chief operating officer of All Is Well of Meboki Technologies Private Limited. She has also previously been associated with Badminton Gurukul Private Limited as a director of academies, with Evosports Management Private Limited as a director of instructions, with Olympians Association of India as an executive director and with Indian Oil Corporation Limited as a manager (administration).

Kaushik Dutta is an Independent Director of our Company. He has passed an examination for his bachelor's degree in commerce from St. Xavier's College, University of Calcutta, Kolkata, and has passed the examination held by the Institute of Chartered Accountants of India. He has been associated with our Company since June 27, 2024. He has previously been associated with the Indian Institute of Corporate Affairs as an expert, with the Ministry of Corporate Offers (Serious Frauds Investigation Office) as a consultant, with Lovelock & Lewes, Chartered Accountant as a partner and with Pricewaterhouse Coopers Private Limited as an executive director.

Relationship between our Directors, Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, none of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other:

1. Dr. Pawan Munjal is the father-in-law of Pradeep Dinodia's son;

2. Dr. Pawan Munjal is the brother-in law of Renu Munjal; and

3. Renu Munjal is the mother of Abhimanyu Munjal;

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.

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.

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.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director or Senior Management Personnel

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors are appointed on the Board.

Terms of appointment of our Executive Directors:

Whole-time Director

Renu Munjal is currently the Whole-time Director of our Company. She was appointed as the Whole-time Director of our Company for a period of five years with effect from May 3, 2024, pursuant to resolutions passed by our Board and Shareholders on May 3, 2024 and June 30, 2024, respectively.

The details of remuneration of Renu Munjal, as approved by our Board and the Shareholders, in their meetings held on May 3, 2024 and June 30, 2024, respectively, are as stated below.

Particulars	Annual amount (in ₹)
Basic Salary	₹ 1,920,123 per month*
Variable Pay	Not exceeding 5% of the net profit of the Company in a particular Financial Year as computed in the manner referred to in the Companies Act, 2013 ("Commission"). Commission will be subject to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors every year. In the event there are no profits or inadequate profits, then an amount decided by the Nomination and Remuneration Committee.
Perquisites and Allowances	(i) Special allowance at 40% of basic salary; (ii) House rent allowance equivalent to 50% of the basic salary along with free use of all the facilities and amenities; (iii) Reimbursement of actual medical expenses incurred by Renu Munjal and her family ("family" means the spouse, dependent children and dependent parents); (iv) Personal accident insurance (actual premium to be paid by the Company); (v) Insurance of household goods; (vi) Mediclaim insurance policy (coverage with insurance company for hospitalization of self and family as defined in (iii) above);Facility of one car with driver as per rules of the Company rules; (vii) Free use of telephone and mobile services including internet (viii) Sick leave & privilege leaves to be granted as per rules of the Company and unlimited accumulations; (ix) Reimbursement of expenses on entertainment, travelling, hotel and other expenses incurred at actual for the business of the Company (x) Company's Contribution to provident fund will be 12% and, superannuation annuation and annuity funds 15% of basic salary; (xi) Gratuity not exceeding 15 days salary for each completed year of service. (xii) Club fees (Actual fees of club will be reimbursed by the Company); (xiii) Free use of telephone and mobile services, including internet facilities.

**The increase in basic salary effective April 1, 2025 to be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee*

Managing Director

Abhimanyu Munjal is currently the Managing Director and Chief Executive Officer of our Company. He was initially appointed as the chief executive officer and the joint managing director of our Company for a period of five years with effect from June

1, 2016, pursuant to resolutions passed by our Board and Shareholders on May 29, 2016 and September 15, 2016, respectively. Subsequently, he was re-appointed as the Managing Director and Chief Executive Officer of our Company for a period of five years with effect from May 3, 2024 pursuant to resolutions passed by our Board and Shareholders on May 3, 2024 and June 30, 2024, respectively.

The details of remuneration of Abhimanyu Munjal, as approved by our Board and the Shareholders in their meetings held on May 3, 2024 and June 30, 2024 respectively, are stated below:

Particulars	Terms and Conditions (in ₹)
Basic Salary	₹3,002,143 per month*
Variable Pay	Not exceeding 5% of the net profit of the Company in a particular Financial Year as computed in the manner referred to in the Companies Act, 2013 ("Commission"). Commission will be subject to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors every year. In the event there are no profits or inadequate profits, then an amount decided by the Nomination and Remuneration Committee
Perquisites and Allowances	(i) Special allowance at 75% of the basic salary; (ii) House rent allowance equivalent to 50% of the basic salary along with free use of all the facilities and amenities; (iii) Reimbursement of actual medical expenses incurred by Abhimanyu Munjal and his family ("family" means the spouse, dependent children and dependent parents); (iv) Personal accident insurance (actual premium to be paid by the Company); (v) Insurance of household goods (annual premium to be paid by the Company); (vi) Mediclaim coverage with insurance company as per the rules of the Company; (vii) Leave encashment; (viii) Reimbursement of expenses on entertainment, travelling, hotel and other expenses incurred at actual for the business of the Company (ix) Contribution to provident fund (Company's contribution to provident fund will be 12% of the basic salart); (x) Gratuity not exceeding half month's salary for each completed year of service; (xi) National pension scheme at 10% of the basic salary (xii) Annual fees for one club; (xiii) Facility of two cars with drivers; (xiv) Free use of telephone and mobile services including internet facility in office/home; and Two credit cards.

** The increase in basic salary effective April 1, 2025 to be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee*

Remuneration to our Directors:

The remuneration paid to our Directors in Financial Year 2024 is as follows:

Remuneration to our Executive Directors

Our Managing Director was paid a remuneration of ₹ 237.22 million and our Whole-time Director was paid a remuneration of ₹ 183.92 million in Financial Year 2024.

Remuneration to Non-Executive Directors and Independent Directors

Pursuant to the resolution passed by our Board on May 1, 2023, our Non-Executive Directors and Independent Directors are entitled to: (i) sitting fees of ₹ 1,00,000 for attending each meeting of the Board of Directors, and (ii) sitting fees of ₹ 1,00,000 for attending each meeting of the committees of the Board of Directors.

Our Company has paid the following remuneration to our Non-Executive Directors and Independent Directors in Financial Year 2024:

(*in ₹ million*)

Sr. No.	Name of Director	Sitting Fees	Commission	Total Remuneration*
1.	Dr. Pawan Munjal	0.85	-	0.85
2.	Pradeep Dinodia	1.85	4.00	5.85
3.	Sanjay Kukreja	-	-	-
4.	Amar Raj Singh Bindra	0.80	-	0.80
5.	Paramdeep Singh	-	-	-
6.	Anuranjita Kumar	-	-	-

* *Remuneration paid in Financial Year 2024 includes remuneration that accrued and was paid in Financial Year 2024 as well as remuneration that accrued in the last financial year or earlier but was paid in Financial Year 2024.*

Remuneration paid or payable to our Directors by our Subsidiary

None of our Directors have been paid any remuneration by our Subsidiary, including contingent or deferred compensation accrued for the year during Financial Year 2024.

Contingent or deferred compensation paid to Directors by our Company

Except as disclosed below, no contingent or deferred compensation has accrued for Financial Year 2024 which is payable to any of our Directors:

(in ₹ million)

Sr. No.	Name of Director	Sitting Fees	Commission	Total Remuneration
1.	Dr. Pawan Munjal	0.20	-	0.20
2.	Pradeep Dinodia	0.40	10.30	10.70
3.	Amar Raj Singh Bindra	0.40	6.00	6.40
4.	Paramdeep Singh	-	6.00	6.00
5.	Anuranjita Kumar	-	0.50	0.50

Bonus or profit-sharing plan of our Directors

None of our Directors is entitled to any bonus or profit-sharing plans of our Company, other than the performance linked incentive given to Renu Munjal, the Whole-time Director and Abhimanyu Munjal, the Managing Director and Chief Executive Officer of our Company. For further details see " -*Terms of appointment of our Executive Directors*" on page 308.

Service Contracts with Directors

None of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Shareholding of our 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:

Name of the Director	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis*
Dr. Pawan Munjal	592,259	0.36
Renu Munjal	410,740	0.25
Abhimanyu Munjal	151,229	0.09

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of outstanding CCPS assuming conversion of 1 CCPS = 1 Equity Share and exercise of vested options under the ESOP 2017, as applicable.*

Shareholding of Directors in our Subsidiary

As on the date of this Draft Red Herring Prospectus, except for Abhimanyu Munjal, who holds 10 equity shares of face value ₹ 10 each in the Subsidiary, none of our Directors hold any shares in the Subsidiary.

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 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 Directors*", on page 309.

Our Directors may also be deemed to be interested to the extent of Equity Shares (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives. Our Directors may also be deemed to be interested to the extent of stock options granted or Equity Shares to be allotted pursuant to the exercise of options granted to them under ESOP 2017. For details, see "*Capital Structure – ESOP 2017*" on page 119.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

Except as stated in "*Restated Consolidated Financial information – Notes forming part of the Restated Consolidated Financial Information – Annexure VI - Note 39: Related Party Transactions*" beginning on page 421, no amount or benefit has been paid or given within the two years preceding the date of filing 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.

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 such Director to become or to help such Director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Except Dr. Pawan Munjal, Renu Munjal and Abhimanyu Munjal, who are our Promoters, none of our Directors have any interest in the promotion or formation of our Company.

Changes in the Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of Appointment/ Change/ Cessation	Reason
Matthew Russell Michelini	August 3, 2022	Appointed as Non-Executive Director
Amar Raj Singh Bindra	May 1, 2023	Appointed as Independent Director
Paramdeep Singh	May 1, 2023	Appointed as Independent Director
Anuranjita Kumar	February 5, 2024	Appointed as Independent Director
Matthew Russell Michelini	February 5, 2024	Resignation as Non-Executive Director
Vivek Chaand Sehgal	February 5, 2024	Resignation as Independent Director
Renu Munjal	May 3, 2024	Re-designation as Whole-time Director (Executive)
Abhimanyu Munjal	May 3, 2024	Re-designation as Managing Director and Chief Executive Officer
Pradeep Dinodia	June 27, 2024	Re-designation as Non-Executive Director
Aparna Popat Ved	June 27, 2024	Appointment as Independent Director
Kaushik Dutta	June 27, 2024	Appointment as Independent Director

Borrowing Powers of our Board of Directors

Pursuant to a resolution passed by our Board in its meeting dated May 3, 2024 and our Shareholders at their meeting dated June 30, 2024, our Board is authorized to borrow a sum or sums of money, which together with the monies already borrowed by our Company, apart from temporary loans obtained or to be obtained by our Company in the ordinary course of business, in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 650,000 million.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable provisions of the SEBI Listing Regulations, and the Companies Act, in respect of corporate governance including composition of our Board and constitution of committees thereof.

As on the date of this Draft Red Herring Prospectus, our Board comprises of 10 Directors including two Executive Directors, three Non-Executive Directors and five Independent Directors (including two women Independent Directors).

In compliance with Section 152 of the Companies Act, not less than two-thirds of the Directors (excluding Independent Directors) are liable to retire by rotation. Further, in terms of SEBI Listing Regulations, Renu Munjal and Abhimanyu Munjal, have been appointed as a director on the board of our Subsidiary, Hero Housing Finance Limited.

Committees of the Board

The details of the committees of our Board 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.

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Kaushik Dutta	Chairman
2.	Pradeep Dinodia	Member
3.	Paramdeep Singh	Member
4.	Amar Raj Singh Bindra	Member

Further, our Company Secretary and Compliance Officer of our Company shall act as a secretary to the Audit Committee.

The Audit Committee was constituted by way of resolution passed by our Board on April 27, 2001 and was last re-constituted by our Board on June 27, 2024. The scope and functions 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:

1. 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;

2. 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;

3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:

    a. matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

    b. changes, if any, in accounting policies and practices and reasons for the same;

    c. major accounting entries involving estimates based on the exercise of judgment by management;

    d. significant adjustments made in the financial statements arising out of audit findings;

    e. compliance with listing and other legal requirements relating to financial statements;

    f. disclosure of any related party transactions; and

    g. modified opinion(s) in the draft audit report.

5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7. reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

8. formulating a policy on related party transactions, which shall include materiality of related party transactions;

9. 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 material 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;

10. scrutiny of inter-corporate loans and investments;

11. valuation of undertakings or assets of the Company, wherever it is necessary;

12. evaluation of internal financial controls and risk management systems;

13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. 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;

15. 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;

16. discussion with internal auditors of any significant findings and follow up thereon;

17. 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;

18. 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;

19. 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;

20. to review the functioning of the whistle blower mechanism;

21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

22. carrying out any other function as is mentioned in the terms of reference of the audit committee;

23. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

24. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

25. 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

26. to carry out such other functions as may be specifically referred to the Audit Committee by the Board and/or other committees of directors of the Company.

The Audit Committee shall mandatorily review the following information:

- 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:
    a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

- 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:

Sr. No.	Name of Director	Committee Designation
1.	Paramdeep Singh	Chairman
2.	Dr. Pawan Munjal	Member
3.	Anuranjita Kumar	Member

The Nomination and Remuneration Committee was constituted under the Companies Act by way of resolution passed by our Board on November 19, 2008 and was last re-constituted by our Board on June 27, 2024. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. 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:

   a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. formulation of criteria for evaluation of performance of independent directors and the Board;

3. 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:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

4. devising a policy on Board diversity;

5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

6. 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;

7. recommend to the Board, all remuneration, in whatever form, payable to senior management;

8. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable.

9. 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.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Pradeep Dinodia	Chairman
2.	Renu Munjal	Member
3.	Abhimanyu Munjal	Member
4.	Kaushik Dutta	Member

The Stakeholders Relationship Committee was constituted by way of resolution passed by our Board on May 26, 2014 and was last re-constituted by our Board on June 27, 2024. The scope and functions 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:

1. 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.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. 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

5. 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.

Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Abhimanyu Munjal	Chairman
2.	Pradeep Dinodia	Member
3.	Sanjay Kukreja	Member
4.	Amar Raj Singh Bindra	Member

The Risk Management Committee was constituted by way of resolution passed by our Board on November 19, 2008 and was last re-constituted by way of resolution passed by our Board on June 27, 2024. The scope and functions of the Risk Management Committee is in accordance with the SEBI Listing Regulations. The terms of reference of the Risk Management Committee include the following:

1. To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. 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;

8. To evaluate the overall risks faced by the Company including liquidity risk and shall report to the board of the Company; and

9. 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

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Renu Munjal	Chairperson
2.	Dr. Pawan Munjal	Member
3.	Pradeep Dinodia	Member
4.	Abhimanyu Munjal	Member
5.	Aparna Popat Ved	Member

The Corporate Social Responsibility Committee was constituted by way of resolution passed by our Board on May 26, 2014 and was last re-constituted by our Board on June 27, 2024. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To 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;

2. recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

3. monitor the corporate social responsibility policy of the Company and its implementation from time to time;

4. 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.

Management Organisation Chart

Key Managerial Personnel of our Company

In addition to Renu Munjal, the Whole-time Director of our Company and Abhimanyu Munjal, the Managing Director and Chief Executive Officer of our Company whose details are provided in "- *Brief biographies of our Directors*" on page 306, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below:

Sajin Purushothaman Mangalathu is the Chief Financial Officer of our Company. He is also the chief information officer and head operation at our Company. He is responsible for managing finance, information technology and operations at our Company. He joined of our Company on October 3, 2016 as the head of information and technology. He was appointed as the Chief Financial Officer of our Company on March 27, 2024. He holds a bachelor's degree in electronics and communication engineering from Indian Institute of Technology, Madras and a post graduate diploma in management from Indian Institute of Management, Bangalore. He has over 29 years of experience in the banking and finance industry. Prior to joining our Company, he was associated with GE Capital as the chief information officer – solution delivery and strategic joint ventures and in ICICI Limited as a deputy manager. He was paid a remuneration of ₹ 36.89 million* by our Company in Financial Year 2024.

Shivendra Kumar Suman is the Company Secretary and Compliance Officer of our Company. He joined our Company on September 21, 2018. He is responsible for global company secretarial function in our Company. He holds a bachelor's degree in commerce from the University of Delhi and has passed the examination for his bachelor's degree in law from Charan Singh University, Meerut. He has several years of experience in managing compliance and secretarial affairs Prior to joining our Company, he was associated with Citicorp Services India Private Limited as the company secretary and Citicorp Capital Market Limited as the financial controller and company secretary. He was paid a remuneration of ₹ 15.22 million* by our Company in Financial Year 2024.

* *Remuneration paid in Financial Year 2024 includes remuneration that accrued and was paid in Financial Year 2024 as well as remuneration that accrued in the last financial year or earlier but was paid in Financial Year 2024.*

Senior Management Personnel of our Company

In addition to Sajin Purushothaman Mangalathu, the Chief Financial Officer of our Company and Shivendra Kumar Suman, the Company Secretary and Compliance Officer of our Company, whose details are provided in "- *Key Managerial Personnel of our Company*" on page 318, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below:

Priya Kashyap is the Chief of Staff and Chief Human Potential Officer of our Company. She joined our Company on December 5, 2017. She is responsible for marketing, transformations, analytics and human resources in our Company. She holds a bachelor's degree in commerce from Lady Shri Ram College for Women, University of Delhi. She has over 25 years of experience in risk management, strategy, analytics in NBFCs in India. She was previously associated with Religare Finvest Limited as the director, with Citigroup and with IIFL Finance as the senior vice president in the department of loans – credit policy. She was paid a remuneration of ₹ 24.63 million* by our Company in Financial Year 2024.

Ajay Sahasrabuddhe is the Chief Revenue Officer – Retail Finance of our Company. He joined our Company on January 7, 2013 as the business head – two wheelers and was appointed as the Chief Revenue Officer – Retail Finance on May 27, 2022. He is responsible for managing unsecured and secured business and collections in our Company. He holds a bachelor's degree in commerce from Amravati University and has passed the examination for his post-graduate degree in business management from Amravati University. He has over 25 years of experience in consumer finance and advisory business Prior to joining our Company, he was associated with Family Credit Limited as chief business officer in the management committee grade and in Tata Capital as their regional manager. He was paid a remuneration of ₹ 25.58 million* by our Company in Financial Year 2024.

Joydeep Basu is the Chief Business Officer – Wheeled Assets of our Company. He joined our Company on June 25, 2014 as the network head and was appointed as the Chief Business Officer – wheeled assets on May 27, 2022. He is responsible for managing wheeled assets business and administration and infrastructure. He holds a bachelor's degree in commerce from University of Calcutta and a post graduate diploma in business administration from LN Welingkar Institute of Management Development & Research, Matunga, Mumbai. He has over 20 years of experience in retail finance business, policy and credit. Prior to joining our Company, he was associated with Capital First Limited as the product head – two wheeler loan and with Family Credit as their product head – car loans. He was paid a remuneration of ₹ 18.12 million* in Financial Year 2024.

Mahesh Kumar Sanghavi is the Chief Business Offer – Corporate & Institutional Finance of our Company. He joined our Company on February 16, 2023. He is responsible for managing corporate and institutional finance business at our Company. He holds a bachelor's degree in commerce from University of Calcutta. He is a certified chartered accountant. He has over 20 years of experience in the banking and finance sector. He was previously associated with IndusInd Bank Limited as an assistant manager, Global Trust Bank Limited as a deputy manager, ICICI Bank Limited, HSBC Limited as the senior vice president for credit risk, DBS Bank Limited as a senior credit approver, Kotak Mahindra Bank Limited as the head credit risk – EC and Arisinfra Solutions Private Limited. He was paid a remuneration of ₹ 16.49 million* in Financial Year 2024.

Srishti Sethi is the Chief Risk Officer of our Company. She joined our Company on April 1, 2020. She is responsible for managing the risk function of the Company.She holds a bachelor's degree in arts from Lady Shri Ram College for Women, University of Delhi and a post-graduate diploma in business management from Institute of Management Studies, Ghaziabad. She has several years of experience in managing operational risks in banks. Prior to joining our Company, she was associated with IDFC First Bank as their chief risk officer and has also been associated with BA Continuum India Private Limited. She was paid an aggregate remuneration of ₹ 45.85 million* in Financial Year 2024, including ₹ 6.74 million that was paid pursuant to the exercise of cash rewards under the Cash Reward Plan (*defined below*).

Ugen Tashi Bhutia is the General Counsel of our Company. He joined our Company on January 2, 2023. He is responsible for managing the legal affairs of our Company. He holds a bachelor's degree in commerce from the University of North Bengal and a bachelor's degree in law from University of Delhi. He has over 20 years of experience in the legal field with more than a decade in the BFSI sector specifically. Prior to joining our Company, he was associated with SBI Cards and Payments Services Limited as their executive vice president and their head – legal, and has also been associated with Lakshmikumaran & Sridharan Attorneys and Fox & Mandal & Co. as a practicing attorney. He was paid a remuneration of ₹ 12.64 million* by our Company in Financial Year 2024.

Subhransu Mandal is the Chief Compliance Officer of our Company. He joined our Company as the Chief Compliance Officer on January 2, 2023. Prior to this, he was the head of operations in the retail finance department of our Company. He is responsible for managing compliances in our Company. He has passed the examination for his bachelor's degree in commerce from the University of Calcutta. He has over 25 years of experience in operations in retail management and regulatory compliances. Prior to joining our Company, he was associated with Apeejay Surrendra Management Services Private Limited as the executive director and with HDFC Bank Limited as the assistant vice president in the retail assets department. He was paid a remuneration of ₹ 10.49 million* in Financial Year 2024.

Anurag Agarwal is the Head – Internal Audit of our Company. He is responsible for managing internal audit at our Company. He joined our Company on December 19, 2022. He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Kanpur and a post-graduate Diploma in business management from Management Development Institute, Gurgaon. Prior to joining our Company, he was associated with Patni Computer Systems Private Limited as a software engineer, Grant Thornton Bharat LLP as executive director Deloitte Haskins & Sells LLP as a senior manager, Axis Risk Consulting Services Private Limited as a senior consultant and Geometric Software Solutions Company Limited as a software engineer. He was paid a remuneration of ₹ 7.66 million* in Financial Year 2024.

**Remuneration paid in Financial Year 2024 includes remuneration that accrued and was paid in Financial Year 2024 as well as remuneration that accrued in the last financial year or earlier but was paid in Financial Year 2024.*

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

Except as disclosed in "*Capital Structure – Details of Equity Shares held by our Directors, Key Managerial Personnel, Senior Management Personnel, Promoter, Promoter Group and Directors of Promoter*" on page 118, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

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

Our Key Managerial Personnel and Senior Management Personnel do not 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 Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding. For details, see "- *Shareholding of the Key Managerial Personnel and Senior Management Personnel*" on page 319.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

The Key Managerial Personnel and Senior Management Personnel of our Company are entitled to deferred compensation that accrue in Fiscal 2024 and will be payable in Fiscal 2025.

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

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, no Key Managerial Personnel and Senior Management Personnel has 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 the Board in the last three years*" on page 311, the changes in the Key Managerial Personnel and Senior Management Personnel in the preceding three years are as follows:

Name	Designation	Date of Change	Reason for Change
Anurag Agarwal	Head – Internal Audit	December 19, 2022	Appointed as Head – Internal Audit
Jayesh Jain	Chief financial officer	May 21, 2023	Resignation
Sajin Purushothaman Mangalathu	Interim Chief Financial Officer	August 4, 2023	Appointment as interim Chief Financial Officer
Ugen Bhutia	General Counsel	January 2, 2023	Appointed as General Counsel
Subhransu Mandal	Chief Compliance Officer	January 2, 2023	Appointed as Chief Compliance Officer
Mahesh Kumar Sanghavi	Chief Business Officer- Corporate & Institutional Finance	February 16, 2023	Appointed as Chief Business Officer- – Corporate & Institutional Finance
Sajin Purushothaman Mangalathu	Chief Financial Officer	March 27, 2024	Appointed as Chief Financial Officer
Priya Kashyap	Chief Human Potential Officer	March 27, 2024	Appointed as the Chief Human Potential Officer

Payment or benefit to Key Managerial Personnel and Senior Management Personnel

Other than the cash rewards and cash paid under the long term cash reward plan ("**Cash Reward Plan**") of the Company, no non-salary 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 any employee stock options, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders.

For details of the related party transactions, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Annexure VI - Note 39: Related Party Transactions*" on page 421.

Employee Stock Options

For details of the ESOP 2017, see "*Capital Structure – ESOP 2017*" on page 119.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

As on the date of this Draft Red Herring Prospectus, the following are the Promoters of our Company:

1. Hero MotoCorp Limited;
2. Bahadur Chand Investments Private Limited;
3. Hero InvestCorp Private Limited
4. Brijmohan Lal Om Parkash (Partnership Firm);
5. Dr. Pawan Munjal;
6. Renu Munjal;
7. Suman Kant Munjal;
8. Renuka Munjal; and
9. Abhimanyu Munjal.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 109,420,503 Equity Shares of face value of ₹10, equivalent to 66.43 % of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis. For further details, please see "*Capital Structure – History of the equity share capital held by our Promoters*" on page 109.

Corporate Promoters

1. Hero MotoCorp Limited

Corporate Information

Hero MotoCorp Limited ("**HMCL**") was incorporated as Hero Honda Motors Limited on January 19, 1984, at New Delhi under the Companies Act, 1956. Pursuant to a special resolution passed by its shareholders on July 17, 2011, the name was changed from Hero Honda Motors Limited to Hero MotoCorp Limited, and a fresh certificate of incorporation dated July 28, 2011 was issued by the RoC. The registered office of HMCL is at The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj – Phase -II, New Delhi 110 070, Delhi, India.

HMCL is a listed company having its equity shares listed on BSE and NSE and is authorised to *inter alia* engage in the business of manufacturing two-wheeler transport equipment and selling of motorised two-wheelers, spare parts and related services.

HMCL has not changed its principal activities from the date of its incorporation.

Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of HMCL comprises of:

S. No.	Name of the director	Designation
1.	Dr. Pawan Munjal	Chairman and executive director
2.	Vikram Sitaram Kasbekar	Executive director
3.	Vasudha Dinodia	Non-executive non-independent director
4.	Suman Kant Munjal	Non-executive non-independent director
5.	Pradeep Dinodia	Non-executive non-independent director
6.	Birender Singh Dhanoa	Non-executive independent director
7.	Camille Miki Tang	Non-executive independent director
8.	Tina Trikha	Non-executive independent director
9.	Jagmohan Singh Raju	Non-executive independent director
10.	Rajnish Kumar	Non-executive independent director

Shareholding Pattern

The shareholding pattern of Hero MotoCorp Limited as of June 30, 2024 is as provided below:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of Equity Shares underlying Depository Receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: others	Total								
(A)	**Promoters and Promoter Group**	20	69,488,181	-	-	69,488,181	34.76	69,488,181	-	-	34.76	-	34.76	-	-	-	-	69,488,181
(B)	**Public**	3,00,126	130,442,929	-	-	130,442,929	65.24	130,442,929	-	-	65.24	-	65.24	- 0	-	-	-	130,442,929
I	**Non-Promoter – Non Public**	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Equity Shares underlying depository receipts**	-	-	-			-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Equity Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of Equity Shares underlying Depository Receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: others	Total								
	Total	**300,146**	**199,931,110**	**-**	**-**	**199,931,11**	**100.00**	**199,931,11**	**-**	**-**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**199,931,11**

Details of change in control of HMCL

There has been no change in the control of HMCL in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoters of HMCL

The promoters of HMCL are Dr. Pawan Munjal, Dr. Pawan Munjal (as the *karta* of the Pawan Munjal HUF), Brijmohan Lal Om Parkash (Partnership Firm), Renu Munjal, Renuka Munjal, Suman Kant Munjal, Suman Kant Munjal (as the *karta* of Suman Kant Munjal HUF), Bahadur Chand Investments Private Limited, Hero InvestCorp Private Limited, Pawan Munjal Family Trust and RK Munjal & Sons Trust.

Details of Bahadur Chand Investments Private Limited

For details of Bahadur Chand Investments Private Limited, see "*- Details of our Corporate Promoters – Bahadur Chand Investments Private Limited*" on page 324.

As on the date of this Draft Red Herring Prospectus, other than as disclosed below, no natural persons hold more than 15% of equity shares in Bahadur Chand Investments Private Limited.

S. No.	Name	Number of equity shares of face value of ₹ 100 each	Percentage (%)
1.	Dr. Pawan Munjal*	5,318	31.17
2.	Suman Kant Munjal*	4,808	28.18
3.	Renu Munjal*	4,806	28.17

** On behalf of Brijmohan Lal Om Parkash Partnership Firm*

Details of Hero InvestCorp Private Limited

For details of Hero InvestCorp Private Limited, see "*- Details of our Corporate Promoters – Hero InvestCorp Private Limited*" on page 325.

As on the date of this Draft Red Herring Prospectus, other than as disclosed below, no natural persons hold more than 15% of equity shares in Hero InvestCorp Private Limited.

S. No.	Name	Number of equity shares of face value of ₹ 10	Percentage (%)
1.	Dr. Pawan Munjal*	86,787	38.71
2.	Renu Munjal**	59,181	26.40
3.	Suman Kant Munjal***	62,782	28.00

* *Includes 31,650 equity shares held on behalf of Pawan Kant and Sons, 18,000 equity shares held on behalf of Raman Kant and Brothers and 2,500 equity shares held on behalf of Brijmohan Lal Om Parkash (Partnership Firm)*

** *Includes 22,050 equity shares held on behalf of Raman Kant and Sons and 2,500 equity shares held on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*

*** *Includes 22,050 equity shares held on behalf on Suman Kant and Sons and 2,500 equity shares held on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the RoC where HMCL is registered, shall be submitted to the BSE and NSE at the time of filing this Draft Red Herring Prospectus.

2. Bahadur Chand Investments Private Limited

Corporate Information

BCIPL was incorporated on September 19, 1979 at New Delhi as a private limited company under the Companies Act, 1956.

The registered office of BCIPL is at The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj - Phase -II, New Delhi, 110 070, Delhi, India.

BCIPL is a debt listed entity, with its debt securities being listed on the National Stock Exchange of India Limited. BCIPL is a core investment company and is primarily involved in the business of investing into equity shares of its group companies.

BCIPL has not changed its principal activities from the date of its incorporation.

Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of BCIPL comprises of:

S. No.	Name of the director	Designation
1.	Dr. Pawan Munjal	Non- executive director
2.	Suman Kant Munjal	Non- executive director
3.	Renu Munjal	Non- executive director
4.	Suresh Shetty	Independent director
5.	Navin Raheja	Independent director

Shareholding Pattern

The shareholding pattern of Bahadur Chand Investments Private Limited as on the date of this Draft Red Herring Prospectus is provided below:

S. No.	Name	Number of equity shares of face value of ₹ 100 each	Percentage (%)
1.	Dr. Pawan Munjal*	5,318	31.17
2.	Suman Kant Munjal*	4,808	28.18
3.	Renu Munjal*	4,806	28.17
4.	Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal*	2,080	12.19
5.	Suman Kant Munjal	50	0.29

** On behalf of Brijmohan Lal Om Parkash Partnership Firm*

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the RoC where BCIPL is registered, shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus.

Details of change in control of BCIPL

There has been no change in the control of BCIPL in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoters of BCIPL

The promoters of BCIPL are Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal.

3. **Hero InvestCorp Private Limited ("Hero InvestCorp")**

Corporate Information

Hero InvestCorp was incorporated on December 4, 1981, at New Delhi as a private limited company under the Companies Act, 1956. Hero InvestCorp is a core investment company engaged in the business of acquisition of shares and securities.

The registered office of Hero InvestCorp is at The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj - Phase -II, New Delhi, 110 070, Delhi, India.

Hero InvestCorp has not changed its principal activities from the date of its incorporation.

Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of Hero InvestCorp comprises of:

S. No.	Name of the director	Designation
1.	Dr. Pawan Munjal	Director
2.	Suman Kant Munjal	Director
3.	Renu Munjal	Director

Shareholding Pattern

The shareholding pattern of Hero InvestCorp as on the date of this Draft Red Herring Prospectus is provided below:

S. No.	Name	Number of equity shares of face value of ₹ 10	Percentage (%)	Number of preferences shares	Percentage (%)
1.	Dr. Pawan Munjal*	86,787	38.71	23,333,333^	5.87

S. No.	Name	Number of equity shares of face value of ₹ 10	Percentage (%)	Number of preferences shares	Percentage (%)
2.	Renu Munjal**	59,181	26.40	23,333,333^	5.87
3.	Suman Kant Munjal***	62,782	28.00	23,333,333^	5.87
4.	Renuka Munjal	5,950	2.65	-	NA
5.	Abhimanyu Munjal	4,750	2.12	-	NA
6.	Rahul Munjal	4,750	2.12	-	NA
7.	Bahadur Chand Investments Private Limited	-	-	327,230,000	82.38

* *Includes 31,650 equity shares held on behalf of Pawan Kant and Sons, 18,000 equity shares held on behalf of Raman Kant and Brothers and 2,500 equity shares held on behalf of Brijmohan Lal Om Parkash (Partnership Firm)*

** *Includes 22,050 equity shares held on behalf of Raman Kant and Sons and 2,500 equity shares held on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*

*** *Includes 22,050 equity shares held on behalf on Suman Kant and Sons and 2,500 equity shares held on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*

^ *Held on behalf of Brijmohan Lal Om Parkash (Partnership Firm).*

Details of change in control of Hero InvestCorp

There has been no change in the control of Hero InvestCorp in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoters of Hero InvestCorp

The promoters of Hero InvestCorp are Dr. Pawan Munjal, Renu Munjal and Suman Kant Munjal.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the RoC where Hero InvestCorp is registered, shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus.

Partnership Firm

Brijmohan Lal Om Parkash Partnership Firm

Partnership Information

The Brijmohan Lal Om Parkash Partnership Firm ("**Partnership Firm**") is a partnership firm registered under the Partnership Act, 1932. The Partnership Firm was registered on July 22, 1969 with the Registrar of Firms, Punjab. The Partnership Firm is currently governed by the partnership deed dated March 28, 2022 ("**Current Partnership Deed**"). The overall objective of the Partnership Firm is the business of financing. The principal office of the Partnership Firm is located at New Delhi. The permanent account number of the Partnership Firm is AABFB0636L.

The Partnership Firm is engaged in the business of financing.

Partners of Partnership Firm

The partners of the Partnership Firm are Dr. Pawan Munjal, Renu Munjal, Suman Kant Munjal and Renuka Munjal ("**Partners**").

Details of change in control of Partnership Firm

Other than the demise of Santosh Munjal, pursuant to which the Partners have entered into the Current Partnership Deed dated March 28, 2022, there has been no change in the control of Partnership Firm in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number of the Partnership Firm shall be submitted to the BSE and NSE at the time of filing this Draft Red Herring Prospectus.

Individual Promoters

Dr. Pawan Munjal

Dr. Pawan Munjal, born on October 28, 1954, aged 69 years, is the Chairman and Non-Executive Director of our Company. He resides at N-87, Near Panchsheel Club, Panchsheel Park, South Delhi 110 017, Delhi, India. For the complete profile of Dr. Pawan Munjal, along with the details of his educational qualifications, experience in the business, posts/positions held in the past, directorships in other entities, their business and financial activities and special achievements, see "*Our Management – Brief Biographies of Directors*" on page 306.

His permanent account number is ACGPM7510D.

Renu Munjal

Renu Munjal, born on March 6, 1955, aged 69 years, is the Whole-time Director of our Company. She resides at B-109, Greater Kailash Part -I, New Delhi 110 048, Delhi, India. For the complete profile of Renu Munjal, along with the details of her educational qualifications, experience in the business, posts/positions held in the past, directorships in other entities, their business and financial activities and special achievements, see "*Our Management – Brief Biographies of Directors*" on page 306.

Her permanent account number is AIBPM4926G.

Suman Kant Munjal

Suman Kant Munjal was born on February 26, 1953 and is aged 71 years. He resides at 10 South Drive, DLF Chattarpur Farms, Chattarpur, South Delhi 110 074, Delhi, India. He holds a bachelor's degree in commerce from Government College for Boys, Ludhiana, Punjab, India. He has previously been associated with Rockman Auto Private Limited, BMU Incubations Foundation and Halo General Insurance Limited, among others, as a director.

His permanent account number is ABMPM8075A.

Renuka Munjal

Renuka Munjal was born on June 30, 1954 and is aged 70 years. She resides at 10 South Drive, DLF Chattarpur Farms, Chattarpur, South Delhi 110 074, Delhi, India . She holds a master's degree in arts (English) from Morris College, Nagpur, Maharashtra. She has previously been associated with Rockman Industries Limited.

Her permanent account number is ADQPM8086R.

Abhimanyu Munjal

Abhimanyu Munjal, born on July 14, 1983, aged 41 years, is the Managing Director and Chief Executive Officer of our Company. He resides at B-109, Greater Kailash Part-I, New Delhi 110 048, Delhi, India. For the complete profile of Abhimanyu Munjal, along with the details of his educational qualifications, experience in the business, posts/positions held in the past, directorships in other entities, their business and financial activities and special achievements, see "*Our Management – Our Management – Brief Biographies of Directors*" on page 306.

His permanent account number is AHXPM6486C.

Our Company confirms that the permanent account numbers, bank account numbers, Aadhar card numbers, passport numbers and driving license numbers of our Individual Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent: (i) that they have promoted our Company and to the extent of their shareholding in our Company and to the extent of the shareholding held by their relatives in our Company, directly and indirectly; (ii) the dividend payable, if any and any other distributions in respect of the Equity Shares held by them in our Company, directly or indirectly, from time to time; and (iii) any directorships that they may hold in our Company or our Subsidiary, and to the extent of remuneration payable to them in this regard. For details of the Promoters' shareholding in our Company, see "*Capital Structure - History of the equity share capital held by our Promoters*" on page 109.

Our Promoters do not have interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as member in cash or shares or otherwise by any person, either to induce it to become or to qualify it, as director or promoter or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Except for Hero InvestCorp Limited, under whose name the trademark/tradename "Hero" and "Hero Device" that are used by our Company, is registered, and Dr. Pawan Munjal, who is a director and shareholder of Hero InvestCorp, none of our Promoters are interested in the intellectual property of the Company. For further details, see *Risk Factors. We may not be able to prevent others from unauthorised use of our intellectual property and may in the future become subject to patent, trademark and/or other intellectual property infringement claims"* and *"Our Business- Intellectual Property"* on pages 64 and 274.

Our Individual Promoters, namely, Dr. Pawan Munjal, Renu Munjal and Abhimanyu Munjal, who are also our Directors, may be deemed to be interested to the extent of their remuneration/ fees and reimbursement of expenses, payable to them, if any. For further details, see "*Our Management –Board of Directors – Interests of Directors*" and "*Our Management –Interest of Key Managerial Personnel and Senior Management Personnel*" on pages 310 and 319.

Payment of benefit to our Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in "*Other Financial Information - Related Party Transactions*" and "*Restated Consolidated Financial Information"* on pages 445 and 361, respectively, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group other than in the ordinary course of business.

Material guarantees given by our Promoters

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoters have disassociated in the last three years

As on the date of this Draft Red Herring Prospectus, our Promoters have not disassociated themselves from any company during the preceding three years from the date of filing this Draft Red Herring Prospectus.
For other relevant confirmations in relation to our Promoters and Promoter Group, see "*Other Regulatory and Statutory Disclosures – Prohibition by SEBI or other Governmental Authorities*" on page 501.

Change of Control

The Board of Directors of our Company have noted the Promoters by way of the resolution dated June 27, 2024.

Other than as stated above, 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.

Other confirmations

Our Promoters have not been declared as Wilful Defaulter or Fraudulent Borrower.

Promoter Group

Apart from our Promoters, the following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

I. *Individuals forming part of the Promoter Group*

Members of the Promoter Group	Relationship with the Promoter
Dr. Pawan Munjal	
Aniesha Munjal	Wife
Sunil Kant Munjal	Brother
Suman Kant Munjal	Brother
Geeta Anand	Sister
Annuvrat Munjal	Son
Vasudha Dinodia	Daughter
Supria Munjal	Daughter
Vinod Ahuja	Wife’s brother
Rajeev Ahuja	Wife’s brother
Savita Grover	Wife’s sister
Vandana Raheja	Wife’s sister
Renu Munjal	
Love Kumar Khosla	Brother
Rita Kapur	Sister
Rekha Ghai	Sister
Veena Abi	Sister
Rahul Munjal	Son
Abhimanyu Munjal	Son
Radhika Uppal	Daughter
Dr. Pawan Munjal	Husband’s brother
Suman Kant Munjal	Husband’s brother
Sunil Kant Munjal	Husband’s brother
Geeta Anand	Husband’s sister
Suman Kant Munjal	
Renuka Munjal	Wife
Dr. Pawan Munjal	Brother
Sunil Kant Munjal	Brother
Geeta Anand	Sister
Ujjwal Munjal	Son
Akshay Munjal	Son
Vidur Munjal	Son
Bindu Gupta	Wife’s sister
Rekha Munjal	Wife’s sister
Renuka Munjal	
Suman Kant Munjal	Husband
Bindu Gupta	Sister
Rekha Munjal	Sister
Ujjwal Munjal	Son
Akshay Munjal	Son
Vidur Munjal	Son
Dr. Pawan Munjal	Husband’s brother
Sunil Kant Munjal	Husband’s brother
Geeta Anand	Husband’s sister
Abhimanyu Munjal	
Renu Munjal	Mother

Members of the Promoter Group	Relationship with the Promoter
Saloni Munjal	Wife
Rahul Munjal	Brother
Radhika Uppal	Sister
Aadiv Raman Munjal	Son
Ahan Raman Munjal	Son
Anil Sarin	Wife's father
Sharda Sarin	Wife's mother
Amar Sarin	Wife's brother
Sunaini Gupta	Wife's sister

II. *Entities forming part of the Promoter Group*

Indian Companies

1. Abhimanyu Munjal Trust;
2. ACIC BMU Foundation;
3. Advantedge Investment Advisors LLP;
4. ADVantedge Technology Partners Private Limited;
5. Ahuja Horticulture Farms Private Limited;
6. AKM Trust;
7. Akshay Munjal HUF;
8. AMFT Private Limited;
9. Anant Raj Estates Private Limited;
10. Anant Raj Farms Private Limited;
11. Ankur Buildcon Limited;
12. Annuvrat Munjal Family Trust;
13. AMS Servtech Private Limited;
14. ANAS Buildtech Private Limited;
15. Anil Sarin & Sons HUF;
16. A-Plus Estates Private Limited;
17. Arbutus Limited;
18. ARG Skill Development Private Limited;
19. Asylum Estate LLP;
20. Ather Energy Private Limited;
21. BBB Realty Limited;
22. BML Educorp Services;
23. BML Investments Private Limited;
24. BMLM Systems LLP;
25. BM Munjal Energies Private Limited;
26. Bolt Properties Limited;

97. Napino Digital Solutions Private Limited;
98. Napino Domino Mechatronics Private Limited;
99. Napino Tech Ventures Private Limited;
100. Niblic Green Hospitality Private Limited;
101. Novel Buildmart Private Limited;
102. Novel Housing Private Limited
103. Olympia Buildtech Private Limited;
104. Oriental Meadows Limited;
105. Oriental Promoters Limited;
106. Papillon Buildcon Limited;
107. Papillon Buildtech Limited;
108. Park Land Constructions and Equipments Limited;
109. Park Land Developers Private Limited;
110. Park View Promoters Private Limited;
111. Pawan Kant & Sons HUF;
112. Monarch Buildtech Limited;
113. Moon Shine Entertainment Limited;
114. PAN Mining Private Limited;
115. Pal Farms Private Limited;
116. Pawan Munjal Trust;
117. Pawan Munjal Family Trust;
118. PM Infosoft Private Limited;
119. Prumod Systems LLP;
120. Qubo Smart Living Private Limited;
121. Queen Building Solutions Private Limited;
122. Rahul Munjal Business Trust;

27. BMU Incubation Foundation;
28. Capital Buildcon Limited;
29. Capital Buildtech Limited;
30. Cadillac Info-Tech Private Limited;
31. Carnation Buildtech Limited;
32. Cherry Meadows Private Limited;
33. Chokecherry Meadows Private Limited;
34. Confidress;
35. Consortium Holdings Private Limited;
36. Cosmic APA LLP;
37. Cosmic Kitchen Private Limited;
38. Dreamsmiths Exim Private Limited;
39. Echo Buildtech Limited;
40. Easy Bill Private Limited;
41. Elegant Buildcon Private Limited;
42. Elegant Estates Private Limited;
43. Elevator Buildtech Private Limited;
44. Elevator Promoters Limited;
45. Elevator Properties Limited;
46. Elvy Lifestyles Private Limited;
47. Eternal Design Private Limited;
48. Fabulous Builders Limited;
49. Fazilka Cotton & Synthetics Limited;
50. Foodcraft India Private Limited;
51. Gadget Builders Limited;
52. Gagan Buildtech Limited;
53. Gagan Promoters LLP;
54. G&G Polymac Private Limited;
55. Global IVY Ventures LLP;
56. Grand Buildtech Limited;
57. Grand Park Estates Private Limited;
58. Grandpark Builtech Private Limited;
59. Greatways Buildtech Limited;
60. Greenline Buildcon Private Limited;

123. Rahul Munjal Trust;
124. Raj Kumari HUF;
125. Raman Kant & Brothers Associates (Associations of Persons);
126. Raman Kant Munjal and Sons Trust;
127. R.K. Munjal and Sons Trust;
128. Rapid Realtors Private Limited;
129. RKMFT Private Limited;
130. R.K. Munjal & Sons Trust;
131. Rising Realty Limited;
132. Ritmay Builders Private Limited;
133. RMFT Private Limited;
134. Rockman Auto Private Limited;
135. Rockman Industries Limited;
136. Roseview Buildtech Private Limited;
137. Roseview Properties Private Limited;
138. SAAM Partners LLP;
139. Sand Storm Buildtech Private Limited;
140. Saraswati Fincap Privte Limited;
141. Serendipity Arts Private Limited;
142. Servoll Enterprises Private Limited;
143. SKAIM Global Ventures;
144. SS Aamouage Trading Private Limited;
145. SSBD Holdco Limited;
146. Spiritual Developers Private Limited;
147. Spectrum Agros Private Limited;
148. SM Personal Trust;
149. Stalwart Exports Private Limited;
150. Stalwart Lifestyle Private Limited;
151. Stalwart Seaside Living Private Limited;
152. Stalwart Leisure Private Limited;
153. Stalwart Luxury Limited;
154. Stalwart Overseas;
155. Stalwart Creations;

61. Greenline Promoters Private Limited;
62. Green View Buildwell Limited;
63. Greenwood Properties Private Limited;
64. Halo General Insurance Limited;
65. Hemkunt Promoters Private Limited;
66. Hero Corporation Private Limited;
67. Hero Electronix Private Limited;
68. Hero Enterprise Partner Ventures;
69. Hero Enterprise Ventures Private Limited;
70. Hero Future Energies Global Limited;
71. Hero Holdings;
72. Hero Innovation Ventures and Enterprises Private Limited;
73. Hero Grace Solutions LLP;
74. Hero Homes Finance Private Limited;
75. Hero Realty and Infra Private Limited;
76. Hero Venture Trust;
77. HeroX Private Limited;
78. HMC MM Auto Limited;
79. High Land Meadows Limited;
80. Ingenious Appliances & Packaging Private Limited;
81. IVY Icon Solutions LLP;
82. IVY Partner Venture;
83. JR Infotech Private Limited;
84. Jubilant Software Services Limited;
85. Kalinga Buildtech Private Limited;
86. Kalinga Realtors Limited;
87. Khoslas (Partnership);
88. Khosla Overseas Private Limited;
89. Krishna Buildtech Limited;
90. Linklight Ventures LLP;
91. Lush Buildmart Private Limited;
92. Munjal Acme Packaging Systems Private Limited;
156. Stalwart Electroplating Works;
157. Suburban Farms Private Limited;
158. Sukalpit Enterprises Private Limited;
159. Suman Kant & Sons (HUF);
160. Survam Investments Private Limited;
161. Survam Corporate Services Private Limited;
162. Survam Partners LLP;
163. Survam Private Limited;
164. Survam Trust;
165. Suhasraar Solutions LLP;
166. Sunil Kant & Sons (HUF);
167. Supria Munjal Family Trust;
168. TARC Limited;
169. TARC Buildtech Private Limited;
170. TARC Estates Private Limited;
171. TARC Equestrian Centre Private Limited;
172. TARC Facility Management Private Limited;
173. TARC Green Retreat Limited;
174. TARC Infrastructure Limited;
175. TARC Projects Limited;
176. Tessellate Tech Ventures Private Limited;
177. Tessolve Semiconductor Private Limited;
178. T.K. Stainless Steels Private Limited;
179. Townsend Constructions and Equipments Limited;
180. Transwel Ventures Private Limited;
181. Travel Mate India Limited;
182. Twenty First Developers Private Limited;
183. Ujjwal Munjal HUF;
184. UKM Trust;
185. Vasudha Dinodia Family Trust;
186. Vipin Raheja HUF;
187. Vinod Ahuja HUF;
188. Vishnu Vaibhav Industries Private Limited;
189. VM Personal Trust;

93. Munjal Family Trust;
94. Napino Auto & Electronics Limited;
95. Napino Control Systems Private Limited;
96. Napino Continental Vehicle Electronics Private Limited;

Foreign Companies

1. Hero Tech Center Germany (GmbH);
2. HMCL Americas Inc.;
3. HMCL Colombia S.A.S.;
4. HMCL Netherlands B.V; and
5. HMCL Niloy Bangladesh Limited.

190. VM Trust;
191. Vraheja Trading Private Limited;
192. West Land Buildcon Limited; and
193. Willowtree Estates 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 provisions of the Companies Act, including the rules made thereunder and other relevant regulations, if any, each as amended. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act. The dividend distribution policy of our Company was approved and adopted by our Board on January 28, 2022 and an amendment to the policy was approved by our Board on June 27, 2024.

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 cash flow position of our Company, accumulated reserves, transfer to statutory reserves and debt to equity ratio. The external factors on the basis of which our Company may declare the dividend shall *inter alia* include business cycles, economic environment, both domestic and global, government and regulatory provisions, including taxation, inflation rates and cost of raising funds from alternate sources. Further, pursuant to the notification dated June 24, 2021 issued by the RBI, the declaration of dividend of our Company shall *inter alia* also be dependent on the supervisory findings of the RBI in relation to non-performing assets of our Company, along with the capital adequacy requirements and the maximum dividend payout ratio prescribed under applicable laws.

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 ability to pay dividends in the future will depend on our earnings, financial condition, capital expenditures and restrictive covenants of our financing arrangements***.**" on page 66.

Details of dividends distributed on the Equity Shares are as follows:

Particulars	April 1, 2024 up till the date of the DRHP	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
No. of Equity Shares bearing face value of ₹ 10	-	127,306,674	127,306,674	-
Face value of Equity Shares**	-	10	10	-
Interim Dividend***	-	-	-	-
Final Dividend***	-	1,273.06#	1,031.18	-
Total Dividend***	-	1,273.06#	1,031.18	-
Dividend per share*	-	10	8.10	-
Dividend Rate (%)	-	100%	81%	-
Mode of payment of dividend	-	#	E-mode & Warrants	-
Dividend Distribution Tax***	-	#	NA	-

* *in ₹.*
** *₹ per equity share.*
*** *in ₹ million.*
\# *On May 3, 2024, the Board of Directors has proposed a final dividend on equity shares of ₹ 10 per share for the financial year ended March 31, 2024, subject to the approval by the shareholders at the Annual General Meeting.*

Details of dividends distributed on the Preference Shares are as follows:

Particulars	April 1, 2024 up till the date of the DRHP	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
No. of CCPS bearing face value of ₹ 550	-	36,363,636	36,363,636#	NA
Face value of CCPS**	-	550	550	NA
Interim Dividend***	-	No	No	NA
Final Dividend***	-	600	475.07	NA
Total Dividend***	-	600	475.07	NA
Dividend per share*	-	16.50	13.06#	NA
Dividend Rate (%)	-	3% p.a.	3% on prorate basis	NA
Mode of payment of dividend	-	E-Mode	E-Mode	NA
Dividend Distribution Tax***	-	NA	NA	NA

**in ₹*
***₹ per equity share.*
**** in ₹ million.*
\# *CCPS were issued on June 16, 2022 and the dividend has accordingly been paid on a pro-rata basis for 289 days.*

^ *The dividend on the CCPS has been provided up to the three months ended June 30, 2024. However as per the terms of the agreement of CCPS, it is being paid on an annual basis.*

SELECTED STATISTICAL INFORMATION

The following information should be read together with our Restated Consolidated Financial Information, including the notes thereto, as well as the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Draft Red Herring Prospectus.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere 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, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. For further information, see "Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance that may vary from any standard methodology in our industry, and such measures are not verified." on page 67.

Return on Equity and Assets

The following table sets forth selected financial information relating to return on assets and assets, as at and for the dates and Fiscals indicated:

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
	(in ₹ million, except percentages)		
Restated Profit/(loss) after tax	6,370.48	4,799.47	(1,918.98)
CCPS Cost(1)	3,486.90	3,100.52	-
Adjusted Profit/(loss) after tax(2)	9,857.38	7,899.99	(1,918.98)
AUM(3)	518,208.11	417,508.93	330,524.82
AUM Growth *(%)*(4)	24.12%	26.32%	20.18%
Average AUM(5)	467,858.52	374,016.88	302,773.27
Total Assets(6)	532,046.63	434,512.31	343,990.39
Average Total Assets(7)	483,279.47	389,251.35	321,975.29
Total Gross Loans(8)	514,870.94	414,972.68	329,508.05
Total Gross Loans Growth *(%)*(9)	24.07%	25.94%	19.93%
Average Total Gross Loans (10)	464,921.81	372,240.37	302,128.67
Net Worth(11)	57,659.70	52,434.40	47,675.20
Average Net Worth(12)	55,047.05	50,054.80	48,676.36
Adjusted Net Worth(13)	83,772.07	75,534.92	47,675.20
Average Adjusted Net Worth(14)	79,653.50	61,605.06	48,676.36
Total Gross Loans/ Adjusted Net Worth(15)	6.15	5.49	6.91
Average Total Gross Loans/ Average Adjusted Net Worth(16)	5.84	6.04	6.21
Total Borrowings(17)	461,694.76	366,278.60	286,797.30
Average Total Borrowings(18)	413,986.68	326,537.95	263,575.45
CCPS Value(19)	26,112.37	23,100.52	-
Adjusted Total Borrowings(20)	435,582.39	343,178.08	286,797.30
Average Adjusted Total Borrowings(21)	389,380.24	314,987.69	263,575.45
Return on Assets (ROA)*(%)*(22)	1.37%	1.29%	(0.64)%
Return on Equity (ROE)*(%)*(23)	11.57%	9.59%	(3.94)%
Adjusted ROA *(%)*(24)	2.12%	2.12%	(0.64)%
Adjusted ROE *(%)*(25)	12.38%	12.82%	(3.94)%
Restated Basic Earnings per Equity Share (in ₹) (26)	50.04	37.70	(15.07)
Adjusted Basic Earnings per Equity Share (in ₹) (27)	77.43	62.05	(15.07)
Restated Diluted Earnings per Equity Share(in ₹) (28)	49.94	37.67	(15.07)
Net Asset Value per Equity Share (in ₹) (29)	452.92	411.87	374.49
Adjusted Net Asset Value per Equity Share (in ₹) (30)	658.03	593.33	374.49

Notes:

1. *CCPS Cost: fair value change in CCPS recognised in net gain/(loss) on fair value changes for the relevant Fiscal.*
2. *Adjusted Profit/(loss) after tax: Restated Profit/(loss) after tax excluding CCPS Cost for the relevant Fiscal.*
3. *AUM: sum of Total Gross Loans and Assigned Loan Assets as of the last day of the relevant Fiscal .*

(4) *AUM Growth: percentage growth in AUM as of the last day of the relevant Fiscal over the AUM as of the last day of the preceding Fiscal.*
(5) *Average AUM: simple average of AUM as of the last day of the relevant Fiscal and AUM as of the last day of the preceding Fiscal.*
(6) *Total Assets: sum of total financial assets and total non-financial assets as at the last day of the relevant Fiscal.*
(7) *Average Total Assets: simple average of our Total Assets as of the last day of the relevant Fiscal and our Total Assets as at the last day of the preceding Fiscal.*
(8) *Total Gross Loans: aggregate amount of loan receivables from customers, including future principal, overdue principal, overdue interest and interest accrued but not due before considering impairment allowances, as of the last day of the relevant Fiscal.*
(9) *Total Gross Loans Growth: percentage growth in Total Gross Loans as of the last day of the relevant Fiscal over the Total Gross Loans as of the last day of the preceding Fiscal.*
(10) *Average Total Gross Loans: Simple average of our Total Gross Loans as of the last day of the relevant Fiscal and our Total Gross Loans as of the last day of the preceding Fiscal.*
(11) *Net Worth: Sum of equity share capital and other equity as of the last day of the relevant Fiscal.*
(12) *Average Net Worth: simple average of our Net Worth as of the last day of the relevant Fiscal and our Net Worth as of the last day of the preceding Fiscal.*
(13) *Adjusted Net Worth: Net Worth as of the last day of the relevant Fiscal considering CCPS value as equity.*
(14) *Average Adjusted Net Worth: simple average of our Adjusted Net Worth as of the last day of the relevant Fiscal and our Adjusted Net Worth as of the last day of the preceding Fiscal.*
(15) *Total Gross Loans/ Adjusted Net Worth: ratio of Total Gross Loans to Adjusted Net Worth as of the last day of the relevant Fiscal.*
(16) *Average Total Gross Loans/ Average Adjusted Net Worth: ratio of Average Total Gross Loans to Average Adjusted Net Worth as of the last day of the relevant Fiscal.*
(17) *Total Borrowings: sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant Fiscal.*
(18) *Average Total Borrowings: simple average of our Total Borrowings as of the last day of the relevant Fiscal and our Total Borrowings as of the last day of the preceding Fiscal.*
(19) *CCPS Value: carrying amount of CCPS as of the last day of the relevant Fiscal.*
(20) *Adjusted Total Borrowings: sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (excluding CCPS) as of the last day of the relevant Fiscal.*
(21) *Average Adjusted Total Borrowings: simple average of our Adjusted Total Borrowings as at the last day of the relevant Fiscal and our Adjusted Total Borrowings of the last day of the preceding Fiscal.*
(22) *Return on Assets: Ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Total Gross Loans for the relevant Fiscal.*
(23) *Return on Equity: Ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Net Worth for the relevant Fiscal.*
(24) *Adjusted ROA: ratio of Adjusted Profit/(loss) after tax to Average Total Gross Loans for the relevant Fiscal.*
(25) *Adjusted ROE: ratio of Adjusted Profit/(loss) after tax for the relevant Fiscal to the Average Adjusted Net Worth for the relevant Fiscal.*
(26) *Restated Basic Earnings per Equity Share: Restated Profit/(loss) after tax attributable to equity shareholders by weighted average number of Equity Shares outstanding during the relevant Fiscal.*
(27) *Adjusted Basic Earnings per Equity Share: ratio of Adjusted Profit/(loss) after tax attributable to equity shareholders to weighted average number of Equity Shares outstanding during the relevant Fiscal.*
(28) *Restated Diluted Earnings per Equity Share: Restated Profit/(loss) after tax attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the relevant Fiscal plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares of the Company.*
(29) *Net Asset Value per Equity Share: Net Worth of the Company divided by the total number of Equity Shares outstanding as of the last day of the relevant Fiscal*
(30) *Adjusted Net Asset Value per Equity Share: Adjusted Net Worth of the Company divided by the total number of Equity Shares outstanding as of the last day of the relevant Fiscal*

Financial Ratios

The following table sets forth certain of our financial ratios as at and for the dates and Fiscals indicated:

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
	(in ₹ million, except otherwise indicated)		
Disbursements(1)	344,632.47	277,133.32	196,998.95
Disbursement Growth (%)(2)	24.36%	40.68%	33.31
Product Vertical disbursement:			
Retail Finance	253,999.77	201,410.09	136,185.15
MSME Finance	48,650.12	39,864.93	15,416.50
CIF	41,982.59	35,858.30	45,397.30
Interest Income(3)	74,793.81	57,196.00	42,418.66
Net Interest Income(4)	43,820.17	35,456.50	25,633.43
Total Income(5)	83,597.31	64,475.45	47,975.13
Net Total Income(6)	52,623.67	42,735.95	31,189.90
CCPS Cost(7)	3,486.90	3,100.52	-
Profit before Credit Cost(8)	26,829.37	19,474.51	15,867.83
Impairment on Financial Instruments(9)	17,223.90	12,122.30	18,408.11
Restated Profit/(Loss) before tax(10)	9,605.47	7,352.21	(2,540.28)
Restated Profit/(loss) after tax(11)	6,370.48	4,799.47	(1,918.98)
PAT Growth (%) (12)	32.73%	N/A	-
Adjusted Profit/(loss) after tax(13)	9,857.38	7,899.99	(1,918.98)
Adjusted PAT Growth (%)(14)	24.78%	N/A	-
Yield on Advances (%)(15)	16.09%	15.37%	14.04%
Finance cost ratio (16)	6.66%	5.84%	5.56%
Net Interest Margin (NIM) (%)(17)	9.43%	9.53%	8.48%
Fee and Other Income Ratio (18)	1.89%	1.96%	1.84%
Net Total Income Ratio(19)	11.32%	11.48%	10.32%
Operating Expenses Ratio(20)	5.55%	6.25%	5.07%

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
Adjusted Operating Expenses Ratio(21)	4.80%	5.42%	5.07%
Profit before Credit Cost Ratio(22)	5.77%	5.23%	5.25%
Credit Cost Ratio(23)	3.70%	3.26%	6.09%
Adjusted ROA (%)(24)	2.12%	2.12%	(0.64)%
Adjusted ROE (%)(25)	12.38%	12.82%	(3.94)%
Cost to Income Ratio(26)	49.02%	54.43%	49.13%
Adjusted Cost to Income Ratio(27)	42.39%	47.18%	49.13%
Stage 3 Loans(28)	20,712.52	21,202.02	24,857.60
GNPA Ratio(29)	4.02%	5.11%	7.54%
Stage 3 Impairment Allowance(30)	10,647.56	10,333.32	10,728.63
NNPA(31)	10,064.96	10,868.70	14,128.97
NNPA Ratio(32)	2.00%	2.69%	4.43%
Provision Coverage Ratio (PCR)(33)	51.41%	48.74%	43.16%
Debt to Equity Ratio (times)(34)	8.01	6.99	6.02
Adjusted Debt to Equity Ratio (times)(35)	5.20	4.54	6.02

Notes:

(1) Disbursements: total amount of new loans disbursed to the customers during the relevant Fiscal.

(2) Disbursement Growth: percentage growth in disbursements for the relevant Fiscal over disbursements in the preceding Fiscal.

(3) Interest Income: Total interest income for the relevant Fiscal.

(4) Net Interest Income: Interest Income reduced by finance cost for the relevant Fiscal.

(5) Total Income: sum of total revenue from operations and Other Income for the relevant Fiscal.

(6) Net Total Income: Total Income reduced by finance cost for the relevant Fiscal.

(7) CCPS Cost: fair value change in compulsorily convertible preference shares (CCPS) recognised in net gain/(loss) on fair value changes for the relevant Fiscal.

(8) Profit before Credit Cost: calculated as Net Total Income reduced by Operating Expenses for the relevant Fiscal

(9) Impairment on Financial Instruments: Impairment allowance on gross carrying amount of Total Gross Loans and Settlement Loss and Bad Debts Written off for the relevant fiscal.

(10) Restated Profit/(loss) before Tax (PBT): Net Total Income reduced by Operating Expenses and impairment on Financial Instruments for the relevant Fiscal.

(11) Restated Profit/(loss) after Tax: Restated Profit/(loss) before tax reduced by tax expenses for the relevant Fiscal.

(12) PAT Growth: growth in Restated Profit/(loss) after Tax for the relevant Fiscal over Restated Profit/(loss) after Tax for the preceding Fiscal.

(13) Adjusted Profit/(loss) after Tax (Adjusted PAT): Restated Profit/(loss) after tax excluding CCPS Cost for the relevant Fiscal.

(14) Adjusted PAT Growth: growth in Adjusted Profit/(loss) after tax for the relevant Fiscal over the Adjusted Profit/(loss) after tax for the preceding Fiscal.

(15) Yield on Advances: ratio of Interest Income to Average Total Gross Loans for the relevant Fiscal.

(16) Finance cost ratio: ratio of finance cost to Average Total Gross Loans for the relevant Fiscal.

(17) Net Interest Margin (NIM): ratio of Net Interest Income to Average Total Gross Loans for the relevant Fiscal.

(18) Fee and Other Income Ratio: ratio of Fee and Other Income to Average Total Gross Loans for the relevant Fiscal.

(19) Net Total Income Ratio: ratio of Net Total Income to Average Total Gross Loans for the relevant Fiscal.

(20) Operating Expenses Ratio: ratio of Operating Expenses to Average Total Gross Loans for the relevant Fiscal.

(21) Adjusted Operating Expenses Ratio: ratio of Adjusted Operating Expenses to Average Total Gross Loans for the relevant Fiscal.

(22) Profit before Credit Cost (PBCC) Ratio: ratio of Profit before Credit Cost to Average Total Gross Loans for the relevant Fiscal.

(23) Credit Cost Ratio: ratio of Impairment on Financial Instruments to Average Total Gross Loans for the relevant Fiscal.

(24) Adjusted ROA: ratio of Adjusted Profit/(loss) after tax to Average Total Gross Loans for the relevant Fiscal.

(25) Adjusted ROE: ratio of Adjusted Profit/(loss) after tax for the relevant Fiscal to the Average Adjusted Net Worth for the relevant Fiscal.

(26) Cost to Income Ratio: ratio of Operating Expenses to Net Total Income for the relevant Fiscal.

(27) Adjusted Cost to Income Ratio: ratio of Adjusted Operating Expenses to Net Total Income for the relevant Fiscal.

(28) Stage 3 Loans: gross carrying amount of Stage 3 Loans as of the last day of the relevant Fiscal.

(29) GNPA Ratio: ratio of Stage 3 Loans to Total Gross Loans as of the last day of the relevant Fiscal.

(30) Stage 3 Impairment Allowance: impairment allowance on Stage 3 Loans as of the last day of the relevant Fiscal.

(31) NNPA: Stage 3 Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal.

(32) NNPA Ratio: ratio of NNPA to Total Gross Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal.

(33) Provision Coverage Ratio (PCR): calculated as the ratio of Stage 3 Impairment Allowance (NPA Provision) to Stage 3 Loans as of the last day of the relevant Fiscal.

(34) Debt to Equity Ratio: ratio of Total Borrowings to Net Worth as of the last day of the relevant Fiscal.

(35) Adjusted Debt to Equity: ratio of Adjusted Total Borrowings to Adjusted Net Worth as of the last day of the relevant Fiscal.

Return Ratios

The following table sets forth certain of our return ratios as at and for the dates and Fiscals indicated:

Particulars	Fiscals/ As of March 31,		
	2024	2023	2022
	(%)		
Yield on Advances (%)(1)	16.09%	15.37%	14.04%
Finance cost ratio (2)	6.66%	5.84%	5.56%
Net Interest Margin (%) (3)	9.43%	9.53%	8.48%
Fee and Other Income Ratio(4)	1.89%	1.96%	1.84%
Net Total Income Ratio (5)	11.32%	11.48%	10.32%
Operating Expenses Ratio(6)	5.55%	6.25%	5.07%

Particulars	Fiscals/ As of March 31,		
	2024	2023	2022
Adjusted Operating Expenses Ratio (7)	4.80%	5.42%	5.07%
Credit Cost Ratio (8)	3.70%	3.26%	6.09%
Restated Profit/(loss) before Tax to Average Total Gross Loans (%) (9)	2.07%	1.98%	(0.84)%
Return on Assets (%)(10)	1.37%	1.29%	(0.64)%
Adjusted ROA (%)(11)	2.12%	2.12%	(0.64)%
Return on Equity (ROE) (%) (12)	11.57%	9.59%	(3.94)%
Adjusted ROE (%) (13)	12.38%	12.82%	(3.94)%

Notes:
1. *Yield on Advances: ratio of Interest Income to Average Total Gross Loans for the relevant Fiscal.*
2. *Finance cost ratio: ratio of finance cost to Average Total Gross Loans for the relevant Fiscal.*
3. *Net Interest Margin: ratio of Net Interest Income to Average Total Gross Loans for the relevant Fiscal*
4. *Fee and Other Income Ratio: ratio of Fee and Other Income to Average Total Gross Loans for the relevant Fiscal.*
5. *Net Total Income Ratio: ratio of Net Total Income to Average Total Gross Loans for the relevant Fiscal.*
6. *Operating Expenses Ratio: ratio of Operating Expenses to Average Total Gross Loans for the relevant Fiscal.*
7. *Adjusted Operating Expenses Ratio: ratio of Adjusted Operating Expenses to Average Total Gross Loans for the relevant Fiscal.*
8. *Credit Cost Ratio: ratio of Impairment on Financial Instruments to Average Total Gross Loans for the relevant Fiscal.*
9. *Restated Profit/(loss) before Tax to Average Total Gross Loans: ratio of Profit/(loss) before Tax to Average Total Gross Loans for the relevant Fiscal.*
10. *Return on Assets (ROA): ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Total Gross Loans for the relevant Fiscal.*
11. *Adjusted ROA: ratio of Adjusted Profit/(loss) after tax to Average Total Gross Loans for the relevant Fiscal.*
12. *Return on Equity (ROE): Ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Net Worth for the relevant Fiscal.*
13. *Adjusted ROE: ratio of Adjusted Profit/(loss) after tax for the relevant Fiscal to the Average Adjusted Net Worth for the relevant Fiscal.*

Yield and Spread

The following table sets forth certain of our yield and spread metrics, as at and for the dates and Fiscals indicated:

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
	(in ₹ million, except otherwise indicated)		
Total Gross Loans (A)	514,870.94	414,972.68	329,508.05
Average Total Gross Loans(1)	464,921.81	372,240.37	302,128.67
Interest-earning Investments (B)(2)	14,469.62	15,983.14	10,626.85
Deposits with banks (original maturity of less than three months) (C)	702.83	5,274.56	8,110.04
Bank balance other than cash and cash equivalents (D)	590.68	412.17	1,645.17
Total interest-earning assets (E=A+B+C+D)	530,634.07	436,642.55	349,890.11
Average total interest-earning assets(3)	483,638.31	393,266.33	327,250.92
Debt securities (F)	67,037.15	67,470.79	59,810.44
Borrowings (other than debt securities (G)	358,403.90	266,129.87	220,306.69
Subordinated liabilities (H)	36,253.71	32,677.94	6,680.17
Total borrowings (I = F+G+H)	461,694.76	366,278.60	286,797.30
Average Total Borrowings(4)	413,986.68	326,537.95	263,575.45
Adjusted Total Borrowings(5)	435,582.39	343,178.08	286,797.30
Average Adjusted Total Borrowings(6)	389,380.24	314,987.69	263,575.45
Yield on Advances (%) (J)(7)	16.09%	15.37%	14.04%
Average Cost of Borrowings (%) (K) (8)	7.95%	6.90%	6.37%
Spread (%) (L=J-K) (9)	8.14%	8.47%	7.67%

Notes:
1. *Average Total Gross Loans: simple average of our Total Gross Loans as of the last day of the relevant Fiscal and our Total gross Loans as of the last day of the preceding Fiscal.*
2. *Interest-earning Investments: total amount of investments in commercial paper, certificate of deposits, treasury bills, government securities and corporate bonds.*
3. *Average total interest-earning assets: simple average of our total interest-earning assets as of the last day of the relevant Fiscal and our total interest-earning assets as of the last day of the preceding Fiscal.*
4. *Average Total Borrowings: simple average of our Total Borrowings as of the last day of the relevant Fiscal and our Total Borrowings of the last day of the previous Fiscal.*
5. *Adjusted Total Borrowings: sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (excluding CCPS) as of the last day of relevant Fiscal.*
6. *Average Adjusted Total Borrowings: simple average of our Adjusted Total Borrowings as of the last day of the relevant Fiscal and our Adjusted Total Borrowings as of the last day of the preceding Fiscal.*
7. *Yield on Advances: ratio of Interest Income to average Total Gross Loans for the relevant Fiscal.*
8. *Average Cost of Borrowings: Ratio of finance cost to average adjusted total borrowings for the relevant Fiscal.*
9. *Spread: difference between Yield on Advances and Average Cost of Borrowings for the relevant Fiscal.*

Total Gross Loans

The following table sets forth details of our Total Gross Loans broken down by asset category, in absolute amounts and as percentages of Total Gross Loans, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Gross Loans (%)*	*(in ₹ million)*	*Percentage of Total Gross Loans (%)*	*(in ₹ million)*	*Percentage of Total Gross Loans (%)*
Retail Finance	333,925.37	64.86%	259,786.09	62.60%	198,648.07	60.29%
MSME Finance	107,798.26	20.94%	84,815.06	20.44%	61,514.36	18.67%
CIF	59,881.01	11.63%	50,364.54	12.14%	66,345.32	20.13%
Others[(1)]	13,266.30	2.58%	20,006.99	4.82%	3,000.30	0.91%
Total Gross Loans	**514,870.94**	**100.00%**	**414,972.68**	**100.00%**	**329,508.05**	**100.00%**

Note:

(1) Others represents lending amount to Clearcorp Repo Order Matching System (CROMS).

Total Gross Loans by Fixed and Floating Rate

The following table sets forth details of our Total Gross Loans broken down by fixed and floating interest rate, in absolute amounts and as percentages of our Total Gross Loans, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Gross Loans (%)*	*(in ₹ million)*	*Percentage of Total Gross Loans (%)*	*(in ₹ million)*	*Percentage of Total Gross Loans (%)*
Fixed Interest Rate	370,840.37	72.03%	313,522.22	75.55%	252,791.79	76.72%
Floating Interest Rate	144,030.57	27.97%	101,450.46	24.45%	76,716.26	23.28%

Total Gross Secured and Unsecured Loans

The following table sets forth details of our Total Gross Loans broken down by total amounts secured and unsecured, in absolute amounts and as percentages of our Total Gross Loans, for the Fiscals indicated:

Particulars	Fiscals					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Gross Loans (%)*	*(in ₹ million)*	*Percentage of Total Gross Loans (%)*	*(in ₹ million)*	*Percentage of Total Gross Loans (%)*
Total Gross Secured Loans	308,662.40	59.95%	259,289.49	62.48%	222,400.84	67.49%
Total Gross Unsecured Loans	206,208.54	40.05%	155,683.19	37.52%	107,107.21	32.51%

Asset Quality

Stage-wise loans and impairment loss allowance

The following table sets forth the breakdown of our loan portfolio based on stage-wise loans and impairment loss allowance, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(in ₹ million, except otherwise indicated)		
Total Gross Loans			
Gross loans - stage 1 (A)	481,339.03	382,933.19	286,179.15
Gross loans - stage 2 (B)	12,819.39	10,837.47	18,471.30
Gross loans - stage 3 (C)	20,712.52	21,202.02	24,857.60
Total Gross Loans (D=A+B+C)	**514,870.94**	**414,972.68**	**329,508.05**
Impairment allowance – Total Gross Loans			
Impairment allowance – gross loans - stage 1 (E)	2,836.01	3,718.45	1,925.18
Impairment allowance – gross loans - stage 2 (F)	2,582.67	2,208.22	3,443.85
Impairment allowance – gross loans - stage 3 (G)	10,647.56	10,333.32	10,728.63
Total impairment allowance – Total Gross Loans (H=E+F+G)	**16,066.24**	**16,259.99**	**16,097.66**
GNPA Ratio	4.02%	5.11%	7.54%

Particulars	As at March 31,		
	2024	2023	2022
	(in ₹ million, except otherwise indicated)		
Ratio of Total Impairment allowance to Total Gross Loans *(%)*	3.12%	3.92%	4.89%
Net loans			
Net loans - stage 1 (I = A-E)	478,503.02	379,214.74	284,253.97
Net loans - stage 2 (J = B-F)	10,236.72	8,629.25	15,027.45
Net loans - stage 3 (K = C-G)	10,064.96	10,868.70	14,128.97
Total Net loans (L=D-H)	498,804.70	398,712.69	313,410.39

Provisioning and Write-offs

The following table sets forth our provisioning and write-offs, as at and for the dates and Fiscals indicated:

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
	(in ₹ million, except otherwise indicated)		
Stage 3 Loans[(1)]	20,712.52	21,202.02	24,857.60
GNPA Ratio[(2)]	4.02%	5.11%	7.54%
Stage 3 Impairment Allowance [(3)]	10,647.56	10,333.32	10,728.63
NNPA[(4)]	10,064.96	10,868.70	14,128.97
NNPA Ratio[(5)]	2.00%	2.69%	4.43%
Provision Coverage Ratio (PCR)[(6)]	51.41%	48.74%	43.16%
Settlement Loss and Bad Debts Written Off [(7)]	17,415.90	11,957.90	15,112.80

Notes:

(1) Stage 3 Loans: gross carrying amount of Stage 3 Loans as of the last day of relevant Fiscal.

(2) GNPA Ratio: Ratio of Stage 3 Loans to Total Gross Loans as of the last day of the relevant Fiscal.

(3) Stage 3 Impairment Allowance: impairment allowance on Stage 3 Loans as of the last day of the relevant Fiscal.

(4) NNPA: GNPA reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of relevant Fiscal.

(5) NNPA Ratio: Ratio of NNPA to the Total Gross Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal.

(6) Provision Coverage Ratio (PCR): calculated as the ratio of Stage 3 Impairment Allowance (NPA Provisions) to Stage 3 Loans as of the last day of the relevant Fiscal .

(7) Settlement Loss and Bad Debts Written Off: Settlement loss and bad debts written off (net of recoveries from bad debts written off) during the relevant Fiscal .

Product-wise AUM

The following table sets forth the breakdown of our AUM by business verticals, in absolute amounts and as percentages of our total AUM, as at the dates indicated:

Particulars	As at March 31,						CAGR from March 31, 2022 to March 31, 2024
	2024		2023		2022		
	(in ₹ million)	*Percentage of AUM*	*(in ₹ million)*	*Percentage of AUM*	*(in ₹ million)*	*Percentage of AUM*	
Retail Finance	337,262.59	65.08%	262,322.39	62.83%	199,664.83	60.41%	29.97%
- Vehicle Loans	127,942.58	24.69%	108,383.55	25.96%	98,760.38	29.88%	13.82%
- Personal Loans	155,993.81	30.10%	114,433.03	27.41%	72,664.22	21.98%	46.52%
- Mortgage Loans	53,326.21	10.29%	39,505.81	9.46%	28,240.24	8.54%	37.42%
MSME Finance	107,798.26	20.80%	84,815.01	20.31%	61,514.37	18.61%	32.38%
- MSME Secured Loans	61,036.26	11.78%	44,037.67	10.55%	29,201.43	8.83%	44.57%
- MSME Unsecured Loans	46,761.95	9.02%	40,777.35	9.77%	32,312.94	9.78%	20.30%
CIF	59,881.01	11.56%	50,364.54	12.06%	66,345.32	20.07%	(5.00)%
Others[(1)]	13,266.30	2.56%	20,006.99	4.79%	3,000.30	0.91%	110.28%
Total AUM[(2)]	**518,208.11**	**100.00%**	**417,508.93**	**100.00%**	**330,524.82**	**100.00%**	**25.21%**

Note:

(1) Others includes lending amount to Clearcorp Repo Order Matching System (CROMS).

Product-wise GNPA

The following table sets forth the breakdown of our Stage 3 Loans by products, in absolute amounts and as percentages of our Total Gross Loans, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Gross Loans*	*(in ₹ million)*	*Percentage of Total Gross Loans*	*(in ₹ million)*	*Percentage of Total Gross Loans*
Retail Finance	15,537.99	4.65%	14,383.68	5.54%	17,504.36	8.81%
Vehicle Loans	8,480.43	6.63%	7,070.08	6.52%	11,251.10	11.39%
Personal Loans	6,139.74	3.94%	6,443.36	5.63%	5,406.18	7.44%
Mortgage Loans	917.81	1.84%	870.24	2.35%	847.08	3.11%
MSME Finance	2,520.79	2.34%	2,422.28	2.86%	3,598.73	5.85%
MSME Secured Loans	1,376.73	2.26%	1,233.12	2.80%	1,742.80	5.97%
MSME Unsecured Loans	1,144.06	2.45%	1,189.16	2.92%	1,855.93	5.74%
CIF	2,653.74	4.43%	4,396.06	8.73%	3,754.52	5.66%
Total Stage 3 Loans	**20,712.52**	**4.02%**	**21,202.02**	**5.11%**	**24,857.60**	**7.54%**

Capital Adequacy

Capital risk to asset ratios ("CRAR")

As per the NBFC Scale Based Regulations, we have been categorised as a 'NBFC – Middle Layer' and are required to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, of not less than 15.00% of our aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items, of which Tier I Capital cannot be less than 10.00%.

Our Company

The following table sets forth our Company's CRAR as at and for the Fiscals indicated on a standalone basis, calculated as per the NBFC Scale Based Directions:

Particulars	As at March 31,		
	2024	2023	2022
Tier I Capital(1) (*₹ million*)	71,476.29	64,525.84	37,830.11
Tier II Capital(2) (*₹ million*)	9,572.95	10,531.11	7,203.81
Total capital funds (*₹ million*)	**81,049.24**	**75,056.95**	**45,033.92**
Risk weighted assets (*₹ million*)	**497,819.68**	**364,823.53**	**288,592.15**
CRAR (%)	16.28%	20.57%	15.60%
Tier I Capital (%)(3)	14.36%	17.68%	13.10%
Tier II Capital (%)(4)	1.92%	2.89%	2.50%
Debt to Equity Ratio(5) (*times*)	**7.22**	**6.31**	**5.42**
Adjusted Debt to Equity Ratio(6) (*times*)	**4.66**	**4.09**	**5.42**

Notes:

(1) Tier I Capital: computed basis the method provided by the regulator as of the last day of the relevant Fiscal.
(2) Tier II Capital: computed basis the method provided by the regulator as of the last day of the relevant Fiscal.
(3) Tier I Capital (%): Tier I Capital divided by total risk weighted assets.
(4) Tier II Capital (%): Tier II Capital divided by total risk weighted assets.
(5) Debt to Equity: Ratio of Total Borrowings to Net Worth as of the last day of the relevant Fiscal.
(6) Adjusted Debt to Equity: Ratio of Adjusted Total Borrowings to Adjusted Net Worth as of the last day of the relevant Fiscal.

HHFL

The table below presents the CRAR of our Subsidiary, HHFL, as at and for the dates and Fiscals indicated on a standalone basis:

Particulars	Fiscals/ As at March 31,		
	2024	2023	2022
Tier I Capital(1) (*₹ million*)	6,856.48	7,036.31	4,010.84
Tier II Capital(2) (*₹ million*)	879.92	856.10	576.57
Total capital funds (*₹ million*)	**7,736.40**	**7,892.40**	**4,587.42**
Risk weighted assets (*₹ million*)	**39,470.22**	**26,124.72**	**18,768.30**
CRAR (%)	**19.60%**	**30.21%**	**24.44%**
Tier I Capital (%)(3)	17.37%	26.93%	21.37%
Tier II Capital (%)(4)	2.23%	3.28%	3.07%
Debt to Equity Ratio(5) (*times*)	**5.61**	**4.27**	**5.68**

Notes:

(1) Tier I Capital: computed basis the method provided by the regulator as of the last day of the relevant Fiscal.
(2) Tier II Capital: computed basis the method provided by the regulator as of the last day of the relevant Fiscal.
(3) Tier I Capital (%): Tier I Capital divided by total risk weighted assets.
(4) Tier II Capital (%): Tier II Capital divided by total risk weighted assets.
(5) Debt to Equity: Ratio of Total Borrowings to Net Worth as of the last day of the relevant Fiscal.

Number of Loan Accounts disbursed to date

The following table sets forth the breakdown of the number of loan accounts disbursed to date by products, in absolute amounts, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(in thousands)		
Retail Finance	**12,254.77**	**9,948.37**	**7,748.06**
Vehicle Loans	8,836.93	7,806.69	6,782.43
Personal Loans	3,367.10	2,105.23	941.56
Mortgage Loans	50.74	36.45	24.08
MSME Finance	**46.02**	**33.57**	**22.11**
CIF	**1.80**	**1.75**	**1.69**
Total	**12,302.58**	**9,983.69**	**7,771.86**

Customer franchise

As we expanded our offerings, we also grew our overall customer base to 11.80 million customers as at March 31, 2024, which included 5.00 million active retail customers and 29,060 active MSME and active 360 CIF customers. Our active customer base is present 18,603 pin-codes in India, as at March 31, 2024. As at March 31, 2024, we have served a total of 11.80 million customers since our inception in 1991.

Particulars	As at March 31,		
	2024	2023	2022
Number of Total Customers (in million)(1)	11.80	9.63	7.70
Number of Active Customers (in million)(2)	5.03	4.32	3.91
Pin-codes being serviced till date(3)	**18,603**	**18,539**	**18,415**

Notes:

(1) Total customers: number of distinct customers served as of March 31 of the relevant Fiscal since our Company's inception.

(2) Active customers: number of customers with an outstanding balance of loan from our Company as of the last day of the relevant Fiscal.

(3) Pin-codes being serviced: represents the number of postal code areas covered by the company as at the last day of the relevant Fiscal.

Business vertical-wise number of active loan accounts

The following table sets forth the breakdown of the number of our active loan accounts by business vertical, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(in thousands)		
Retail Finance	**5,100.96**	**4,422.15**	**3,934.55**
Vehicle Loans	3,144.82	3,117.96	3,139.79
Personal Loans	1,915.07	1,275.13	774.87
Mortgage Loans	41.07	29.05	19.89
MSME Finance	**29.41**	**24.19**	**15.87**
CIF	**0.28**	**0.31**	**0.41**
Total	**5,130.65**	**4,446.64**	**3,950.83**

CIBIL score mix of customers

The following table sets forth the spread of loan accounts by CIBIL score for vehicle loans and personal loans as at March 31, 2024, March 31, 2023 and March 31, 2022.

Vehicle loans

Bucket	2024		2023		2022	
	Loan Count	*(%)*	*Loan Count*	*(%)*	*Loan Count*	*(%)*
<=550	7,001	3.22%	36,357	21.69%	24,747	12.38%
551-620	19,822	9.13%	15,138	9.03%	20,988	10.50%
621-700	82,576	38.03%	30,932	18.46%	59,555	29.79%
701-749	79,031	36.40%	41,953	25.03%	59,881	29.95%
750-900	28,684	13.21%	43,219	25.79%	34,759	17.39%
Total	**217,114**	**100.00%**	**167,599**	**100.00%**	**199,930**	**100.00%**

Personal loans

Bucket	2024		2022		2023	
	Loan Count	*(%)*	*Loan Count*	*(%)*	*Loan Count*	*(%)*
<=550	5,474	0.93%	3,053	1.85%	19,330	2.12%
551-620	22,908	3.88%	13,459	8.15%	68,645	7.52%
621-700	53,563	9.08%	40,160	24.32%	189,255	20.74%
701-749	179,926	30.49%	62,469	37.83%	382,047	41.86%
750-900	328,154	55.62%	45,993	27.85%	253,313	27.76%
Total	**590,025**	**100.00%**	**165,134**	**100.00%**	**912,590**	**100.00%**

Breakdown of customers by new-to-credit and existing-to-credit customers

The table below shows the breakdown of our new-to-credit customers by products, as a percentage of the total AUM, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Retail Finance	**26.55%**	**34.06%**	**46.33%**
Vehicle Finance	66.11%	76.45%	82.50%
Personal Loans	1.23%	3.50%	11.90%
Mortgage Loans	6.47%	7.46%	8.16%

The table below shows the breakdown of our existing-to-credit customers by product, as a percentage of the total AUM as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Retail Finance	**73.45%**	**65.94%**	**53.67%**
Vehicle Finance	33.89%	23.55%	17.50%
Personal Loans	98.77%	96.50%	88.10%
Mortgage Loans	93.53%	92.54%	91.84%

Breakdown of customers by salaried and non-salaried customers

The table below shows the breakdown of our salaried customers by product, as a percentage of the total AUM as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Retail Finance	**53.68%**	**49.93%**	**43.53%**
Vehicle Finance	58.91%	55.62%	50.53%
Personal Loans	54.87%	48.15%	35.90%
Mortgage Loans	37.61%	39.54%	38.61%

The table below shows the breakdown of our non-salaried customers by product, as a percentage of the total AUM as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Retail Finance	**46.32%**	**50.07%**	**56.47%**
Vehicle Finance	41.09%	44.38%	49.47%
Personal Loans	45.13%	51.85%	64.10%
Mortgage Loans	62.39%	60.46%	61.39%

Technology

As at March 31, 2024, our customer mobile app has been downloaded approximately 6.5 million times since 2020. As at March 31, 2024, 2023 and 2022, our IT and analytics team comprised 256 personnel, 153 personnel, and 64 personnel, respectively.

The table below shows the percentage of customers acquired digitally, the percentage of loans collected digitally, and the percentage of customer queries handled through digital channels, for the Fiscals indicated:

Particulars	Fiscal		
	2024	2023	2022
% of customers digitally acquired[(1)]	37.75%	40.70%	18.75%
Digital collections (%)[(2)]	83.31%	81.24%	76.00%
Digital share of customer service (%)[(3)]	53.02%	47.53%	48.88%

(1) Ratio of digitally disbursed loan counts including disbursement through partnership platform to total disbursal loan counts during the year

(2) Ratio of non-cash collections to total collections during the year. Non-cash modes includes Nach, cheques, electronic clearing service payments, payments through payment gateways and aggregators
(3) Ratio of digitally received queries to total customer queries received during the year

The table below shows our HFCL mobile app installations in the Fiscals indicated.

Fiscal		
2024	**2023**	**2022**
(in million)		
2.79	1.91	1.80

The table below shows our active HFCL mobile app users in the Fiscals indicated.

Fiscal		
2024	**2023**	**2022**
(in million)		
1.10	0.85	0.60

The table below shows our HFCL mobile app logins in the Fiscals indicated.

Fiscal		
2024	**2023**	**2022**
(in million)		
1.60	1.22	1.34

Asset liability management

The following table sets forth our liabilities and assets as at March 31, 2024:

Particulars(1)	**As at March 31, 2024**
	(in ₹ million)
Liabilities	**670,152.08**
Borrowings(2)	440,864.88
Other liabilities	229,287.22
Assets	**670,152.08**
Cash and bank equivalents	20,461.30
Loans	501,063.99
Other assets	148,626.79

Notes:
(1) ALM is calculated as per RBI's Asset Liability Management System for NBFCs – Guidelines (Master Direction DNBR PD. 088/03.10.119/2016-2017 dated September 1, 2016.
(2) Excluding CCPS.

Our Company

The following table accordingly sets forth the maturity pattern of our interest-bearing assets and interest-bearing liabilities as at March 31, 2024:

Particulars	**1 day to 31 days**	**Over 1 month to 2 months**	**Over 2 months to 3 months**	**Over 3 months to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 years to 5 years**	**Over 5 years**
	(in ₹ million)							
Liabilities								
Borrowings	8,449.90	17,251.10	18,882.50	34,911.10	104,182.20	157,015.60	46,559.70	3,629.50
Other liabilities	23,442.90	31.50	31.50	750.40	16,554.50	51,862.10	25,479.50	95,445.20
Assets								
Cash and bank equivalents	16,535.60	433.50	0.00	0.00	5.80	0.00	0.00	0.00
Loans	22,713.50	21,765.30	22,563.60	50,238.80	79,809.40	1,63,332.10	47,165.20	44,027.70
Other assets	51,336.80	184.70	186.80	829.10	1,312.20	54,617.50	4,096.10	23,325.50
Positive/ (negative) mismatch of assets over liabilities	58,693.10	5,100.90	3,836.40	15,406.40	(39,609.30)	9,071.90	(20,777.90)	(31,721.50)
Cumulative mismatch of assets over	58,693.10	63,794.00	67,630.40	83,036.80	43,427.50	52,499.40	31,721.50	0.00

liabilities								

HHFL

The following table accordingly sets forth the maturity pattern of HHFL's assets and liabilities as at March 31, 2024:

Particulars	1 day to 31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
	(in ₹ million)							
Liabilities								
Borrowings	384.91	1,105.89	999.23	3,236.38	7,318.99	15,573.10	12,541.56	8,823.23
Other liabilities	2,267.46	137.93	465.72	4,103.75	42.69	-	-	8,672.06
Assets								
Cash and bank equivalents	3,335.14	151.26	-	-	-	-	-	-
Loans	2,133.48	799.10	780.23	2,332.48	4,435.20	12,893.89	9,576.94	16,497.07
Other assets	5,601.10	13.86	16.36	70.56	833.23	1,135.65	843.02	4,224.32
Positive/ (negative) mismatch of assets over liabilities	8,417.35	(279.60)	(668.36)	(4,937.08)	(2,093.25)	(1,543.56)	(2,121.60)	3,226.11
Cumulative mismatch of assets over liabilities	8,417.35	8,137.76	7,469.39	2,532.31	439.06	(1,104.50)	(3,226.10)	0.00

Product Offerings

Live accounts

The following table sets forth the breakdown of the number of live accounts held by our customers (including assigned loans) by products, in absolute amounts, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(in thousands)		
Retail Finance	**4,995.90**	**4,300.87**	**3,901.70**
Vehicle Loans	3,135.56	3,108.88	3,122.79
Personal Loans	1,827.32	1,169.12	762.89
Mortgage Loans	33.02	22.87	16.02
MSME Finance	**25.90**	**20.29**	**12.49**
CIF	**0.12**	**0.13**	**0.15**
Total	**5,021.93**	**4,321.28**	**3,914.34**

Product-wise Disbursement

The following table sets forth the breakdown of our Disbursements by products, in absolute amounts and as percentages of our Total Disbursements, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Disbursements*	*(in ₹ million)*	*Percentage of Total Disbursements*	*(in ₹ million)*	*Percentage of Total Disbursements*
Retail Finance	**253,999.77**	**73.70%**	**201,410.09**	**72.68%**	**136,185.15**	**69.13%**
Vehicle Loans	99,000.16	28.73%	84,546.56	30.51%	66,338.42	33.67%
Personal Loans	131,813.21	38.25%	98,101.15	35.40%	58,279.57	29.58%
Mortgage Loans	23,186.40	6.73%	18,762.39	6.77%	11,567.16	5.87%
MSME Finance	**48,650.12**	**14.12%**	**39,864.93**	**14.38%**	**15,416.50**	**7.83%**
MSME Secured loans	35,081.95	10.18%	26,225.80	9.46%	10,988.00	5.58%
MSME Unsecured Loans	13,568.17	3.94%	13,639.13	4.92%	4,428.50	2.25%

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Total Disbursements*	*(in ₹ million)*	*Percentage of Total Disbursements*	*(in ₹ million)*	*Percentage of Total Disbursements*
CIF	**41,982.59**	**12.18%**	**35,858.30**	**12.94%**	**45,397.30**	**23.04%**
Total Disbursement	**344,632.47**	**100.00%**	**277,133.32**	**100.00%**	**196,998.95**	**100.00%**

NNPA

The following table sets forth the breakdown of our NNPA by products, in absolute amounts and as percentages of our Net Loans, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of Net Loans*	*(in ₹ million)*	*Percentage of Net Loans*	*(in ₹ million)*	*Percentage of Net Loans*
Retail Finance	**7,320.79**	**2.25%**	**6,845.35**	**2.71%**	**9,759.62**	**5.11%**
Vehicle Loans	4,940.85	3.97%	4,168.37	3.95%	7,004.11	7.41%
Personal Loans	1,733.63	1.14%	2,055.45	1.87%	2,130.92	3.07%
Mortgage Loans	646.30	1.30%	621.53	1.69%	624.59	2.31%
MSME Finance	**1,430.55**	**1.34%**	**1,401.83**	**1.67%**	**2,293.80**	**3.81%**
Secured Business Loans	896.90	1.48%	806.33	1.85%	1,279.90	4.45%
Unsecured Business Loans	533.65	1.16%	595.50	1.48%	1,013.91	3.22%
CIF	**1,313.62**	**1.83%**	**2,621.52**	**3.82%**	**2,075.55**	**3.07%**
Total NNPA	**10,064.96**	**2.00%**	**10,868.70**	**2.69%**	**14,128.97**	**4.43%**

Provision Coverage Ratio (PCR)

The following table sets forth the breakdown of our PCR by products, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(%)		
Retail Finance	**52.88%**	**52.41%**	**44.24%**
Vehicle Loans	41.74%	41.04%	37.75%
Personal Loans	71.76%	68.10%	60.58%
Mortgage Loans	29.58%	28.58%	26.27%
MSME Finance	**43.25%**	**42.13%**	**36.26%**
Secured Business Loans	34.85%	34.61%	26.56%
Unsecured Business Loans	53.35%	49.92%	45.37%
CIF	**50.50%**	**40.37%**	**44.72%**
Total AUM	**51.41%**	**48.74%**	**43.16%**

Retail financing vertical

Vehicle Loans

<u>AUM contributed by our vehicle loans based on the age of the vehicle</u>

The following table sets forth the breakdown of our AUM contributed by our vehicle loans by vehicle age, as a percentage of our total AUM contributed by our vehicle loans as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
1 to 5 years	0.66%	0.79%	0.64%
5 years and up to 8 years	43.16%	41.13%	43.85%
8 years and up to 10 years	22.63%	27.94%	31.37%
More than 10 years	33.55%	30.13%	24.14%

<u>AUM contributed by our vehicle loans based on its original tenure</u>

The following table sets forth the breakdown of our AUM contributed by our vehicle loans by original tenure, as a percentage of our total AUM contributed by our vehicle loans, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Up to 2 years	31.83%	35.11%	37.00%
More than 2 years to up to 3 years	45.41%	46.36%	43.01%
More than 3 years to up to 5 years	22.31%	17.25%	17.29%
More than 5 years	0.45%	1.28%	2.70%

Personal Loans

AUM contributed by personal loans based on tenure

The following table sets forth the breakdown of our AUM contributed by personal loans by tenure, as percentages of our total AUM contributed by personal loans, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Up to 2 years	27.67%	36.87%	33.93%
More than 2 years to up to 3 years	34.18%	24.72%	21.44%
More than 3 years to up to 5 years	38.14%	38.35%	44.29%
More than 5 years	0.01%	0.06%	0.34%

Mortgage Loans

Mortgage loans by type of collateral

The following table sets forth the breakdown of our AUM contributed by mortgage loans by type of collateral, in absolute amounts and as percentages of our total AUM contributed by mortgage loans, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total mortgage loans AUM*	*(in ₹ million)*	*Percentage of total mortgage loans AUM*	*(in ₹ million)*	*Percentage of total mortgage loans AUM*
Self-occupied residential property	50,643.00	94.97%	38,272.87	96.88%	27,408.10	97.05%
Land for construction of residential property	702.80	1.32%	504.91	1.28%	304.28	1.08%
Other collateral	1,220.02	2.29%	335.73	0.85%	221.05	0.78%
Unsecured	760.39	1.43%	392.30	0.99%	306.80	1.09%
Total AUM contributed by mortgage loans	**53,326.26**	**100.00%**	**39,505.81**	**100.00%**	**28,240.24**	**100.00%**

AUM contributed by mortgage loans based on loan tenure

The following table sets forth the breakdown of our AUM contributed by mortgage loans by loan tenure, as percentages of our total AUM contributed by mortgage loans, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Up to 2 years	0.63%	0.21%	0.07%
More than 2 years to up to 3 years	1.35%	0.38%	0.16%
More than 3 years to up to 5 years	4.56%	1.44%	1.77%
More than 5 years	93.47%	97.97%	98.00%

MSME Financing Vertical

MSME loans by type of collateral

The following table sets forth the breakdown of our AUM contributed by MSME loans by type of collateral, in absolute amounts and as percentages of our total AUM contributed by MSME loans, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total MSME AUM*	*(in ₹ million)*	*Percentage of total MSME AUM*	*(in ₹ million)*	*Percentage of total MSME AUM*
Self-occupied residential property	12,616.79	11.70%	9,982.08	11.77%	7,711.74	12.54%
Self occupied commercial	7,294.35	6.77%	5,151.92	6.07%	4,213.18	6.85%

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total MSME AUM*	*(in ₹ million)*	*Percentage of total MSME AUM*	*(in ₹ million)*	*Percentage of total MSME AUM*
property						
Other collateral	42,259.34	39.20%	32,797.88	38.67%	23,674.14	38.49%
Unsecured	45,627.74	42.33%	36,883.13	43.49%	25,915.31	42.13%
Total AUM contributed by MSME loans	**107,798.21**	**100.00%**	**84,815.01**	**100.00%**	**61,514.37**	**100.00%**

AUM contributed by our MSME financing vertical based on loan tenure

The following table sets forth the breakdown of our AUM contributed by MSME loans by loan tenure, as percentages of our total AUM contributed by MSME loans, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Up to 2 years	24.54%	27.47%	33.56%
More than 2 years to up to 3 years	19.03%	17.80%	10.37%
More than 3 years to up to 5 years	8.78%	10.25%	11.54%
More than 5 years	47.65%	44.48%	44.54%

CIF Loan Vertical

CIF Loans by type of collateral

The following table sets forth the breakdown of our AUM contributed by CIF Loans by type of collateral, in absolute amounts and as percentages of our total AUM contributed by CIF Loans, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total CIF AUM*	*(in ₹ million)*	*Percentage of total CIF AUM*	*(in ₹ million)*	*Percentage of total CIF AUM*
Property	16,922.12	28.26%	11,307.69	22.45%	13,068.28	19.70%
Fixed assets	9,046.81	15.11%	4,937.11	9.80%	3,189.49	4.81%
Shares	14,289.09	23.86%	14,783.56	29.35%	18,140.73	27.34%
Current assets	11,151.07	18.62%	8,892.27	17.66%	21,727.37	32.75%
Unsecured	4,277.39	7.14%	4,377.05	8.69%	6,534.99	9.85%
Others	4,194.53	7.00%	6,066.87	12.05%	3,684.45	5.55%
Total AUM contributed by CIF loans	**59,881.01**	**100.00%**	**50,364.54**	**100.00%**	**66,345.32**	**100.00%**

AUM contributed by the CIF loans vertical based on loan tenure

The following table sets forth the breakdown of our AUM contributed by CIF Loans by loan tenure, as percentages of our total AUM contributed by CIF Loans, as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
Up to 2 years	38.88%	46.11%	61.42%
More than 2 years to up to 3 years	30.66%	31.95%	21.95%
More than 3 years to up to 5 years	22.27%	14.31%	8.00%
More than 5 years	8.20%	7.62%	8.63%

Loans by Maturity

The following table sets forth the breakdown of our AUM by the maturity profile of loans under each product, as a percentage of the respective AUM, as at March 31, 2024:

Particulars	As at March 31, 2024						
	Matured Loans	Maturity in one year or less	Maturity between one to three years	Maturity between three to five years	Maturity between five to 15 years	Maturity more than 15 years	Gross Loans
Retail Loans							
Vehicle Loans	0.00%	55.80%	31.01%	13.19%	0.00%	0.00%	100.00%
Personal Loans	0.00%	42.68%	53.59%	3.73%	0.00%	0.00%	100.00%
Mortgage Loans	0.00%	0.41%	2.05%	5.19%	28.58%	63.77%	100.00%

Particulars	As at March 31, 2024						
MSME Loans	0.27%	25.32%	22.65%	7.17%	31.32%	13.27%	100.00%
CIF Loans	3.45%	32.88%	45.49%	12.12%	6.06%	0.00%	100.00%

Disbursement

Disbursement by sourcing channel

The following table sets forth the breakdown of our Disbursements by sourcing channel, in absolute amounts and as percentages of our Total Disbursements, for the Fiscals indicated:

Particulars	Fiscals					
	2024		2023		2022	
	(₹ million)	*Percentage of total disbursements*	*(₹ million)*	*Percentage of total disbursements*	*(₹ million)*	*Percentage of total disbursements*
Two-wheeler dealers	73,057.47	21.20%	70,778.39	25.54%	57,698.83	29.29%
Digital aggregators	77,153.08	22.39%	51,755.53	18.68%	22,196.95	11.27%
Direct sourcing	110,180.48	31.97%	86,199.80	31.10%	82,701.13	41.98%
DSAs(1)	63,672.19	18.48%	59,505.08	21.47%	34,393.10	17.46%
Cross-sell/Top-up	18,363.73	5.33%	8,813.66	3.18%	8.95	0.00%
Website/mobile application/digital marketing	2,205.53	0.64%	80.87	0.03%	0.00	0.00%
Total	**344,632.47**	**100.00%**	**277,133.32**	**100.00%**	**196,998.95**	**100.00%**

Note:
(1) Includes loans sourced through used car dealers.

Geographic spread of pin-codes served

The following table sets forth the breakdown of our pin-codes served (measured by Disbursements served by our distribution channel) by geographic spread, in absolute amounts and as percentages of our total number of pin-codes, for the Fiscals indicated:

Particulars	Fiscals					
	2024		2023		2022	
	Number of pin-codes	*Percentage of total number of pin-codes*	*Number of pin-codes*	*Percentage of total number of pin-codes*	*Number of pin-codes*	*Percentage of total number of pin-codes*
North	3,245	17.79%	3,238	17.69%	3,111	17.35%
South	6,465	35.45%	6,502	35.52%	6,339	35.34%
West	4,291	23.53%	4,320	23.60%	4,272	23.82%
East	4,235	23.22%	4,247	23.20%	4,214	23.49%
Total	**18,236**	**100.00%**	**18,307**	**100.00%**	**17,936**	**100.00%**

Geographic spread of loans

The following table sets forth the breakdown of our Disbursements contributed by Retail Loans by geographic spread, in absolute amounts and as percentages of our total Disbursements contributed by Retail Loans, for the Fiscals indicated:

Particulars	Fiscals					
	2024		2023		2022	
	(₹ million)	*Percentage of total number of disbursements*	*(₹ million)*	*Percentage of total number of disbursements*	*(₹ million)*	*Percentage of total number of disbursements*
North	121,939.22	48.01%	94,841.22	47.09%	53,993.63	39.65%
South	41,656.03	16.40%	22,325.42	11.08%	14,741.04	10.82%
West	49,386.55	19.44%	44,975.67	22.33%	33,805.51	24.82%
East	41,017.97	16.15%	39,267.78	19.50%	33,644.97	24.71%
Total	**253,999.77**	**100.00%**	**201,410.09**	**100.00%**	**136,185.15**	**100.00%**

The following table sets forth the breakdown of our Disbursements contributed by MSME loans by geographic spread, in absolute amounts and as percentages of our Disbursements contributed by MSME loans, for the Fiscals indicated:

Particulars	Fiscals					
	2024		2023		2022	
	(₹ million)	*Percentage of total number of disbursements*	*(₹ million)*	*Percentage of total number of total*	*(₹ million)*	*Percentage of total number of total*

				disbursements		disbursements
North	14,938.32	30.71%	10,071.65	25.26%	4,469.04	28.99%
South	13,467.59	27.68%	11,262.32	28.25%	3,574.99	23.19%
West	19,007.70	39.07%	17,121.07	42.95%	6,761.59	43.86%
East	1,236.50	2.54%	1,409.88	3.54%	610.88	3.96%
Total	**48,650.12**	**100.00%**	**39,864.93**	**100.00%**	**15,416.50**	**100.00%**

The following table sets forth the breakdown of our Disbursements contributed by CIF Loans by geographic spread, in absolute amounts and as percentages of our total Disbursements contributed by CIF Loans, for the Fiscals indicated:

Particulars	**Fiscals**					
	2024		**2023**		**2022**	
	(₹ million)	*Percentage of total number of total disbursements*	*(₹ million)*	*Percentage of total number of total disbursements*	*(₹ million)*	*Percentage of total number of total disbursements*
North	13,405.00	31.93%	9,450.00	26.35%	6,936.56	15.28%
South	15,217.59	36.25%	10,700.00	29.84%	11,497.95	25.33%
West	13,360.00	31.82%	15,708.30	43.81%	26,962.79	59.39%
East	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total	**41,982.59**	**100.00%**	**35,858.30**	**100.00%**	**45,397.30**	**100.00%**

Product-wise key metrics

Business vertical-wise yields (at the time of origination)

The following table sets forth the breakdown of our yields (at the time of origination) by business verticals, for the loans disbursed during the Fiscals indicated:

Particulars	**Fiscals**		
	2024	**2023**	**2022**
Retail Finance	**21.74%**	**22.40%**	**21.64%**
Vehicle Loans	21.06%	21.54%	20.46%
Personal Loans	23.94%	25.12%	25.22%
Mortgage Loans	12.10%	11.80%	11.03%
MSME Finance	**13.54%**	**14.10%**	**13.47%**
MSME Secured Loans	11.69%	11.81%	11.49%
MSME Unsecured Loans	18.23%	18.45%	18.34%
CIF	**11.57%**	**10.83%**	**10.82%**
Total	**19.34%**	**19.71%**	**18.50%**

Product-wise tenure

The following table sets forth the breakdown of the average tenure of our loans at the time of origination by business vertical, for the loans disbursed during the Fiscals indicated:

Particulars	**Fiscals**		
	2024	**2023**	**2022**
	(in months)		
Retail Finance	**50.94**	**51.95**	**47.10**
Vehicle Loans	32.80	30.74	29.40
Personal Loans	32.57	32.05	35.60
Mortgage Loans	231.00	258.41	209.22
MSME Finance	**108.79**	**101.00**	**88.00**
MSME Secured Loans	137.80	135.33	109.88
MSME Unsecured Loans	35.33	35.45	34.20
CIF	**36.21**	**21.71**	**21.39**
Total	**57.29**	**55.07**	**44.35**

Average ticket size on disbursement by product

The following table sets forth the breakdown of our average ticket size on disbursement by product, for the loans disbursed during the Fiscals indicated:

Particulars	**Fiscals**		
	2024	**2023**	**2022**
	(in ₹ million)		
Retail Finance	**0.13**	**0.09**	**0.10**

Particulars	Fiscals		
	2024	2023	2022
Vehicle Loans	0.09	0.08	0.07
Personal Loans	0.16	0.08	0.12
Mortgage Loans	2.17	1.76	1.56
MSME Finance	**4.94**	**4.05**	**4.36**
MSME Secured Loans	23.30	22.65	22.70
MSME Unsecured Loans	1.65	1.58	1.46
CIF	**976.34**	**996.06**	**890.30**

Breakdown of our AUM based on ticket size

The following table sets forth the breakdown of our AUM by ticket size (excluding Clearcorp Repo Order Matching System (CROMS) and loans that were bought out), in absolute amounts and as a percentage of our Total AUM, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total AUM*	*(in ₹ million)*	*Percentage of total AUM*	*(in ₹ million)*	*Percentage of total AUM*
Less than 1 million	23,131.75	4.61%	12,708.16	3.22%	10,017.20	3.07%
Between 1 and 5 million	80,796.67	16.11%	62,756.12	15.89%	48,047.83	14.74%
Between 5 and 100 million	100,730.80	20.08%	84,919.55	21.50%	68,836.90	21.12%
More than 100 million	296,945.42	59.20%	234,577.55	59.39%	199,053.51	61.07%
Total	**501,604.64**	**100.00%**	**394,961.39**	**100.00%**	**325,955.43**	**100.00%**

Breakdown of our Disbursements based on ticket size

The following table sets forth the breakdown of our disbursements by ticket size, in absolute amounts and as a percentage of our total disbursements, as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total disbursements*	*(in ₹ million)*	*Percentage of total disbursements*	*(in ₹ million)*	*Percentage of total disbursements*
Less than 1 million	222,393.36	64.53%	173,639.83	62.66%	120,744.72	61.29%
Between 1 and 5 million	36,862.26	10.70%	35,894.70	12.95%	17,438.16	8.85%
Between 5 and 100 million	34,008.59	9.87%	29,971.05	10.81%	12,663.35	6.43%
More than 100 million	51,368.27	14.91%	37,627.74	13.58%	46,152.72	23.43%
Total	**344,632.47**	**100.00%**	**277,133.32**	**100.00%**	**196,998.95**	**100.00%**

Sources of Funds

The following table sets forth details of our total borrowings by type of instrument as at the dates indicated:

Particulars	As at March 31,					
	2024		2023		2022	
	(in ₹ million)	*Percentage of total borrowings*	*(in ₹ million)*	*Percentage of total borrowings*	*(in ₹ million)*	*Percentage of total borrowings*
Debt Securities:						
Redeemable non-convertible debentures	28,813.15	6.24%	37,055.56	10.12%	27,194.78	9.48%
Commercial papers	38,224.00	8.28%	30,415.23	8.30%	32,615.66	11.37%
Debt Securities (A)	**67,037.15**	14.52%	**67,470.79**	18.42%	**59,810.44**	20.85%
Borrowing (other than Debt Securities):						
Term Loans:						
Term loan from banks and financial institutions (Secured)	275,849.73	59.75%	205,614.00	56.14%	183,717.24	64.06%
Term loan from banks - Foreign currency loan (Secured)	508.47	0.11%	773.17	0.21%	1,036.10	0.36%
External commercial borrowing (Secured)	47,597.31	10.31%	39,348.28	10.74%	8,623.12	3.01%
Loan repayable on demand from banks:						
Cash credit (Secured)	4,244.78	0.92%	3,193.70	0.87%	5,467.03	1.91%
Working capital demand loans (Secured)	23,150.11	5.01%	14,700.72	4.01%	17,613.20	6.14%
Working capital demand loans (Unsecured)	2,000.00	0.43%	2,000.00	0.55%	3,850.00	1.34%

Additional special refinance facility from National Housing Bank	5,053.50	1.09%	500.00	0.14%	0.00	0.00%
Borrowing (other than Debt Securities) (B)	**358,403.90**	77.63%	**266,129.87**	72.66%	**220,306.69**	76.82%
Subordinated Liabilities (Unsecured) (C)	36,253.71	7.85%	32,677.94	8.92%	6,680.17	2.33%
Total Borrowings (A+B+C)	**461,694.76**	100.00%	**366,278.60**	100.00%	**286,797.30**	100.00%

The following table sets forth details on total borrowings mix:

Particulars	As at March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Fixed rate borrowings	110,824.26	96,721.18	82,490.30
Interest payable (%)	8.17%	7.78%	6.27%
Floating rate borrowings	350,870.50	269,557.42	204,307.00
Interest payable (%)	8.79%	8.46%	7.02%
Total borrowings	461,694.76	366,278.60	286,797.30

Average cost of borrowings and tenure

The following table sets forth certain details on our average cost of borrowings and tenure:

Particulars	As of March 31,		
	2024	2023	2022
Average tenure *(in months)*	21.03	22.00	20.34
Average cost of borrowing *(%)*	7.95%	6.90%	6.37%

Productivity Ratios

Overall

The following table sets forth certain of our productivity ratios as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(in ₹ million unless otherwise indicated)		
Number of branches	140	81	82
Number of on-roll employees	4,469	3,589	2,617
AUM per branch *(in ₹ million)*	3,782.54	5,422.16	4,349.24
Disbursement per branch *(in ₹ million)*	2,515.58	3,599.13	2,592.12
Disbursement per branch per month *(in ₹ million)*	209.63	299.93	216.01
Disbursement per employee *(in ₹ million)*	77.12	77.22	75.28

Retail Finance

The following table sets forth certain of our productivity ratios for our Retail Finance vertical as at the dates indicated:

Particulars	As of March 31,		
	2024	2023	2022
	(in ₹ million)		
Number of on-roll employees - Sales and Credit	913	701	623
AUM per on-roll employee *(in ₹ million)*	369.40	374.21	320.49
Disbursement per month per on-roll employee *(in ₹ million)*	23.18	23.94	18.22

MSME Finance

The following table sets forth certain of our productivity ratios for our MSME Finance vertical for the dates indicated:

Particulars	As of March 31,		
	2024	2023	2022
	(in ₹ million)		
Number of on-roll employees - Sales and Credit	430	381	217
AUM per on-roll employee *(in ₹ million)*	250.69	222.61	283.48
Disbursement per month per on-roll employee *(in ₹ million)*	9.43	8.72	5.92

CIF

The following table sets forth certain of our productivity ratios for our CIF vertical for the dates indicated:

Particulars	As of March 31,		
	2024	2023	2022
	(in ₹ million)		
Number of on-roll employees - Sales and Credit	16	16	13
AUM per on-roll employee *(in ₹ million)*	3,742.56	3,147.78	5,103.49
Disbursement per month per on-roll employee *(in ₹ million)*	218.66	186.76	291.01

Collection Efficiency

The following table sets forth our collection efficiency for the Fiscals indicated:

Particulars	Fiscals		
	2024	2023	2022
Current	95.72%	95.79%	89.86%
0-30 days past due ("**DPD**")	94.36%	89.69%	74.00%
30-60 DPD	86.27%	93.08%	64.43%
60-90 DPD	91.54%	79.45%	60.53%
Over 90 DPD	69.05%	100.24%	44.55%
Collection efficiency	**94.42%**	**95.07%**	**83.00%**

Non-GAAP Measures

Certain non-GAAP financial measures relating to our financial performance 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, Ind AS, IFRS or US GAAP. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore a comparison of similarly titled non-GAAP measures or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting their usefulness as a comparative measure. The principal limitation of these non-GAAP measures is that they exclude significant expenses that are required by Ind AS to be recorded in our financial statements, as further detailed below. A reconciliation is provided below for each non-GAAP measure to the most directly comparable GAAP measure. Investors are encouraged to review the related GAAP measures and the reconciliation of non-GAAP measures to their most directly comparable GAAP measure included below and to not rely on any single financial measure to evaluate our business.

Investors are encouraged to review the related Ind AS financial measures and the reconciliation of the non-GAAP measures to their most directly comparable Ind AS financial measures and to not rely on any single financial measure to evaluate our business. Please see "*Risk Factors – Significant differences exist between Indian accounting standard and other accounting principles, such as international financial reporting standards and United States generally accepted accounting principles, which investors may be more familiar with and may consider material to their assessment of our financial condition*." on page 73. Please find below reconciliation of non-GAAP measures:

Reconciliation of Adjusted profit/(loss) after tax

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Restated Profit/(loss) after tax (A)	6,370.48	4,799.47	(1,918.98)
CCPS Cost (B)	3,486.90	3,100.52	-
Adjusted profit/(loss) after tax (C=A+B)	**9,857.38**	**7,899.99**	**(1,918.98)**

Reconciliation of Average Total Assets

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Opening Total Assets(A)	434,512.31	343,990.39	299,960.19
Closing Total Assets (B)	532,046.63	434,512.31	343,990.39
Average Total Assets (C = (A+B)/2)	**483,279.47**	**389,251.35**	**321,975.29**

Reconciliation of Average Total Gross Loans

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Opening Total Gross Loans (A)	414,972.68	329,508.05	274,749.29
Closing Total Gross Loans (B)	514,870.94	414,972.68	329,508.05
Average Total Gross Loans (C = (A+B)/2)	**464,921.81**	**372,240.37**	**302,128.67**

Reconciliation of Net Worth

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Equity Share Capital (A)	1,273.06	1,273.06	1,273.06
Other Equity (B)	56,386.64	51,161.34	46,402.14
Net Worth (C = A+B)	**57,659.70**	**52,434.40**	**47,675.20**

Reconciliation of average Net Worth

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Opening net worth (A)	52,434.40	47,675.20	49,677.52
Closing net worth (B)	57,659.70	52,434.40	47,675.20
Average Net Worth (C = (A+B)/2)	**55,047.05**	**50,054.80**	**48,676.36**

Reconciliation of Adjusted Net Worth

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Net Worth (A)	57,659.70	52,434.40	47,675.20
CCPS Value (B)	26,112.37	23,100.52	-
Adjusted Net Worth (C=A+B)	**83,772.07**	**75,534.92**	**47,675.20**

Reconciliation of Average Adjusted Net Worth

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Opening adjusted net worth (A)	75,534.92	47,675.20	49,677.52
Closing adjusted net worth (B)	83,772.07	75,534.92	47,675.20
Average Adjusted Net Worth (C = (A+B)/2)	**79,653.50**	**61,605.06**	**48,676.36**

Reconciliation of Total Gross Loans/ Adjusted Net Worth

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million, except percentages)		
Total Gross Loans (A)	514,870.94	414,972.68	329,508.05
Adjusted Net Worth (B)	83,772.07	75,534.92	47,675.20
Total Gross Loans / Adjusted Net Worth (%) (C = A/B)	**6.15**	**5.49**	**6.91**

Reconciliation of Average Total Gross Loans/Average Adjusted Net Worth

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million, except percentages)		
Average Total Gross Loans (A)	464,921.81	372,240.37	302,128.67
Average Adjusted Net Worth (B)	79,653.50	61,605.06	48,676.36
Average Total Gross Loans /Average Adjusted Net Worth (%) (C = A/B)	**5.84**	**6.04**	**6.21**

Reconciliation of Total Borrowings

	As at and for the Fiscal ended March 31,		
	2024	2023	2022

	(in ₹ million)		
Debt securities (A)	67,037.15	67,470.79	59,810.44
Borrowings (other than debt securities) (B)	358,403.90	266,129.87	220,306.69
Subordinated liabilities (C)	36,253.71	32,677.94	6,680.17
Total Borrowings (D = A+B+C)	**461,694.76**	**366,278.60**	**286,797.30**

Reconciliation of Average Total Borrowings

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Opening Total Borrowings (A)	366,278.60	286,797.30	240,353.59
Closing Total Borrowings (B)	461,694.76	366,278.60	286,797.30
Average Total Borrowings (C = (A+B)/2)	**413,986.68**	**326,537.95**	**263,575.45**

Reconciliation of Adjusted Total Borrowings

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Total Borrowings (A)	461,694.76	366,278.60	286,797.30
CCPS Value (B)	26,112.37	23,100.52	-
Adjusted Total Borrowings (C=A-B)	**435,582.39**	**343,178.08**	**286,797.30**

Reconciliation of Average Adjusted Total Borrowings

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Opening Adjusted Total Borrowings (A)	343,178.08	286,797.30	240,353.59
Closing Adjusted Total Borrowings (B)	435,582.39	343,178.08	286,797.30
Average Adjusted Total Borrowings (C = (A+B)/2)	**389,380.24**	**314,987.69**	**263,575.45**

Reconciliation of Return on Assets (ROA)

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Restated Profit/(loss) after tax (A)	6,370.48	4,799.47	(1,918.98)
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Return on Assets*(%)* (C = A/B*100)	**1.37%**	**1.29%**	**(0.64)%**

Reconciliation of Return on Equity (ROE)

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Restated Profit/(loss) after tax (A)	6,370.48	4,799.47	(1,918.98)
Average Net Worth (B)	55,047.05	50,054.80	48,676.36
Return on Equity *(%)* (C = A/B*100)	**11.57%**	**9.59%**	**(3.94)%**

Reconciliation of Adjusted ROA

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Adjusted Profit/(loss) after tax (A)	9,857.38	7,899.99	(1,918.98)
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Adjusted ROA*(%)* (C = A/B*100)	**2.12%**	**2.12%**	**(0.64)%**

Reconciliation of Adjusted ROE

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Adjusted Profit/(loss) after tax (A)	9,857.38	7,899.99	(1,918.98)
Average Adjusted Net Worth (B)	79,653.50	61,605.06	48,676.36

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
ROE (%) (C = A/B*100)	**12.38%**	**12.82%**	**(3.94)%**

Reconciliation of Net Asset Value per Equity share

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Net Worth (A)	57,659.70	52,434.40	47,675.20
Equity shares outstanding (B)	127.31	127.31	127.31
Net Asset Value per Equity share (C = A/B)	**452.92**	**411.87**	**374.49**

Reconciliation of Net Interest Income

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Interest Income (A)	74,793.81	57,196.00	42,418.66
Finance Cost (B)	30,973.64	21,739.50	16,785.23
Net Interest Income (C =A-B)	**43,820.17**	**35,456.50**	**25,633.43**

Reconciliation of Fee and Other Income

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Dividend income (A)	7.12	7.43	7.42
Profit on sale of investments (B)	647.01	856.25	434.39
Rental income (C)	-	1.07	17.28
Gain on derecognition of financial instruments under amortised cost category (D)	212.80	231.30	158.40
Net gain on fair value changes (E)	-	-	210.41
Insurance commission (F)	1,139.91	212.19	153.64
Others charges (G)	6,108.39	5,511.69	3,986.34
Total other income (H)	688.27	459.52	588.59
Fee and Other Income (I=A+B+C+D+E+F+G+H)	**8,803.50**	**7,279.45**	**5,556.47**

Reconciliation of Net Total Income

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Net Interest Income (A)	43,820.17	35,456.50	25,633.43
Fee and other income (B)	8,803.50	7,279.45	5,556.47
Net Total Income (C =A+B)	**52,623.67**	**42,735.95**	**31,189.90**

Reconciliation of Operating Expenses

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Net loss on fair value changes (A)	3,385.24	2,997.05	-
Employee benefits expenses (B)	6,927.15	5,421.45	3,563.05
Depreciation and amortization ('C)	659.64	379.31	331.90
Other expenses (D)	14,822.27	14,463.63	11,427.12
Operating Expenses (E=A+B+C+D)	**25,794.30**	**23,261.44**	**15,322.07**

Reconciliation of Adjusted Operating Expenses

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Operating Expenses (A)	25,794.30	23,261.44	15,322.07
CCPS Cost (B)	3,486.90	3,100.52	-

Adjusted Operating Expenses (C=A-B)	**22,307.40**	**20,160.92**	**15,322.07**

Reconciliation of Profit before Credit Cost (PBCC)

	Fiscal		
	2024	2023	2022
	(in ₹ million)		
Net Total Income (A)	52,623.67	42,735.95	31,189.90
Operating Expenses (B)	25,794.30	23,261.44	15,322.07
Profit before Credit Cost (C=A-B)	**26,829.37**	**19,474.51**	**15,867.83**

Reconciliation of Finance Cost Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Finance cost (A)	30,973.64	21,739.50	16,785.23
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Finance cost ratio (C = A/B)	**6.66%**	**5.84%**	**5.56%**

Reconciliation of Net Interest Margin (NIM)

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Net Interest Income (A)	43,820.17	35,456.50	25,633.43
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Net Interest Margin (%) (C = A/B)	**9.43%**	**9.53%**	**8.48%**

Reconciliation of Fee and Other Income Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Fee and Other Income (A)	8,803.50	7,279.45	5,556.47
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Fee and Other Income Ratio (C = A/B)	**1.89%**	**1.96%**	**1.84%**

Reconciliation of Net Total Income Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Net Total Income (A)	52,623.67	42,735.95	31,189.90
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Net Total Income Ratio (C = A/B)	**11.32%**	**11.48%**	**10.32%**

Reconciliation of Operating Expenses Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Operating Expenses (A)	25,794.30	23,261.44	15,322.07
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Operating Expenses Ratio (C = A/B)	**5.55%**	**6.25%**	**5.07%**

Reconciliation of Adjusted Operating Expenses Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Adjusted Operating Expenses (A)	22,307.40	20,160.92	15,322.07
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67

Adjusted Operating Expenses Ratio (C = A/B)	**4.80%**	**5.42%**	**5.07%**

Reconciliation of Profit before Credit Cost Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Profit before credit cost (C)	26,829.37	19,474.51	15,867.83
Average Total Gross Loans (D)	464,921.81	372,240.37	302,128.67
Profit Before Credit Cost Ratio (E = C/D)	**5.77%**	**5.23%**	**5.25%**

Reconciliation of Credit Cost Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Impairment on Financial Instruments (A)	17,223.90	12,122.30	18,408.11
Average Total Gross Loans (B)	464,921.81	372,240.37	302,128.67
Credit Cost Ratio (C = A/B)	**3.70%**	**3.26%**	**6.09%**

Reconciliation of Cost to Income Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Operating Expenses (A)	25,794.30	23,261.44	15,322.07
Net Total Income (B)	52,623.67	42,735.95	31,189.90
Cost to Income Ratio (C = A/B)	**49.02%**	**54.43%**	**49.13%**

Reconciliation of Cost to Income Ratio

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Adjusted Operating Expenses (A)	22,307.40	20,160.92	15,322.07
Net Total Income (B)	52,623.67	42,735.95	31,189.90
Adjusted Cost to Income Ratio (C = A/B)	**42.39%**	**47.18%**	**49.13%**

Reconciliation of NNPA

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million)		
Stage 3 Loans (A)	20,712.52	21,202.02	24,857.60
Stage 3 Impairment Allowance (B)	10,647.56	10,333.32	10,728.63
NNPA (C = A-B)	**10,064.96**	**10,868.70**	**14,128.97**

Reconciliation of NNPA Ratio (%)

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Total Gross Loans (A)	514,870.94	414,972.68	329,508.05
Stage 3 Impairment Allowance (B)	10,647.56	10,333.32	10,728.63
NNPA (C)	10,064.96	10,868.70	14,128.97
NNPA Ratio (D = C/(A-B))	**2.00%**	**2.69%**	**4.43%**

Provision Coverage Ratio (PCR)

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million except percentages)		
Stage 3 Impairment Allowance (A)	10,647.56	10,333.32	10,728.63
Stage 3 Loans (B)	20,712.52	21,202.02	24,857.60
Provision Coverage Ratio (PCR) (C = A/B)	**51.41%**	**48.74%**	**43.16%**

Reconciliation of Debt to Equity

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million, except as stated otherwise)		
Total Borrowings (A)	461,694.76	366,278.60	286,797.30
Net Worth (B)	57,659.70	52,434.40	47,675.20
Debt to Equity *(times)* **(C=A/B)**	**8.01**	**6.99**	**6.02**

Reconciliation of Adjusted Debt to Equity

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
	(in ₹ million, except as stated otherwise)		
Adjusted Total Borrowings (A)	435,582.39	343,178.08	286,797.30
Adjusted Net Worth (B)	83,772.07	75,534.92	47,675.20
Adjusted Debt to Equity *(times)* **(C = A/B)**	**5.20**	**4.54**	**6.02**

Reconciliation of Average Cost of borrowings

	As at and for the Fiscal ended March 31,		
	2024	2023	2022
Finance cost (A)	30,973.64	21,739.50	16,785.23
Average Adjusted Total Borrowings (B)	389,380.24	314,987.69	263,575.45
Average Cost of Borrowing (C = A/B)	**7.95%**	**6.90%**	**6.37%**

Reconciliation of interest-earning investments

	As of and for the fiscal year ended March 31,		
	2024	2023	2022
Commercial paper (A)	-	1,694.52	-
Certificate of deposits (B)	-	748.68	1,239.79
Treasury bills (C)	9,858.70	6,725.49	3,340.45
Government securities (D)	4,347.32	2,458.11	4,996.23
Corporate bonds (E)	263.60	4,356.34	1,050.38
Interest-earning investments (F=A+B+C+D+E)	**14,469.62**	**15,983.14**	**10,626.85**

Reconciliation of Total interest-earning assets

	As of and for the fiscal year ended March 31,		
	2024	2023	2022
Gross Loans (A)	514,870.94	414,972.68	329,508.05
Interest-earning Investments (B)	14,469.62	15,983.14	10,626.85
Balances with banks in term deposits with original maturity of 3 months or less (C)	702.83	5,274.56	8,110.04
Bank balance other than cash and cash equivalents (D)	590.68	412.17	1,645.17
Total interest-earning assets (E=A+B+C+D)	**530,634.07**	**436,642.55**	**349,890.11**

Reconciliation of Average interest-earning assets

	As of and for the fiscal year ended March 31,		
	2024	2023	2022
Opening interest-earning assets (A)	436,642.55	349,890.11	304,611.73
Closing interest-earning assets (B)	530,634.07	436,642.55	349,890.11
Average interest-earning assets (C = (A+B)/2)	**483,638.31**	**393,266.33**	**327,250.92**

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Price Waterhouse LLP
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji Park, Dadar (West),
Mumbai - 400 028

B R Maheswari & Co LLP
Chartered Accountants
M-118, Block M,
Connaught Place, New Delhi,
Delhi - 110 001

To

The Board of Directors
Hero FinCorp Limited
9, Community Centre
Basant Lok, Vasant Vihar
New Delhi-110057

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the Proposed Initial Public Offering of Hero FinCorp Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated July 27, 2024 with the Company.
2. We have examined the attached Restated Consolidated Financial Information, expressed in Indian Rupees in millions, of Hero FinCorp Limited (hereinafter referred to as the "Company" or the "Issuer") and its subsidiary, Hero Housing Finance Limited (the Company and its subsidiary together referred to as the "Group"), comprising :

   (a) the "Restated Consolidated Statement of Assets and Liabilities" as at March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure I);

   (b) the "Restated Consolidated Statement of Profit and Loss" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure II);

   (c) the "Restated Consolidated Statement of Changes in Equity" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure III);

   (d) the "Restated Consolidated Statement of Cash Flows" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure IV); and

   (e) the "Basis of Preparation, Material Accounting Policies", "Notes to the Restated Consolidated Financial Information" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure V & VI) and

   (f) the "Statement of Adjustments to Audited Consolidated Financial Statements" as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure VII);

   (hereinafter together referred to as the "Restated Consolidated Financial Information"), prepared by the management of the Company in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Proposed IPO" or "Issue") in accordance with the requirements of :

   i. Section 26 of the Companies Act, 2013, as amended from time to time (the "Act");

   ii. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

   iii. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The said Restated Consolidated Financial Information has been approved by the Board of Directors of the Company at their meeting held on July 29, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") and which we have signed under reference to this report.

Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, for the purpose of inclusion in the DRHP to be filed with SEBI, BSE Limited ("BSE"), and National Stock Exchange Limited ("NSE") in connection with the Proposed IPO, is the responsibility of the Management of the Company. The Restated Consolidated Financial Information have been prepared by the Management of the Company as per the basis of preparation stated in note 2 to the Restated Consolidated Financial Information in Annexure V. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Group complies with the Act, SEBI ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

4. Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information in accordance with the Guidance Note and other applicable authoritative pronouncements issued by the ICAI, pursuant to the requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Issue.
5. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. Our examination of the Restated Consolidated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America, standards of the Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.
7. The Restated Consolidated Financial Information, expressed in Indian Rupees in millions, has been prepared by the management of the Company from the Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (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 of the Company at their meetings held on May 3, 2024, May 1, 2023 and April 29, 2022, respectively.
8. For the purpose of our examination, we have relied on Auditors' reports issued by us on the consolidated financial statements of the Group as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 as referred in Paragraph 7 above, on which we issued an unmodified opinion vide our reports dated May 3, 2024, May 1, 2023 and April 29, 2022, respectively.

9. We have not audited any financial statements of the Company/Group as of any date or for any period subsequent to March 31, 2024. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company/Group as of any date or for any period subsequent to March 31, 2024.

Opinion

10. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the other auditor for the respective years as stated in paragraph 16 below, we report that the Restated Consolidated Financial Information :
    a. have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;
    b. have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors and regrouping/reclassifications retrospectively (as disclosed in Annexure VII to Restated Consolidated Financial Information) to reflect the same accounting treatment as per the accounting policies as at and for the year ended March 31, 2024, for all the reporting periods; and
    c. there are no qualifications in the auditors' reports which require any adjustments;
11. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 7 above.
12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on any financial statements of the Group.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Emphasis of Matter

14. The auditor's report dated April 29, 2022 issued by us on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2022 included an Emphasis of Matter paragraph, which has been reproduced below:

    "We draw attention to Note 44.2.4 to the consolidated financial statements, which describes the Management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Holding Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter."

    (Note 44.2.4 referred above has been reproduced as Note 44.2.4 to the Restated Consolidated Financial Information in Annexure VI).

Other Matter

15. As indicated in our audit reports referred in paragraph 8 above, we did not audit the financial statements of one subsidiary as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, whose share of total assets, net assets, total income, total comprehensive income (comprising of profit and other comprehensive income) and net cash inflows / (outflows) included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditor, GSA & Associates LLP, and whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor:

(Rs. In Million)

Particulars	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Total Assets	54,552.52	41,206.48	30,606.90
Net Assets	7,974.43	7,592.27	4,320.34
Total Income	5,690.38	4,205.51	3,116.74
Total comprehensive income (comprising of profit and other comprehensive income)	366.63	237.01	13.64
Net cash inflows/ outflows	(490.65)	189.25	(1,260.67)

Our opinion on the consolidated financial statements was not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

16. We did not examine, the restated financial information of one subsidiary whose share of total assets, net assets, total income, total comprehensive income (comprising of profit and other comprehensive income) and net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant years is tabulated below, which have been examined by the other auditor, GSA & Associates LLP, and whose examination report has been furnished to us by the Management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the examination report of the other auditor:

(Rs. In Million)

Particulars	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Total Assets	54,552.52	41,206.49	30,606.86
Net Assets	7,974.39	7,592.25	4,320.32

Total Income	5,690.39	4,205.50	3,115.71
Total comprehensive income (comprising of profit and other comprehensive income)	366.62	236.97	13.63
Net cash inflows/ outflows	(490.62)	190.49	(1,260.67)

The other auditor of the subsidiary as mentioned above, have confirmed to us that the restated financial information of the subsidiary:

(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, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed by the Company as at and for the year ended March 31, 2024;

(ii) there were no qualifications in the auditors' reports which require any adjustments; and

(iii) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note.

Restriction on Use

17. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the Proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI, BSE and NSE in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 24101119BKFODZ6091

Place Mumbai
Date: July 29, 2024

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm Registration Number:001035N/N500050

Sudhir Maheshwari
Partner
Membership Number: 081075
UDIN: 24081075BKFDKF7311

Place: Gurugram
Date: July 29, 2024

Hero FinCorp Limited

CIN - U74899DL1991PLC046774

Annexure I - Restated Consolidated Statement of Assets and Liabilities

(₹ in Millions)

Particulars	**Annexure VI Notes**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Assets				
Financial assets				
Cash and cash equivalents	4	987.84	7,501.40	8,744.94
Bank balance other than cash and cash equivalents	5	590.68	412.17	1,645.17
Derivative financial instruments	6	1,337.17	1,158.16	21.40
Trade receivables	7	49.21	13.02	19.56
Loans	8	498,804.70	398,712.69	313,410.39
Investments	9	18,959.56	17,474.94	11,729.80
Other financial assets	10	1,920.09	1,896.29	1,100.21
Non-financial assets				
Current tax assets (net)	11	1,555.44	1,474.14	1,166.46
Deferred tax assets (net)	12	3,690.19	3,761.54	4,336.78
Property, plant and equipment	13	1,810.04	675.90	495.24
Right-of-use assets	13.1	1,182.72	455.54	430.70
Intangible assets under development	13.2	7.50	27.60	7.92
Intangible assets	13.3	271.74	191.54	214.15
Other non-financial assets	14	879.75	757.38	667.67
Total assets		**532,046.63**	**434,512.31**	**343,990.39**
Liabilities and equity				
Liabilities				
Financial liabilities				
Trade payables:	15			
- Total outstanding dues of micro enterprises and small enterprises; and		7.31	24.75	28.36
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,382.72	4,960.24	3,019.71
Debt securities	16	67,037.15	67,470.79	59,810.44
Borrowings (other than debt securities)	17	358,403.90	266,129.87	220,306.69
Subordinated liabilities	18	36,253.71	32,677.94	6,680.17
Lease liabilities	19	1,272.39	523.99	484.82
Other financial liabilities	20	5,113.34	9,027.24	4,912.42
Non-financial liabilities				
Current tax liabilities (net)	21	408.54	10.34	-
Provisions	22	698.60	548.74	480.56
Other non-financial liabilities	23	748.67	660.14	567.44
Total liabilities		**474,326.33**	**382,034.04**	**296,290.61**

Hero FinCorp Limited
CIN - U74899DL1991PLC046774
Annexure I - Restated Consolidated Statement of Assets and Liabilities

(₹ in Millions)

Particulars	Annexure VI Notes	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Equity				
Equity share capital	24	1,273.06	1,273.06	1,273.06
Other equity	25	56,386.64	51,161.34	46,402.14
Non-controlling interests	25	60.60	43.87	24.58
Total equity		**57,720.30**	**52,478.27**	**47,699.78**
Total liabilities and equity		**532,046.63**	**434,512.31**	**343,990.39**
Material accounting policies	**3**			

The above Restated Consolidated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively appearing in Annexure - VII.

For and on behalf of the Board of Directors of
Hero FinCorp Limited

Abhimanyu Munjal
Managing Director & CEO
(DIN No. : 02822641)
Place: Gurugram
Date: July 29, 2024

Renu Munjal
Director
(DIN No. : 00012870)
Place: Dubai
Date: July 29, 2024

Sajin Mangalathu
Chief Financial Officer
Place: Gurugram
Date: July 29, 2024

Shivendra Suman
Company Secretary
Place: Gurugram
Date: July 29, 2024

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

For B R Maheswari & Co LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050

Sharad Vasant
Partner
Membership Number: 101119
Place: Mumbai
Date: July 29, 2024

Sudhir Maheshwari
Partner
Membership Number: 081075
Place: Gurugram
Date: July 29, 2024

Hero FinCorp Limited

CIN - U74899DL1991PLC046774

Annexure II -Restated Consolidated Statement of Profit and Loss

(₹ in Millions)

Particulars	Annexure VI Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income				
Revenue from operations	26			
Interest income		74,793.81	57,196.00	42,418.66
Dividend income		7.12	7.43	7.42
Profit on sale of investments (net)		647.01	856.25	434.39
Rental income		-	1.07	17.28
Gain on derecognition of financial instruments under amortised cost category		212.80	231.30	158.40
Net gain on fair value changes		-	-	210.41
Insurance commission		1,139.91	212.19	153.64
Others charges		6,108.39	5,511.69	3,986.34
Total revenue from operations		**82,909.04**	**64,015.93**	**47,386.54**
Other income	27	688.27	459.52	588.59
Total income		**83,597.31**	**64,475.45**	**47,975.13**
Expenses				
Finance costs	28	30,973.64	21,739.50	16,785.23
Net loss on fair value changes	26.1	3,385.24	2,997.05	-
Impairment on financial instruments	29	17,223.90	12,122.30	18,408.11
Employee benefits expenses	30	6,927.15	5,421.45	3,563.05
Depreciation and amortization	13	659.64	379.31	331.90
Other expenses	31	14,822.27	14,463.63	11,427.12
Total expenses		**73,991.84**	**57,123.24**	**50,515.41**
Restated profit/ (loss) before tax		**9,605.47**	**7,352.21**	**(2,540.28)**
Tax expense:	12			
(i) Current tax		3,074.62	1,977.01	270.34
(ii) Deferred tax/ (credit) (net)		160.37	575.73	(891.64)
Total tax expense		**3,234.99**	**2,552.74**	**(621.30)**
Restated profit/ (loss) after tax		**6,370.48**	**4,799.47**	**(1,918.98)**
Other comprehensive income/ (loss)				
a) Items that will not be reclassified to profit or loss:				
Remeasurement of gains/ (losses) on defined benefit plans	35	(14.32)	16.30	0.08
Income tax relating to items that will not be reclassified to profit or	12	4.44	(2.57)	0.41
Sub-total (a)		**(9.88)**	**13.73**	**0.49**
b) Items that may be reclassified to profit or loss:				
Cash flow hedge reserve		(333.77)	(7.56)	(20.19)
Income tax relating to items that may be reclassified to profit or los	12	84.58	3.06	2.82
Sub-total (b)		**(249.19)**	**(4.50)**	**(17.37)**
Restated other comprehensive income/ (loss) for the year, net of tax		**(259.07)**	**9.23**	**(16.88)**
Restated total comprehensive income/ (loss) for the year, net of tax		**6,111.41**	**4,808.70**	**(1,935.86)**
Restated profit/ (loss) for the year attributable to				
Owners of the Company		6,367.83	4,798.01	(1,919.10)
Non-controlling interest		2.65	1.46	0.12
Restated other comprehensive income/ (loss) for the year, net of tax, attributable to				
Owners of the Company		(259.11)	9.14	(16.82)
Non-controlling interest		0.04	0.09	(0.06)

Annexure II -Restated Consolidated Statement of Profit and Loss

(₹ in Millions)

Particulars	**Annexure VI Notes**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Restated total comprehensive income/ (loss) for the year, net of tax, attributable to				
Owners of the Company		6,108.61	4,807.11	(1,935.95)
Non-controlling interest		2.80	1.59	0.09
Restated earnings per equity share	32			
Equity shareholder of parent for the year:				
(Face value per share ₹ 10)				
Basic (in ₹)		50.04	37.70	(15.07)
Diluted (in ₹)		49.94	37.67	(15.07)
Material accounting policies	**3**			

The above Restated Consolidated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively appearing in Annexure - VII.

For and on behalf of the Board of Directors of
Hero FinCorp Limited

Abhimanyu Munjal
Managing Director & CEO
(DIN No. : 02822641)
Place: Gurugram
Date: July 29, 2024

Renu Munjal
Director
(DIN No. : 00012870)
Place: Dubai
Date: July 29, 2024

Sajin Mangalathu
Chief Financial Officer
Place: Gurugram
Date: July 29, 2024

Shivendra Suman
Company Secretary
Place: Gurugram
Date: July 29, 2024

This is the Restated Consolidated Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

For B R Maheswari & Co LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050

Sharad Vasant
Partner
Membership Number: 101119
Place: Mumbai
Date: July 29, 2024

Sudhir Maheshwari
Partner
Membership Number: 081075
Place: Gurugram
Date: July 29, 2024

Hero FinCorp Limited

CIN - U74899DL1991PLC046774

Annexure III -Restated Consolidated Statement of Changes in Equity

A. Equity share capital

For the year ended March 31, 2022 **(₹ in Millions)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,273.06	-	-	1,273.06

For the year ended March 31, 2023 **(₹ in Millions)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,273.06	-	-	1,273.06

For the year period March 31, 2024 **(₹ in Millions)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,273.06	-	#	1,273.06

Below rounding off norms.

B. Other Equity

(₹ in Millions)

Particulars	Reserves and surplus					Other comprehensive income/ (loss)		Stock options outstanding account	Total	Non-controlling interests
	Statutory reserve as per RBI Act	Statutory reserve as per NHB Act	Securities premium	General reserve	Retained earnings	Remeasurements of defined benefit plans	Cash flow hedge reserve			
As at April 1, 2021	**2,653.52**	**-**	**39,463.01**	**1,310.21**	**4,710.75**	**-**	**-**	**266.97**	**48,404.46**	**-**
Addition during the year*	-	-	-	-	-	-	-	-	-	24.53
Restated profit/ (loss) for the year	-	-	-	-	(1,919.10)	-	-	-	(1,919.10)	0.11
Restated other comprehensive income/ (loss) for the year, net of tax	-	-	-	-	-	0.49	(17.37)	-	(16.88)	(0.06)
Transfer to retained earnings	-	-	-	-	0.49	(0.49)	-	-	-	-
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(1,918.61)**	**-**	**(17.37)**	**-**	**(1,935.98)**	**24.58**
Dividend paid on equity shares	-	-	-	-	(127.31)	-	-	-	(127.31)	-
Transfer from retained earnings to statutory/ general reserve	-	4.19	-	-	(4.19)	-	-	-	-	-
Securities premium received	-	-	13.38	-	-	-	-	(13.38)	-	-
Share based payment charge	-	-	-	-	-	-	-	60.97	60.97	-
As at March 31, 2022	**2,653.52**	**4.19**	**39,476.39**	**1,310.21**	**2,660.64**	**-**	**(17.37)**	**314.56**	**46,402.14**	**24.58**
Addition during the year*	-	-	-	-	-	-	-	-	-	17.74
Restated profit/ (loss) for the year	-	-	-	-	4,798.01	-	-	-	4,798.01	1.46
Restated other comprehensive income/ (loss) for the year, net of tax	-	-	-	-	-	13.64	(4.50)	-	9.14	0.09
Transfer to retained earnings	-	-	-	-	13.64	(13.64)	-	-	-	-
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**4,811.65**	**-**	**(4.50)**	**-**	**4,807.15**	**19.29**
Dividend paid on equity shares	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings to statutory/ general reserve	914.71	45.26	-	-	(959.97)	-	-	-	-	-
Share issue expenses	-	-	(60.02)	-	-	-	-	-	(60.02)	-
Securities premium received	-	-	11.10	-	-	-	-	-	11.10	-
Share based payment charge	-	-	-	-	-	-	-	0.97	0.97	-
As at March 31, 2023	**3,568.23**	**49.45**	**39,427.47**	**1,310.21**	**6,512.32**	**-**	**(21.87)**	**315.53**	**51,161.34**	**43.87**

Hero FinCorp Limited

CIN - U74899DL1991PLC046774

Annexure III -Restated Consolidated Statement of Changes in Equity

(₹ in Millions)

Particulars	**Reserves and surplus**					**Other comprehensive income/ (loss)**		**Stock options outstanding account**	**Total**	**Non-controlling interests**
	Statutory reserve as per RBI Act	**Statutory reserve as per NHB Act**	**Securities premium**	**General reserve**	**Retained earnings**	**Remeasurements of defined benefit plans**	**Cash flow hedge reserve**			
As at April 1, 2023	**3,568.23**	**49.45**	**39,427.47**	**1,310.21**	**6,512.32**	**-**	**(21.87)**	**315.53**	**51,161.34**	**43.87**
Addition during the year*	-	-	-	-	-	-	-	-	-	9.62
Restated profit/ (loss) for the year	-	-	-	-	6,367.83	-	-	-	6,367.83	2.66
Restated other comprehensive income/ (loss) for the year, net of tax	-	-	-	-	-	(9.88)	(249.19)	-	(259.07)	0.04
Transfer to retained earnings	-	-	-	-	1.69	9.88	-	(11.57)	-	-
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**6,369.52**	**-**	**(249.19)**	**(11.57)**	**6,108.76**	**12.32**
Dividend paid on equity shares	-	-	-	-	(1,031.18)	-	-	-	(1,031.18)	-
Transfer from retained earnings to statutory/ general reserve	1,203.80	72.21	-	-	(1,276.01)	-	-	-	-	-
Share issue expenses	-	-	(2.50)	-	-	-	-	-	(2.50)	-
Securities premium received	-	-	0.08	-	-	-	-	-	0.08	-
Share based payment charge	-	-	-	-	-	-	-	154.55	154.55	-
Adjustment for changes in ownership interests	-	-	-	-	(4.41)	-	-	-	(4.41)	4.41
As at March 31, 2024	**4,772.03**	**121.66**	**39,425.05**	**1,310.21**	**10,570.24**	**-**	**(271.06)**	**458.51**	**56,386.64**	**60.60**

*During the year, the subsidiary company has allotted 5,80,500 (March 31, 2023: 17,72,500 and March 31, 2022: 24,55,000) fully paid equity shares of ₹ 10 each under employee stock option scheme.

Material accounting policies **3**

The above Restated Consolidated Statement of Changes in Equity should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively appearing in Annexure - VII.

For and on behalf of the Board of Directors of
Hero FinCorp Limited

Abhimanyu Munjal
Managing Director & CEO
(DIN No. : 02822641)
Place: Gurugram
Date: July 29, 2024

Renu Munjal
Director
(DIN No. : 00012870)
Place: Dubai
Date: July 29, 2024

Sajin Mangalathu
Chief Financial Officer
Place: Gurugram
Date: July 29, 2024

Shivendra Suman
Company Secretary
Place: Gurugram
Date: July 29, 2024

This is the Restated Consolidated Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

For B R Maheswari & Co LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050

Sharad Vasant
Partner
Membership Number: 101119
Place: Mumbai
Date: July 29, 2024

Sudhir Maheshwari
Partner
Membership Number: 081075
Place: Gurugram
Date: July 29, 2024

Hero FinCorp Limited

CIN - U74899DL1991PLC046774

Annexure IV -Restated Consolidated Statement of Cash Flows

(₹ in Millions)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Cash flow from operating activities**			
	Restated profit/ (loss) before tax	**9,605.47**	**7,352.21**	**(2,540.28)**
	Adjustments for:			
	Interest Income	(74,776.60)	(57,178.90)	(42,394.10)
	Finance Costs	30,973.60	21,739.60	16,785.40
	Depreciation and amortization	659.60	379.40	331.90
	Impairment on financial instruments	17,224.00	12,122.30	18,408.10
	Dividend income from investments	(7.10)	(7.40)	(7.40)
	Discount on commercial paper	111.50	49.10	31.00
	Employee share based payment expense	192.80	9.40	62.00
	Net loss on sale of property, plant and equipment	7.40	16.00	21.50
	Gain on derecognition of financial instruments under amortised cost category	(212.80)	(231.30)	(158.40)
	Net loss on fair value changes	3,385.20	2,997.10	(197.20)
	Profit on sale of investments	(647.00)	(856.40)	(447.60)
	Cash inflow from interest on loans	72,189.10	53,790.30	41,859.20
	Cash inflow from interest on fixed deposits	89.30	212.40	76.80
	Cash outflow towards finance costs	(27,586.80)	(18,050.90)	(15,854.80)
	Operating profit before working capital changes	**31,207.67**	**22,342.91**	**15,976.12**
	Working capital adjustments			
	(Increase)/ Decrease in trade receivables	(87.68)	6.71	58.60
	Increase in loans	(115,806.76)	(94,723.20)	(69,707.69)
	(Increase)/ decrease in bank balance other than cash and cash equivalents	(184.60)	1,188.40	(433.50)
	(Increase)/ decrease in other financial assets	189.20	(553.40)	200.50
	Increase in derivative financial instruments	(515.10)	(1,151.30)	(30.40)
	Increase in other non financial assets	(165.40)	(62.70)	(315.40)
	Increase/ (decrease) in other financial liabilities	(3,950.60)	3,933.00	587.10
	Increase/ (decrease) in trade payables	(543.80)	1,937.40	471.30
	Increase in other non financial liabilities	88.80	98.96	121.50
	Increase in provisions	137.80	72.20	52.70
	Net cash used in operating activities before income tax	**(89,630.47)**	**(66,911.02)**	**(53,019.17)**
	Income tax paid (net of refund)	(2,757.80)	(2,274.20)	(1,098.50)
	Net cash used in operating activities (A)	**(92,388.27)**	**(69,185.22)**	**(54,117.67)**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment and intangible assets	(1,606.50)	(509.80)	(239.30)
	Proceeds from sale of property, plant and equipment	42.81	27.00	52.70
	Dividend received	7.10	7.40	7.40
	Interest received on investments	1,141.40	519.40	243.90
	Purchase of investments	(148,323.14)	(175,902.64)	(187,134.30)
	Sale of investments	147,440.40	171,117.30	195,221.70
	Net cash generated/ (used in) from investing activities (B)	**(1,297.93)**	**(4,741.34)**	**8,152.10**
C.	**Cash flow from financing activities**			
	Proceeds from conversion of partly paid equity shares to fully paid	0.20	-	-
	Proceeds from issue of equity shares of subsidiary to Non-controlling interest	6.10	18.10	24.60
	Proceeds from issue of compulsorily convertible preference shares	-	20,000.00	-
	Share issue expenses paid	(2.50)	(60.00)	-
	Proceeds from issue of debt securities	53,490.00	51,059.00	55,811.30
	Repayment of debt securities	(56,237.60)	(45,481.50)	(40,548.60)
	Proceeds from issue of borrowings (other than debt securities)	239,073.70	190,051.00	168,286.60
	Repayment of borrowings (other than debt securities)	(147,857.40)	(145,552.00)	(139,677.00)

(₹ in Millions)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Proceeds from issue of subordinated liabilities	550.74	2,799.10	7.60
	Repayment of lease liability	(346.10)	(150.68)	(135.60)
	Dividend paid on equity shares	(1,029.40)	-	(127.03)
	Dividend paid on compulsorily convertible preference shares	(475.10)	-	-
	Net cash generated from financing activities (C)	**87,172.64**	**72,683.02**	**43,641.87**
D.	**Net increase/ (decrease) in cash and cash equivalents (A+B+C)**	**(6,513.56)**	**(1,243.54)**	**(2,323.70)**
	Cash and cash equivalents at the beginning of the year	7,501.40	8,744.94	11,068.64
	Cash and cash equivalents at the end of the year*	**987.84**	**7,501.40**	**8,744.94**
	*Components of cash and cash equivalents			
	Balances with banks (current accounts)	285.01	2,226.84	634.90
	Deposit with banks (original maturity less than three months)	702.83	5,274.56	8,110.04
		987.84	**7,501.40**	**8,744.94**

(i) The Restated Consolidated Statement of Cash Flows has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder. The borrowing from cash credit is revolving in nature and is disclosed on net basis under financing activities.

The above Restated Consolidated Statement of Cash Flow should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively appearing in Annexure - VII.

For and on behalf of Board of Directors
Hero FinCorp Limited

Abhimanyu Munjal
Managing Director & CEO
(DIN No. : 02822641)
Place: Gurugram
Date: July 29, 2024

Renu Munjal
Director
(DIN No. : 00012870)
Place: Dubai
Date: July 29, 2024

Sajin Mangalathu
Chief Financial Officer
Place: Gurugram
Date: July 29, 2024

Shivendra Suman
Company Secretary
Place: Gurugram
Date: July 29, 2024

This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

For B R Maheswari & Co LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050

Sharad Vasant
Partner
Membership Number: 101119
Place: Mumbai
Date: July 29, 2024

Sudhir Maheshwari
Partner
Membership Number: 081075
Place: Gurugram
Date: July 29, 2024

1. Corporate information

Hero FinCorp Limited (the "Holding Company" or the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on December 16, 1991. The Holding Company is registered as a Non-Banking financial (Non deposit accepting) Company, engaged in the business of financing, leasing, bill discounting and related financial services, with the Reserve Bank of India (Registration No. 14.00266). The address of the Holding Company's registered office is 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057, India. Hero Housing Finance Limited is the subsidiary of the Holding Company which is registered as a Housing Finance Company with National Housing Bank (NHB).

2. Basis of preparation

2.1 Statement of Compliance

The restated consolidated financial information of Hero FinCorp Limited and its subsidiary (the Company and its subsidiary together referred to as the "Group") comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, Notes to the Restated Consolidated Financial Information and Statement of Adjustments to Audited Consolidated Financial Statements (collectively referred as the "Restated Consolidated Financial Information").

These restated consolidated financial information have been prepared by the Management of the Holding Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with the proposed Initial Public Offering ("IPO") of its equity shares.

The restated consolidated financial information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

a. Section 26 Chapter III of the Companies Act 2013 (the "Act") as amended from time to time (the "Act"); and
b. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and
c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "ICAI") as amended from time to time (the "Guidance Note").

These Restated Consolidated Financial Information have been prepared by the Management from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standard (the "Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of Companies Act, 2013 (the 'Act'), other relevant provisions of the Act, Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI, Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 and directives and guidelines issued by Reserve Bank of India and National Housing Bank to the extent applicable, which have been approved by the Board of Directors of the Holding Company at their meetings held on May 03, 2024, May 01, 2023 and April 29, 2022, respectively.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information. These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of auditor's reports on the audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors, if any, and regrouping/ reclassifications retrospectively in the years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024.
(b) do not require any adjustment for qualification as there are no qualifications in the underlying audit reports which require any adjustments.

The restated consolidated financial information were approved and authorized by the Holding Company's Board of Directors on July 29, 2024.

2.2 Basis of measurement and presentation

These restated consolidated financial information have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer to accounting policies) such as defined benefit plans and other long term employee benefit plans measured at fair value, financial instruments carried at fair value through profit or loss and share-based payments. The methods used to measure fair value are discussed further in notes to restated consolidated financial information.

The Restated Consolidated Statement of Assets and Liabilities, the Restated Consolidated Statement of Change in Equity and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income) is presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ("NBFCs") that are required to comply with Ind AS. The Restated Consolidated Statement of Cash Flows has been presented as per the requirements of Ind AS 7, Statement of Cash Flows.

The restated consolidated financial information is prepared on a going concern basis as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.3 New Accounting Standards issued but not effective /Recent Accounting Developments

The Ministry of Corporate Affairs (MCA) on 31st March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, whereby certain important changes have been made to Indian Accounting Standards (Ind AS). The following changes are applicable from annual reporting periods beginning on or after 1 April 2023:

Amendments to Ind AS 12 Income Taxes - The amendment requires entities to recognize a separate deferred tax asset (DTA) and deferred tax liability (DTL) when the temporary differences arising on the initial recognition of an asset and liability are equal. An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented.

Amendments to Ind AS 1 Presentation of Financial Statements - The amendment replaces the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies. The amendments also clarify that accounting policy information is expected to be material if, without it, the users of the financial information would be unable to understand other material information in the financial information.

Amendments to Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - To clarify the interaction between an accounting policy and an accounting estimate, paragraph 32 of Ind AS 8 has been amended to state that: "An accounting policy may require items in financial information to be measured in a way that involves measurement uncertainty - that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such cases, an entity develops an accounting estimate to achieve the objective set out by the accounting policy".

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

2.4 Basis of consolidation

The Company is able to exercise control over the operating decisions of the investee Company, resulting in variable returns to the Company, and accordingly, the same has been classified as investment in subsidiary and line by line by consolidation has been carried under the principles of consolidation. The Consolidated financial information of the Group have been prepared on the following basis:

a) The audited financial statements of the Holding Company and its subsidiary have been combined on a line-by-line basis by adding together items like items of asset, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses, unless cost cannot be recovered.

b) Non-controlling interest (NCI) in the net assets of the subsidiary consist of the amount of equity attributable to the minority shareholders at the date on which investment in the subsidiary was made and further movement in their share in the equity, subsequent to the dates of investments. Net profit/ loss for the year of the subsidiary attributable to NCI is identified and adjusted against the net profit/loss of the Group to arrive at the profit/loss attributable to shareholders of the Group.

c) Following subsidiary company has been considered in the presentation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	% of shareholding		
				March 31, 2024	March 31, 2023	March 31, 2022
Hero Housing Finance Limited	Subsidiary	India	Company	99.24%	99.33%	99.47% (w.e.f. February 9, 2022, earlier it was 100%)

d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible, for all significant matters in the same manner as the Company's separate financial statements.

e) The restated financial information of the subsidiary are drawn up to the same reporting date as that of the Holding Company i.e. March 31, 2024, March 31, 2023 and March 31, 2022 to identify the adjustments to audited financial statements of the subsidiary Company.

2.5 Functional and presentation currency

Items included in the financial information of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

These restated consolidated financial information are prepared in Indian Rupees (INR), which is the functional and presentation currency of the Holding Company. All financial information presented in INR has been rounded to the nearest millions and two decimals thereof, except as stated otherwise.

2.6 Use of estimates and judgments

In the preparation of these restated consolidated financial information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may not be in line with these estimates. The estimates and underlying assumptions are under ongoing consideration. Revisions to accounting estimates are recognized prospectively.

Judgements, assumptions and estimation uncertainties

In the process of applying the Group's accounting policies, management has made the following estimates and judgments, which have a significant impact on the carrying amount of assets and liabilities at each balance sheet date:

Business model assessment

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Classification and measurement of financial assets depends on the results of the SPPI and 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 risks are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the 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.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is carried out in establishing fair values. Judgments and estimates take into account liquidity and model inputs associated with such items such as credit risk (own and counterparty), funding value adjustments, correlation and volatility.

Impairment of financial instruments

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 upon the Group's historical experience (to the extent available) and credit assessment including forward looking information.

The Group establishes criteria for determining whether credit risk of the financial assets has increased significantly since initial recognition, determines methodology for incorporating forward looking information into the measurement of expected credit loss ('ECL') and selection of models used to measure ECL.

Income on derecognized (assigned) loans

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS, based on the scheduled cash flow on execution of the transaction, discounted at the applicable rate, is recorded upfront in the statement of profit and loss.

Effective Interest Rate (EIR) method

The Group recognizes interest income/ expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes 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).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well as expected changes to Group's base rate and other fee income/expense that are integral parts of the instrument.

Measurement of defined benefit obligations: key actuarial assumptions

The measurement of obligations related to defined benefit plans requires the use of several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal rate, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

Recognition of deferred tax assets

The Holding Company has recognized deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.
The Subsidiary Company, while determining whether deferred tax assets should be recognized, performs the assessment based on the taxable projections i.e. whether future taxable income will be available against which unused tax losses and tax credits will be used. Considering existence of unused tax losses / credits, the Subsidiary Company has done the assessment and recognized deferred tax assets/ (liabilities) only to the extent it is probable that future taxable profits will be made available against unused tax losses and credits can be used.

Measurement of Provisions and contingencies

The Holding Company 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 business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Holding Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

2.7 Measurement of fair value

Group's certain accounting policies and disclosures require fair value measurement, for financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data to the extent possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. Material accounting policies

(a) Financial instruments

Initial recognition and measurement

Financial assets and liabilities are initially recognized at the trading date, i.e., which is the date on which the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets - Classification

On initial recognition, a financial asset is classified as measured at either of:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified after initial recognition, except if and during the period in which the Group changes its financial asset's business model.

A financial asset being 'debt instrument' is measured at the amortized cost, only if both of the following conditions are met and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to management;
- the risks that affect the performance of the business model (and the financial assets held within that business model). how those risks are managed and how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

If cash flows after initial recognition are realized in a way that is different from the original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group claim to cash flows from specified assets (e.g. non- recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the profit or loss. Any gain or loss on derecognition is recognized in the profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the profit or Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Derecognition

Financial asset – Derecognition due to substantial modification of terms and conditions

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired (POCI).

However, if the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Financial asset – Derecognition other than due to modification of terms and conditions

A financial asset, such as a loan to a customer, is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Collateral Repossession

The Group provides mortgage loans to individuals and Corporates. To mitigate the credit risk on financial assets, the Group seeks to use collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

In its normal course of business upon account becoming credit impaired, the Group physically repossess properties in its portfolio. Any surplus funds are returned to the customers/obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

Derecognition - Financial liability

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are amended and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(b) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost and financial assets measured at FVOCI- debt investments. At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is an "impaired credit" where one or more events that adversely impact the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default or being past due.
- the restructuring of a loan by the Group on terms that the Group would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organization;

The Group applies the ECL model in accordance with Ind AS 109 for recognizing impairment loss on financial assets. For recognizing impairment loss, the Group determines 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 used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is calculated on a collective basis for certain products, considering the retail nature of the underlying portfolio of financial assets.

The impairment methodology applied depends on whether there has been significant increase in credit risk. When determining whether the risk of default on the financial asset 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 a provision matrix which takes into account the Group's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset. The Group categories financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Impaired assets, i.e. more than 90 days past due

LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrower will default on their obligation in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Group.

The Group incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial information. The Group regularly reviews its models in the context of actual loss experience and make adjustments when such differences are significantly material.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss,

After initial recognition, trade receivables and other financial assets are subsequently measured at amortized cost using the effective interest method, less provision for impairment. The Group follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables and other financial assets, which requires lifetime ECL to be recognized at each reporting date, right from initial recognition of the receivables.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

(c) Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(d) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as financial liabilities. They are recognised initially at their transaction price, net of transaction costs, and subsequently measured at amortized cost using the effective interest method where the time value of money is significant.

(e) Property, plant and equipment

Initial recognition and measurement

The cost of an item of Property, plant and equipment is recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

Gains or losses arising from the retirement or disposal of a property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the profit or loss.
The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method as per useful life prescribed in Schedule II of the Act, and is generally recognized in the profit pr loss. Depreciation/ amortization is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale.

Based on technical evaluation and assessment of useful lives, the management believes that its estimate of useful lives represent the period over which management expects to use these assets.

Depreciation method, assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets for review and adjusted residual life prospectively.

(f) Intangible assets

Initial recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use. The Group's other intangible assets mainly include the value of computer software.

Amortization methods, estimated useful lives and residual value

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense of intangible assets with finite lives is presented as a separate line item in the profit or loss.

Amortization is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

- Computer software – 6 years

Subsequent expenditure is recognized as an increase in the carrying amount of the assets carried when it is probable that future economic benefit deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

(g) Impairment of non–financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Provisions and contingencies

A provision is recognized if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as a finance cost.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of an outflow of resources is remote.

Contingent assets are not recognized. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the year in which the change occurs.

(i) Revenue recognition

Interest income

Interest income on a financial asset at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fee received and cost incurred approximates the effective interest rate for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets (regarded as 'Stage 3') the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs). If the financial asset is no longer credit impaired i.e. all the outstanding dues are recovered, the company reverts to calculating interest income on a gross basis.

Other financial charges

Penal interest or other overdue charges which are not included in EIR are recognized on receipt basis.

Income on derecognised (Assigned) loans

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS, basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate, is recorded upfront in profit and loss.

Other Income

The Group recognizes 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. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations.

Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Group recognizes gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

(j) Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid 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. Benefits such as salaries, wages and bonuses etc., are recognized in the Restated Consolidated Statement of Profit and Loss in the period in which the employee provides the related service.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident Fund: Provident fund is a defined contribution plan. The Group expenses its contributions towards provident fund which are being deposited with the Regional Provident Fund Commissioner.

Superannuation Fund: Contributions are made to a scheme administered by the Life Insurance Corporation of India to discharge superannuating liabilities to the employees, a defined contribution plan, and the same is charged to profit or loss. The Group has no liability other than its annual contribution.

Defined benefit plans

The Group's gratuity scheme is an unfunded defined benefit plan. The Group pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The present value of obligations under such defined benefit plans are based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity period approximating to the terms of related obligations.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements. Changes due to service cost and net interest cost / income is recognized in profit or loss. Re-measurements of net defined benefit liability/ (asset) which comprise of actuarial gains and losses are recognized in other comprehensive income:

Other long term employee benefits

Benefits under compensated absences constitute other employee benefits. Employee entitlements to annual leave are recognized when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services provided by the eligible employees up to the Balance Sheet date. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Expenses are recognized immediately in the Restated Consolidated Statement of Profit and Loss.

Share based payments

The Group recognizes compensation expenses relating to share-based payments in net profit using fair value in accordance with Ind AS 102 - Share-based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding amount.

Equity-settled share-based payments:

The cost is recognized in employee benefits expenses together with a corresponding increase in employee stock option outstanding account in other equity, over the period in which the service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Group's best estimate of the number of equity instruments that will ultimately vest.
Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Non–market performance conditions are reflected within the grant date fair value.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions are not met.

Cash-settled share-based payments:

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on a straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

(k) Leases

Determining whether an arrangement contains a lease

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other considerations required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet.

Group as a lessor

Leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in profit or loss, . Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognize over the lease term on the same basis as rental income.

(l) Taxes

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.
Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.
Current tax assets and liabilities are offset at Company level only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Holding Company and its subsidiary has recognized deferred tax assets only to the extent that they have sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

In respect of tax deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

Goods and services tax input credit

Goods and services tax input credit is recognized in the books of account in the period in which the supply of goods or service is received and when there is no uncertainty in availing/utilizing the credits.

Expenses and assets are recognized net of the goods and services tax/value-added taxes paid, except:

- When the tax incurred on a purchase of assets or receipt of services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(m) Foreign Currency Transactions

Items included in the financial information of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Transactions in foreign currencies are translated into the functional currency of the Holding Company at the exchange rates prevailing on the date of the transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items are recognised in profit or loss. Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain/ loss is recognised in profit or loss.

(n) Dividends on ordinary shares

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is allowed when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(o) Borrowing at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs and amortized over the period of the facility to which it relates.

(p) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date of a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting policy

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in profit or loss.
When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense recognised in profit or loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to profit or loss.

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 relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

(q) Earnings per share

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, expect where the results are anti-dilutive.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group other components, and for which discrete financial information is available.

4. Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balances with banks (current accounts)	285.01	2,226.84	634.90
Deposit with banks (original maturity less than three months)	702.83	5,274.56	8,110.04
Total	**987.84**	**7,501.40**	**8,744.94**

5. Bank balance other than cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Dividend accounts (earmarked accounts)	5.66	4.27	4.87
Deposit with banks (original maturity more than three months)	151.30	-	1,248.84
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	433.72	407.90	391.46
Total	**590.68**	**412.17**	**1,645.17**

6. Derivative financial instruments

(₹ in Millions)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Notional amounts	Fair Value-Assets	Fair Value-Liabilities	Net Fair Value-Assets / (Liabilities)	Notional amounts	Fair Value-Assets	Fair Value-Liabilities	Net Fair Value-Assets / (Liabilities)
Currency derivatives:								
Currency swaps	47,597.31	1,404.87	66.60	1,338.27	39,348.28	1,231.26	72.63	1,158.63
Forwards	508.47	0.50	1.60	(1.10)	773.17	-	0.47	(0.47)
Total	**48,105.78**	**1,405.37**	**68.20**	**1,337.17**	**40,121.45**	**1,231.26**	**73.10**	**1,158.16**

(₹ in Millions)

Particulars	As at March 31, 2022			
	Notional amounts	Fair Value-Assets	Fair Value-Liabilities	Net Fair Value-Assets / (Liabilities)
Currency derivatives:				
Currency swaps	8,623.12	26.47	6.70	19.77
Forwards	1,036.10	2.25	0.62	1.63
Total	**9,659.22**	**28.72**	**7.32**	**21.40**

The Group enters into derivatives for risk management purposes (refer note 44.5). Derivatives held for risk management purposes include cash flow hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. Refer note 44.5 & 44.6 for foreign currency risk management and interest rate sensitivity on derivative financial instruments respectively.

7. Trade receivables

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Receivables considered good - secured	-	-	-
(ii) Receivables considered good - unsecured	49.21	13.02	19.56
(iii) Receivables which have significant increase in credit risk	-	-	-
(iv) Receivables - credit impaired	-	-	-
	49.21	13.02	19.56
Less : Impairment loss allowance		-	-
Total	**49.21**	**13.02**	**19.56**

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer note 39 for receivables from related parties.

Trade receivables - Ageing

As at March 31, 2024 **(₹ in Millions)**

Particulars	Outstanding for					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables-considered good	43.23	3.19	2.79	-	-	49.21
ii. Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed trade receivables- credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered good	-	-	-	-	-	-
v. Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
vi. Disputed trade receivables-credit impaired	-	-	-	-	-	-

As at March 31, 2023 **(₹ in Millions)**

Particulars	Outstanding for					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables-considered good	13.02	-	-	-	-	13.02
ii. Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed trade receivables- credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered good	-	-	-	-	-	-
v. Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
vi. Disputed trade receivables-credit impaired	-	-	-	-	-	-

As at March 31, 2022 **(₹ in Millions)**

Particulars	Outstanding for					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables-considered good	19.56	-	-	-	-	19.56
ii. Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed trade receivables- credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered good	-	-	-	-	-	-
v. Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
vi. Disputed trade receivables-credit impaired	-	-	-	-	-	-

There are no unbilled amount as at March 31, 2024, March 31, 2023 and March 31, 2022.

8. Loans

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Loans - Amortised cost			
Bills purchased and bills discounted	16,514.14	12,690.73	7,514.76
Term loans	485,069.48	382,257.91	318,980.65
Clearcorp Repo Order Matching System (CROMS)	13,266.31	20,006.99	3,000.33
Loans to employees	21.01	17.05	12.31
Total- Gross (A)	514,870.94	414,972.68	329,508.05
Less: Impairment loss allowance on loans	(16,066.24)	(16,259.99)	(16,097.66)
Total - Net (A)	**498,804.70**	**398,712.69**	**313,410.39**
B. Secured/ Unsecured			
(a) Secured by tangible assets	295,071.37	245,481.20	206,010.28
(b) Secured by other assets	13,591.03	13,808.29	16,390.56
(c) Unsecured	206,208.54	155,683.19	107,107.21
Total - Gross (B)	514,870.94	414,972.68	329,508.05
Less: Impairment loss allowance on loans	(16,066.24)	(16,259.99)	(16,097.66)
Total - Net (B)	**498,804.70**	**398,712.69**	**313,410.39**
C. Loans in India			
(a) Public sector	-	-	-
(b) Others	514,870.94	414,972.68	329,508.05
Total - Gross (C)	**514,870.94**	**414,972.68**	**329,508.05**
Less: Impairment loss allowance on loans	(16,066.24)	(16,259.99)	(16,097.66)
Total - Net (C)	**498,804.70**	**398,712.69**	**313,410.39**

8.1 Loans includes receivable from private companies in which a director is a director or a member (also refer note 39).

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured, considered good	1,077.46	2,145.00	1,968.20
Unsecured, considered good	-	500.00	2,257.50

8.2 Loans which are exclusively charged against Refinance Facility taken from National Housing Bank.

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Loans	7,328.30	716.80	-

8.3 No loans and advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) that are repayable on demand or without specifying any terms or period of repayment.

9. Investments

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A) In India			
At fair value through profit and loss			
In equity instruments (quoted)	6.47	3.22	3.14
In equity instruments (unquoted)	69.78	69.81	69.81
In preference instruments(quoted)	-	90.00	90.00
In alternative investment Fund (unquoted)	0.39	0.66	48.44
In mutual funds (unquoted)	4,413.30	1,300.20	861.06
In commercial paper (quoted)	-	1,694.52	-
In certificate of deposits (quoted)	-	748.68	1,239.79
In treasury bills (quoted)	9,858.70	6,725.49	3,340.45
In government securities (quoted)	4,347.32	2,458.11	4,996.23
In corporate bonds (quoted)	263.60	4,356.34	1,050.38
In security receipts (unquoted)	-	25.30	27.90
In optional Convertible debentures (unquoted)	-	2.61	2.60
Total- Gross	18,959.56	17,474.94	11,729.80
Less: Allowance for impairment	-	-	-
Total- Net	**18,959.56**	**17,474.94**	**11,729.80**

9.1 The Group does not have any investment outside India.

10. Other financial assets

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security deposits (at amortised cost) (unsecured, considered good)	132.70	139.46	39.79
Receivable from collection agency	1,140.29	1,407.29	827.64
Excess interest spread receivable	540.90	329.50	158.40
Other receivable	106.20	20.04	74.38
Total	**1,920.09**	**1,896.29**	**1,100.21**

11. Current tax assets (net)

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advance income tax	7,939.14	8,754.44	11,005.86
Less : Provision for tax	(6,383.70)	(7,280.30)	(9,839.40)
Total	**1,555.44**	**1,474.14**	**1,166.46**

12. Tax expenses & Deferred tax assets (net)

A. Amounts recognised in Restated Consolidated Statement of profit and loss

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax (a)			
Current year	2,952.04	1,978.82	230.75
Previous year	122.58	(1.81)	39.59
Deferred tax (b)			
Attributable to–			
Origination and reversal of temporary differences	160.37	575.73	(891.64)
Tax expense recognised in Restated Consolidated Statement of profit and loss	**3,234.99**	**2,552.74**	**(621.30)**

There is no income surrendered or disclosed as income during the current or previous years in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

B. Income tax recognised in other comprehensive income

(₹ in Millions)

	For the year ended March 31, 2024			For the year ended March 31, 2023		
Particulars	**Before tax**	**Deferred tax expense/ (benefit)**	**Net of tax**	**Before tax**	**Deferred tax expense/ (benefit)**	**Net of tax**
Remeasurements of defined benefit plans	(14.32)	4.44	(9.88)	16.30	(2.57)	13.73
Cash flow hedge reserve	(333.77)	84.58	(249.19)	(7.56)	3.06	(4.50)

(₹ in Millions)

	For the year ended March 31, 2022		
Particulars	**Before tax**	**Deferred tax expense/ (benefit)**	**Net of tax**
Remeasurements of defined benefit plans	0.08	0.41	0.49
Cash flow hedge reserve	(20.19)	2.82	(17.37)

C. Reconciliation of effective tax expense

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Restated profit/ (loss) before tax	**9,605.47**	**7,352.21**	**(2,540.28)**
Tax using the Company's domestic tax rate	2,422.21	1,857.83	(641.11)
Effect of:			
Unrecognised deferred tax assets	(93.66)	(64.30)	(3.55)
Non-deductible expenses and exempt income	919.16	786.58	9.76
Others	(12.72)	(27.37)	13.60
Effective tax expense	**3,234.99**	**2,552.74**	**(621.30)**

D. Recognised deferred tax assets and liabilities (Group)

(₹ in Millions)

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset / (liabilities)	
	As at March 31, 2024	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**
Provisions for employee benefit	154.46	121.90	-	-	154.46	121.90
Depreciation*	7.30	21.52	-	-	7.30	21.52
Impairment allowance on loans	3,764.99	3,889.53	-	-	3,764.99	3,889.53
Effect of EIR on interest income	(185.88)	(171.44)	-	-	(185.88)	(171.44)
Other temporary differences	56.59	52.43	107.27	152.40	(50.68)	(99.97)
Net deferred tax (assets)/ liabilities	**3,797.46**	**3,913.94**	**107.27**	**152.40**	**3,690.19**	**3,761.54**

(₹ in Millions)

	Deferred tax assets As at March 31, 2022	Deferred tax liabilities As at March 31, 2022	Net deferred tax asset / (liabilities) As at March 31, 2022
Provisions for employee benefit	107.40	-	107.40
Depreciation*	23.98	-	23.98
Impairment allowance on loans	3,953.67	-	3,953.67
Effect of EIR on interest income	244.12	-	244.12
Other temporary differences	178.71	171.10	7.61
Net deferred tax (assets)/ liabilities	**4,507.88**	**171.10**	**4,336.78**

In the absence of reasonable certainty as to its realisation of Deferred Tax Assets (DTA), the subsidiary company has not recognised net deferred tax assets of ₹ 33.50 millions as at March 31, 2024 (March 31, 2023: ₹ 125.00 millions; March 31, 2022: ₹ 189.40 millions).

E. Movement in deferred tax on temporary differences (recognised)

-In respect of Group

(₹ in Millions)

	Balance as at April 1, 2021	Recognised in profit or loss during 2021-22#	Recognised in OCI during 2021-22	Balance as at March 31, 2022
Provisions for employee benefit	95.37	11.62	0.41	107.40
Depreciation*	18.10	5.88	-	23.98
Impairment allowance on loans	3,084.72	868.95	-	3,953.67
Effect of EIR on interest income	210.01	34.11	-	244.12
Other temporary differences	2.18	2.61	2.82	7.61
Net deferred tax assets/ (liabilities)	**3,410.38**	**923.17**	**3.23**	**4,336.78**

This includes ₹ 31.53 millions adjustments related to earlier years, hence deferred tax charge in statement of profit and loss is ₹ 891.64 millions.

(₹ in Millions)

	Balance as at April 1, 2022	Recognised in profit or loss during 2022-23	Recognised in OCI during 2022-23	Balance as at March 31, 2023
Provisions for employee benefit	107.40	17.08	(2.57)	121.91
Depreciation*	23.98	(2.48)	-	21.50
Impairment allowance on loans	3,953.67	(64.22)	-	3,889.45
Effect of EIR on interest income	244.12	(415.47)	-	(171.35)
Other temporary differences	7.61	(110.64)	3.06	(99.97)
Net deferred tax assets/ (liabilities)	**4,336.78**	**(575.73)**	**0.49**	**3,761.54**

(₹ in Millions)

	Balance as at April 1, 2023	Recognised in profit or loss during 2023-24	Recognised in OCI during 2023-24	Balance as at March 31, 2024
Provisions for employee benefit	121.91	28.16	4.44	154.51
Depreciation*	21.50	(14.18)	-	7.32
Impairment allowance on loans	3,889.45	(124.50)	-	3,764.95
Effect of EIR on interest income	(171.35)	(14.53)	-	(185.88)
Other temporary differences	(99.97)	(35.32)	84.58	(50.71)
Net deferred tax assets/ (liabilities)	**3,761.54**	**(160.37)**	**89.02**	**3,690.19**

* Difference between Written Down Value (WDV) of property, plant and equipment and intangible assets as per books and under Income Tax Act 1961.

13. Property, plant and equipment

(₹ in Millions)

Particulars	Own use							Assets given on operating lease	Total
	Building	Plant and equipment	Furniture and fixtures	Vehicles	Data processing equipment	Office equipment	Leasehold Improvements	Vehicles	
Cost									
As at April 1, 2021	**35.81**	**9.44**	**33.28**	**302.08**	**493.83**	**45.11**	**3.50**	**142.16**	**1,065.21**
Additions during the year	-	1.58	5.10	52.32	127.50	13.42	-	-	199.92
Disposals during the year	-	-	-	42.38	1.62	2.99	-	123.16	170.15
As at March 31, 2022	**35.81**	**11.02**	**38.38**	**312.02**	**619.71**	**55.54**	**3.50**	**19.00**	**1,094.98**
Additions during the year	-	-	1.60	177.48	202.30	6.85	9.62	-	397.85
Disposals during the year	-	-	-	72.54	5.60	0.65	-	19.00	97.79
As at March 31, 2023	**35.81**	**11.02**	**39.98**	**416.96**	**816.41**	**61.74**	**13.12**	**-**	**1,395.04**
Additions during the year	-	34.20	107.05	338.39	304.31	185.93	492.77	-	1,462.65
Disposals during the year	-	-	-	66.80	66.17	9.60	-	-	142.57
As at March 31, 2024	**35.81**	**45.22**	**147.03**	**688.55**	**1,054.55**	**238.07**	**505.89**	**-**	**2,715.12**
Depreciation									
As at April 1, 2021	**2.30**	**2.84**	**6.28**	**105.30**	**324.22**	**21.47**	**1.20**	**71.07**	**534.68**
Disposals during the year	-	-	-	15.49	1.37	2.73	-	69.09	88.68
Depreciation charge for the year	0.58	0.80	3.38	37.59	91.09	8.54	1.92	9.84	153.74
As at March 31, 2022	**2.88**	**3.64**	**9.66**	**127.40**	**413.94**	**27.28**	**3.12**	**11.82**	**599.74**
Disposals during the year	-	-	-	35.90	4.32	0.38	-	12.54	53.14
Depreciation charge for the year	0.59	0.88	3.89	39.31	113.72	10.11	3.32	0.72	172.54
As at March 31, 2023	**3.47**	**4.52**	**13.55**	**130.81**	**523.34**	**37.01**	**6.44**	**-**	**719.14**
Disposals during the year	-	-	-	29.38	57.43	0.50	-	-	87.31
Depreciation charge for the year	0.64	1.20	5.18	69.57	147.59	18.46	30.61	-	273.25
As at March 31, 2024	**4.11**	**5.72**	**18.73**	**171.00**	**613.50**	**54.97**	**37.05**	**-**	**905.08**
Net carrying amount									
As at March 31, 2022	**32.93**	**7.38**	**28.72**	**184.62**	**205.77**	**28.26**	**0.38**	**7.18**	**495.24**
As at March 31, 2023	**32.34**	**6.50**	**26.43**	**286.15**	**293.07**	**24.73**	**6.68**	**-**	**675.90**
As at March 31, 2024	**31.70**	**39.50**	**128.30**	**517.55**	**441.05**	**183.10**	**468.84**	**-**	**1,810.04**

(i) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
(ii) The title deed of the immovable property is held in the name of the Group.

13.1. Right-of-use assets

(₹ in Millions)

Particulars	Building
Cost	
As at April 1, 2021	**583.24**
Additions during the year	139.53
Disposals during the year	43.03
As at March 31, 2022	**679.74**
Additions during the year	152.00
Disposals during the year	91.04
As at March 31, 2023	**740.70**
Additions during the year	1,019.68
Disposals during the year	66.40
As at March 31, 2024	**1,693.98**
Accumulated amortization/ impairment	
As at April 1, 2021	**181.74**
Disposals during the year	43.01
Amortization charge for the year	110.31
As at March 31, 2022	**249.04**
Disposals during the year	85.64
Amortization charge for the year	121.76
As at March 31, 2023	**285.16**
Disposals during the year	60.54
Amortization charge for the year	286.64
As at March 31, 2024	**511.26**
Net carrying amount	
As at March 31, 2022	**430.70**
As at March 31, 2023	**455.54**
As at March 31, 2024	**1,182.72**

13.2. Intangible assets under development

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	7.50	27.60	7.92
Total	**7.50**	**27.60**	**7.92**

a) Intangible assets under development (IAUD) ageing schedule

(₹ in Millions)

IAUD	Amount in IAUD for a period of				
As at 31 March 2024	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	7.50	-	-	-	**7.50**
Projects temporarily suspended	-	-	-	-	-

(₹ in Millions)

IAUD As at 31 March 2023	Amount in IAUD for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	27.60	-	-	-	**27.60**
Projects temporarily suspended	-	-	-	-	-

(₹ in Millions)

IAUD As at 31 March 2022	Amount in IAUD for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	7.92	-	-	-	**7.92**
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects which whose completion is overdue or has exceeded its cost compared to its original plan.

13.3. Intangible assets

(₹ in Millions)

Particulars	Computer software
Cost	
As at April 1, 2021	**447.04**
Additions during the year	56.83
Disposals during the year	-
As at March 31, 2022	**503.87**
Additions during the year	62.40
Disposals during the year	-
As at March 31, 2023	**566.27**
Additions during the year	179.95
Disposals during the year	-
As at March 31, 2024	**746.22**
Accumulated amortization/ impairment	
As at April 1, 2021	**221.58**
Disposals during the year	-
Amortization charge for the year	68.14
As at March 31, 2022	**289.72**
Disposals during the year	-
Amortization charge for the year	85.01
As at March 31, 2023	**374.73**
Disposals during the year	-
Amortization charge for the year	99.75
As at March 31, 2024	**474.48**
Net carrying amount	
As at March 31, 2022	**214.15**
As at March 31, 2023	**191.54**
As at March 31, 2024	**271.74**

Note: The Group has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the current year or previous

14. Other non-financial assets

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Capital advances	15.34	31.17	4.29
Prepaid expenses	297.48	194.64	256.38
Balance with government authorities	171.10	163.60	104.12
Advance to vendor	13.28	9.20	5.76
Others	382.55	358.77	297.12
Total	**879.75**	**757.38**	**667.67**

15. Trade payables:

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises; and	7.31	24.75	28.36
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,382.72	4,960.24	3,019.71
Total	**4,390.03**	**4,984.99**	**3,048.07**

15.1 Disclosures relating to Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	7.31	24.75	28.36
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
Total	**7.31**	**24.75**	**28.36**

15.2 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

As at March 31, 2024 (₹ in Millions)

Particulars	Unbilled	Outstanding for				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	7.31	-	-	-	7.31
ii. Others	4,054.01	313.33	15.30	0.08	-	4,382.72
iii. Disputed Dues - MSME	-	-	-	-	-	-
iv. Disputed Dues - Others	-	-	-	-	-	-

As at March 31, 2023 **(₹ in Millions)**

Particulars	Unbilled	Outstanding for				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	22.78	1.97	-	-	-	24.75
ii. Others	4,586.69	285.75	87.80	-	-	4,960.24
iii. Disputed Dues - MSME	-	-	-	-	-	-
iv. Disputed Dues - Others	-	-	-	-	-	-

As at March 31, 2022 **(₹ in Millions)**

Particulars	Unbilled	Outstanding for				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	28.36	-	-	-	-	28.36
ii. Others	2,670.81	348.90	-	-	-	3,019.71
iv. Disputed Dues - MSME	-	-	-	-	-	-
v. Disputed Dues - Others	-	-	-	-	-	-

16. Debt securities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Debt securities (at amortised cost)			
Secured			
Redeemable non-convertible debentures (refer note 16.1, 16.2 and 16.3)	28,813.15	37,055.56	27,194.78
Unsecured			
Commercial papers (refer note 16.4 and 16.5)	38,224.00	30,415.23	32,615.66
Total	**67,037.15**	**67,470.79**	**59,810.44**
Debt securities in India	67,037.15	67,470.79	59,810.44
Debt securities outside India	-	-	-
Total	**67,037.15**	**67,470.79**	**59,810.44**

16.1 Terms of fully paid up privately placed secured redeemable non convertible debentures (NCD):

(₹ in Millions)

ISIN of NCD	Issue Date	Redemption Date	Interest Rate	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
				Number of NCDs	Amount	Number of NCDs	Amount	Number of NCDs	Amount
INE800X07014	5 March, 2019	10 May, 2022	Zero Percent (XIRR 9.10%)	-	-	-	-	220	220.00
INE957N07468	20 June, 2019	20 June, 2022	8.41%	-	-	-	-	1,100	1,100.00
INE957N07351	18 August, 2017	18 August, 2022	7.70%	-	-	-	-	850	850.00
INE957N07484	20 December, 2019	20 December, 2022	7.75%	-	-	-	-	1,000	1,000.00
INE957N07492	27 April, 2020	27 April, 2023	7.85%	-	-	3,500	3,500.00	3,500	3,500.00
INE800X07022	25 June, 2020	23 June, 2023	7.75%	-	-	1,000	1,000.00	1,000	1,000.00
INE957N07666	28 February, 2022	28 February, 2024	6.20%	-	-	1,500	1,500.00	1,500	1,500.00
INE957N07583	19 March, 2021	15 March, 2024	6.50%	-	-	1,000	1,000.00	1,000	1,000.00
INE957N07609*	20 May, 2021	20 May, 2024	3m T-bill + 2.00%	-	-	2,000	2,000.00	2,000	2,000.00
INE957N07534	3 November, 2020	21 May, 2024	Zero Percent (XIRR 6.38%)	250	250.00	250	250.00	250	250.00
INE957N07625	20 July, 2021	19 July, 2024	3m T-bill + 1.75%	2,150	2,150.00	2,150	2,150.00	2,150	2,150.00
INE957N07633	3 August, 2021	2 August, 2024	6.25%	2,000	2,000.00	2,000	2,000.00	2,000	2,000.00
INE957N07641	11 August, 2021	9 August, 2024	Zero Percent (XIRR 6.25%)	1,500	1,500.00	1,500	1,500.00	1,500	1,500.00
INE957N07724	13 December, 2022	13 August, 2024	Zero Percent (XIRR 8.28%)	1,390	1,390.00	1,390	1,390.00	-	-
INE957N07526	10 September, 2020	10 September, 2024	7.30%	1,500	1,500.00	1,500	1,500.00	1,500	1,500.00
INE800X07030	22 December, 2021	24 September, 2024	6.50%	750	750.00	750	750.00	750	750.00
INE957N07716	22 November, 2022	22 November, 2024	8.44%	2,650	2,650.00	2,650	2,650.00	-	-
INE957N07708	22 November, 2022	20 December, 2024	Zero Percent (XIRR 8.44%)	200	200.00	200	200.00	-	-
INE957N07740	30 December, 2022	30 December, 2024	8.25%	350	350.00	350	350.00	-	-
INE800X07048	9 February, 2022	7 February, 2025	3M TBILL + 2.20%	1,500	1,500.00	1,500	1,500.00	1,500	1,500.00
INE957N07617	14 July, 2021	15 April, 2025	Zero Percent (XIRR 6.57%)	500	500.00	500	500.00	500	500.00
INE957N07500	24 July, 2020	24 July, 2025	Zero Percent (XIRR 7.55%)	250	250.00	250	250.00	250	250.00
INE957N07682	29 July, 2022	29 July, 2025	7.99%	4,000	4,000.00	4,000	4,000.00	-	-
INE957N07542	3 November, 2020	3 November, 2025	6.95%	1,000	1,000.00	1,000	1,000.00	1,000	1,000.00
INE957N07567	19 January, 2021	19 January, 2026	Zero Percent (XIRR 6.90%)	250	250.00	250	250.00	250	250.00
INE957N07674	4 May, 2022	4 May, 2027	7.60%	3,000	3,000.00	3,000	3,000.00	-	-
INE957N07732	27 December, 2022	27 December, 2028	9.55%	2,500	2,500.00	2,500	2,500.00	-	-
INE957N07591	7 May, 2021	7 May, 2031	7.35%	250	250.00	250	250.00	250	250.00
INE800X07055	15 February, 2023	15 February, 2033	8.50%	2,500	250.00	2,500	250.00	-	-
INE957N07757	12 May, 2023	12 May, 2026	8.35%	5,000	500.00	-	-	-	-
INE957N07773	2 February, 2024	2 February, 2029	8.60%	2,500	250.00	-	-	-	-
Sub total				**35,990**	**26,990.00**	**37,490.00**	**35,240**	**24,070.00**	**24,070.00**

16.2 Terms of partly paid up privately placed secured redeemable non convertible debentures:

(₹ in Millions)

ISIN of NCD	Issue Date	Redemption Date	Interest Rate	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
				Number of NCDs	Amount	Number of NCDs	Amount	Number of NCDs	Amount
INE957N07658^	27 December, 2018	27 December, 2028	9.55%	-	-	-	-	2,500	2,000.00
Interest accrued on secured NCDs					1,831.51		1,830.76		1,137.32
EIR adjustments					(8.36)		(15.20)		(12.54)
Grand Total				**35,990**	**28,813.15**	**37,490**	**37,055.56**	**26,570**	**27,194.78**

*INE957N07609 was redeemed on May 19, 2023 as put option was exercised by the investor.

^ISIN till March 31, 2022 was INE957N07658, and till March 31, 2022 it was a partly paid up debenture, where during the year ended 31 March 2023 we received last tranche of this NCD.

16.3 The debentures are fully secured by first pari-passu charge by way of hypothecation of book debts and receivables.

16.4 Terms of Commercial papers.

Particulars	Repayment	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate (in %)	within 12 months	7.90% p.a. to 8.95%	6.07% p.a. to 8.36%	4.30% p.a. to 5.37% p.a.

16.5 Pursuant to SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Group has listed all the Commercial Papers on National Stock Exchange (NSE) outstanding as on January 1, 2020, within the timelines as given in the circular.

16.6 No non-convertible debentures and commercial papers is guaranteed by directors and/or others.

16.7 During the period presented there were no defaults in the repayment of principal and/or interest.

17. Borrowings (other than debt securities)

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
At amortised cost			
Term loan from banks and financial institutions (Secured) (refer note 17.1 and 17.2)	275,849.73	205,614.00	183,717.24
Term loan from banks - Foreign currency loan (Secured) (refer note 17.3)	508.47	773.17	1,036.10
External commercial borrowing (Secured) (refer note 17.4)	47,597.31	39,348.28	8,623.12
Loan repayable on demand from banks			
- Cash credit (Secured) (refer note 17.5)	4,244.78	3,193.70	5,467.03
- Working capital demand loans (Secured) (refer note 17.5)	23,150.11	14,700.72	17,613.20
- Working capital demand loans (Unsecured) (refer note 17.5)	2,000.00	2,000.00	3,850.00
Additional special refinance facility from National Housing Bank (refer note 17.6)	5,053.50	500.00	-
Total	**358,403.90**	**266,129.87**	**220,306.69**
Borrowings in India	310,806.59	226,781.59	211,683.57
Borrowings outside India	47,597.31	39,348.28	8,623.12
Total	**358,403.90**	**266,129.87**	**220,306.69**

17.1 Secured term loans from banks and financial institutions fully secured by a first pari-passu charge by way of hypothecation of book debts and receivables is as follows:

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured term loans (before interest accrued but not due and EIR adjustment)	275,486.20	205,563.73	181,974.38
Carrying interest rate (in %)	6.10% p.a to 9.68% p.a	6.05% p.a to 9.30% p.a	5.13% p.a. to 8.00% p.a.

17.2 Secured term loan from banks and financial institutions fully secured by an exclusive charge by way of hypothecation of specified/ identified receivables is as follows:

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured term loans (before interest accrued but not due and EIR adjustment)	-	-	1,665.04
Carrying interest rate (in %)	NA	NA	7.15%

Terms of repayment as at March 31, 2024:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Monthly	More than 3 years	84	5,468.29	65	3,801.62	45	2,047.23	111	1,423.75	**12,740.89**
Quarterly	2 to 3 Years	22	7,509.71	2	111.11	-	-	-	-	**7,620.82**
Quarterly	More than 3 years	366	65,239.98	334	58,530.82	276	43,055.46	505	45,896.15	**212,722.41**
Semi-annual	2 to 3 Years	1	1,000.00	2	2,000.00	1	1,000.00	-	-	**4,000.00**
Semi-annual	More than 3 years	21	9,789.85	6	2,847.22	2	625.00	2	625.00	**13,887.07**
Annually	More than 3 years	13	3,885.00	11	4,276.67	8	3,176.67	2	2,526.67	**13,865.01**
Bullet	2 to 3 Years	2	4,000.00	1	2,500.00	-	-	-	-	**6,500.00**
Bullet	More than 3 years	-	-	-	-	1	4,150.00	-	-	**4,150.00**
Interest accrued but not due										**581.58**
EIR Adjustments										**(218.05)**
	Total	**509.00**	**96,892.83**	**421.00**	**74,067.44**	**333.00**	**54,054.36**	**620.00**	**50,471.57**	**275,849.73**

Terms of repayment as at March 31, 2023:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Monthly	More than 3 years	88	5,968.26	88	5,968.26	69	4,301.59	164	4,471.04	**20,709.15**
Quarterly	2 to 3 Years	57	16,736.54	18	7,287.49	-	-	-	-	**24,024.03**
Quarterly	More than 3 years	225	32,668.03	196	30,697.28	158	23,827.39	334	26,254.64	**113,447.34**
Semi-annual	More than 3 years	36	15,564.82	26	9,387.80	9	2,680.56	-	-	**27,633.18**
Annually	More than 3 years	15	4,485.00	14	4,385.00	11	2,610.00	8	1,370.03	**12,850.03**
Bullet	2 to 3 Years	-	-	2	4,000.00	-	-	-	-	**4,000.00**
Bullet	More than 3 years	3	1,900.00	2	1,000.00	-	-	-	-	**2,900.00**
Interest accrued but not due										**271.37**
EIR Adjustments										**(221.10)**
	Total	**424.00**	**77,322.65**	**346.00**	**62,725.83**	**247.00**	**33,419.54**	**506.00**	**32,095.71**	**205,614.00**

Terms of repayment as at March 31, 2022:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Monthly	More than 3 years	72	4,415.70	72	4,415.67	72	4,415.65	191	4,641.13	**17,888.15**
Quarterly	2 to 3 Years	69	18,125.93	52	15,641.09	10	5,942.02	-	-	**39,709.04**
Quarterly	More than 3 years	127	18,323.02	109	13,920.64	75	10,789.41	113	11,538.87	**54,571.94**
Semi-annual	More than 3 years	40	15,822.09	34	15,631.50	23	9,254.48	5	2,347.22	**43,055.29**
Annually	More than 3 years	15	5,000.00	16	5,125.00	13	4,025.00	16	2,900.00	**17,050.00**
Bullet	2 to 3 Years	1	1,500.00	-	-	1	2,500.00	-	-	**4,000.00**
Bullet	More than 3 years	8	3,468.00	7	2,568.00	4	1,329.00	-	-	**7,365.00**
Interest accrued but not due										**165.50**
EIR Adjustments										**(87.68)**
	Total	**332.00**	**66,654.74**	**290.00**	**57,301.90**	**198.00**	**38,255.56**	**325.00**	**21,427.22**	**183,717.24**

17.3 Foreign currency loan are fully secured by a first pari-passu charge by way of hypothecation of book debts and receivables.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Carrying interest rate* (in %)	5.74% p.a. to 8.25% p.a.	4.52% p.a. to 5.13% p.a.	1.83% p.a. to 1.97% p.a.

*carrying Interest rate refers to rates based on SOFR/SORA plus spread as agreed with lender.

Terms of repayment as at March 31, 2024:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Annually	Upto 1 Year	1	250.00	-	-	-	-	-	-	**250.00**
Bullet*	Upto 1 Year	1	252.93	-	-	-	-	-	-	**252.93**
Interest accrued but not due										**5.68**
EIR adjustments										**(0.14)**
	Total	**2**	**502.93**	**-**	**-**	**-**	**-**	**-**	**-**	**508.47**

Terms of repayment as at March 31, 2023:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Annually	Upto 1 Year	1	375.00	-	-	-	-	-	-	**375.00**
Bullet*	Upto 1 Year	1	382.20	-	-	-	-	-	-	**382.20**
Interest accrued but not due										**16.17**
EIR adjustments										**(0.20)**
	Total	**2**	**757.20**	**-**	**-**	**-**	**-**	**-**	**-**	**773.17**

Terms of repayment as at March 31, 2022:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Annually	Upto 1 Year	1	500.00	-	-	-	-	-	-	**500.00**
Bullet*	Upto 1 Year	1	513.60	-	-	-	-	-	-	**513.60**
Interest accrued but not due										**23.42**
EIR adjustments										**(0.92)**
	Total	**2**	**1,013.60**	**-**	**-**	**-**	**-**	**-**	**-**	**1,036.10**

*The maturity of the instrument is categorized based on the terms of foreign currency loan and estimation of prepayment of the facility.

17.4 External commercial borrowings as secured by a first pari-passu charge by way of hypothecation of receivables.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Carrying interest rate* (in %)	4.94% p.a. to 7.16% p.a.	4.89% p.a. to 6.41% p.a.	1.46% p.a. to 1.96% p.a.

*carrying Interest rate refers to rates based on SOFR/SORA plus spread as agreed with lender.

Terms of repayment as at March 31, 2024:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Bullet	More than 3 years	8	11,088.35	11	31,634.55	1	1,506.14	2	3,012.38	**47,241.42**
Interest accrued but not due										**553.75**
EIR Adjustments										**(197.86)**
	Total	**8**	**11,088.35**	**11**	**31,634.55**	**1**	**1,506.14**	**2**	**3,012.38**	**47,597.31**

Terms of repayment as at March 31, 2023:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Bullet	More than 3 years	-	-	7	9,492.70	10	29,729.80	-	-	**39,222.50**
Interest accrued but not due										**446.31**
EIR Adjustments										**(320.53)**
	Total	**-**	**-**	**7**	**9,492.70**	**10**	**29,729.80**	**-**	**-**	**39,348.28**

Terms of repayment as at March 31, 2022:

Periodicity	Residual Maturity	Due within 1 Year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	No. of Instalments	Amount ₹ in Millions	Amount ₹ in Millions
	Original Maturity									
Bullet	More than 3 years	-	-	-	-	7	8,703.30	-	-	**8,703.30**
Interest accrued but not due										**28.82**
EIR Adjustments										**(109.00)**
	Total	**-**	**-**	**-**	**-**	**7**	**8,703.30**	**-**	**-**	**8,623.12**

17.5 As per the prevalent practice, cash credit facilities and working capital demand loans are renewed on a year to year basis and therefore, are revolving in nature. The secured facilities are secured by first pari-passu charge by way of hypothecation of receivables. Terms of repayment of cash credit facilities and working capital demand loans:

Particulars	Repayment	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Carrying interest rate				
- Cash credit facilities (Secured) (in %)	On Demand	7.82% p.a to 9.34% p.a	7.00% p.a to 9.50% p.a	4.75% p.a. to 8.10% p.a.
- Working capital demand loans (in %)	On Demand	6.95% p.a. to 9.23% p.a.	7.58% p.a. to 8.55% p.a.	4.40% p.a to 7.15% p.a.

17.6 Terms of additional special refinance facility from National Housing Bank (NHB) by subsidiary company**.**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Amount availed as refinance from NHB (in millions)	5,000.00	500.00	-
Carring interest rate (in %)	5.26% p.a. to 8.35% p.a.	5.25% p.a. to 8.50% p.a.	NA
Facilities are secured by	Exclusive charge by way of hypothecation of receivables.	Exclusive charge by way of hypothecation of receivables.	NA

17.7 No term loans, cash credit, working capital demand from banks and any other borrowing is guaranteed by directors and/or others.

17.8 During the periods presented, there were no defaults in the repayment of principal and/or interest.

17.9 The term loans have been applied for the purposes for which they were obtained except for ₹ 13,797.00 millions (March 31, 2023 : ₹ 13,118.10 millions; March 31, 2022: ₹ 3,900 millions;) which were pending to be utilised and temporarily parked in liquid assets as at March 31, 2024.

17.10 Quarterly returns or statements of receivable, current assets etc. filed by the Group with the banks, financial institutions or others are in agreement with the books of accounts, except the insignificant differences.

17.11 There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

18. Subordinated liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Subordinated liabilities (unsecured)			
At amortised cost			
Redeemable non-convertible debentures-Tier II (refer note 18.1 to 18.3)	10,141.34	9,577.42	6,680.17
Designated at fair value through profit or loss			
Compulsorily convertible preference shares (CCPS) (refer note 18.4 to 18.8) 36,363,636 CCPS of face value ₹ 550 each (March 31, 2023: 36,363,636 CCPS of face value ₹ 550 each, March 31, 2022: Nil)	26,112.37	23,100.52	-
Total	**36,253.71**	**32,677.94**	**6,680.17**
Subordinated liabilities in India	24,020.06	21,855.34	6680.17
Subordinated liabilities outside India	12,233.65	10,822.60	-
Total	**36,253.71**	**32,677.94**	**6,680.17**

18.1 Terms of repayment of non-convertible debentures-Tier II:

ISIN of NCD	Issue Date	Redemption Date	Interest Rate	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
				Number of NCDs	Amount ₹ in Millions	Number of NCDs	Amount ₹ in Millions	Number of NCDs	Amount ₹ in Millions
INE957N08011	15 September, 2015	15 September, 2025	9.35%	1,000.00	1,000.00	1,000	1,000.00	1,000	1,000.00
INE957N08029	3 August, 2016	3 August, 2026	8.98%	1,000.00	1,000.00	1,000	1,000.00	1,000	1,000.00
INE957N08037	20 June, 2017	18 June, 2027	8.52%	1,000.00	1,000.00	1,000	1,000.00	1,000	1,000.00
INE957N08045	6 December, 2018	24 November, 2028	9.81%	1,250.00	1,250.00	1,250	1,250.00	1,250	1,250.00
INE800X08012	28 December, 2018	28 December, 2028	9.50%	250.00	250.00	250	250.00	250	250.00
INE957N08052	5 February, 2020	5 February, 2030	8.85%	1,000.00	1,000.00	1,000	1,000.00	1,000	1,000.00
INE957N08060	4 March, 2020	4 March, 2030	8.49%	250.00	250.00	250	250.00	250	250.00
INE957N08078	11 December, 2020	11 December, 2030	7.65%	450.00	450.00	450	450.00	450	450.00
INE800X08020	5 March, 2021	5 March, 2031	7.85%	250.00	250.00	250	250.00	250	250.00
INE957N08086	18 July, 2022	16 July, 2032	8.65%	100.00	1,000.00	100	1,000.00	-	-
INE957N08094	21 October, 2022	21 October, 2032	8.65%	55.00	550.00	55	550.00	-	-
INE800X08038	25 November, 2022	25 November, 2032	8.75%	25.00	250.00	25	250.00	-	-
INE957N08102	1 December, 2022	1 December, 2032	8.65%	100.00	1,000.00	100	1,000.00	-	-
INE957N08110	5 January, 2024	5 January, 2034	9.00%	5,500.00	550.00	-	-	-	-
Interest accrued but not due				-	370.03	-	366.83	-	248.57
EIR adjustments				-	(28.69)	-	(39.41)	-	(18.40)
				12,230	**10,141.34**	**6,730**	**9,577.42**	**6,450**	**6,680.17**

18.2 No subordinated debts is guaranteed by directors and/or others.

18.3 During the period presented there were no defaults in the repayment of principal and/or interest.

18.4 During the year ended March 31, 2023, the Holding Company had allotted 36,363,636 Compulsorily Convertible Preference Shares (CCPS) (comprising of 17,036,363 Class A CCPS and 19,327,273 Class B CCPS) of face value of ₹ 550 each aggregating to ₹ 20,000 millions. As per Section 43 of the Companies Act, 2013, the preference shares are classified as part of Share Capital. However, as per Ind AS 32 'Financial Instruments: Presentation' and terms of conditions of such preference shares, they are required to be classified as a financial liability.
In accordance with Ind AS 32 'Financial Instruments: Presentation', the Holding Company had classified these CCPS as a financial liability and presented it in accordance with Schedule III division III of the Companies Act, 2013 (disclosed under the head of Subordinated liabilities). These CCPS are subsequently measured at fair value through profit or loss as per Ind-AS 109 requirements.

If the CCPS were classified in accordance with section 43 of the Companies Act, 2013 i.e., as equity, profit after tax for the year ended March 31 2024, would be higher by ₹ 3,486.90 millions (March 31, 2023: 3,100.52 millions), and total equity would be higher by ₹ 26,112.40 millions (March 31, 2023: ₹ 23,100.52 millions) and subordinated liabilities would be lower by ₹ 26,112.40 millions as at March 31, 2024 (March 31, 2023: ₹ 23,100.52 millions).

18.5 Each CCPS is a compulsorily and fully convertible preference share, convertible into Equity Shares, as per the terms and conditions as laid out in agreement. The holders of CCPS shall not be entitled to any voting rights with respect to such CCPS, except in accordance with the Companies Act, 2013.

18.6 Amount raised through issuance of CCPS has been used for purpose for which they are raised as stated in the agreement.

18.7 Subject to terms and conditions as laid out in agreement, the holder of each CCPS shall be entitled to receive dividends in cash annually, in respect of each CCPS, at minimum annual cumulative rate of 3% (Three Percent) on the face value of such CCPS upto the date of expiry of QIPO period. The board of directors has approved the payment of dividend of 3% p.a. per CCPS for the year ended March 31, 2024 and for the year ended March 31, 2023.

18.8 As per the terms of issuance of CCPS, in the event, QIPO is not completed on or prior to the expiry of QIPO period, the coupon for the CCPS will change to 16% p.a. from 3% p.a. after the expiry of QIPO period till the date of conversion of such CCPS.

19. Lease liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Lease liabilities (refer note 42)	1,272.39	523.99	484.82
Total	**1,272.39**	**523.99**	**484.82**

20. Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend (refer note 20.1)	5.65	4.31	4.87
Book overdrafts	1,596.26	6,239.36	2,338.92
Other payables			
Payable on purchase of property, plant and equipment and intangible assets	-	-	2.57
Salaries and wages payable	1,296.64	910.24	364.44
Security deposits	0.83	1.07	1.68
Margin money from customers	539.13	265.50	278.82
Others	1,674.83	1,606.76	1,921.12
Total	**5,113.34**	**9,027.24**	**4,912.42**

20.1 Unclaimed dividend does not include any amount outstanding as on March 31, 2024, March 31, 2023 and March 31, 2022 which are required to be credited to the Investor Education and Protection Fund.

21. Current tax liabilities (net)

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision for income tax	2,952.04	1,978.84	875.40
Less : Advance tax	(2,543.50)	(1,968.50)	(875.40)
Total	**408.54**	**10.34**	**-**

22. Provisions

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits			
-Provision for gratuity (refer note 35.2)	396.69	311.02	269.36
-Provision for compensated absences (refer note 35.3)	301.91	237.72	211.20
Total	**698.60**	**548.74**	**480.56**

23. Other non-financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unamortised interest on margin money deposits	295.80	146.11	115.23
Statutory dues payable	452.87	514.03	452.21
Total	**748.67**	**660.14**	**567.44**

24. Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount ₹ in Millions	Number of shares	Amount ₹ in Millions	Number of shares	Amount ₹ in Millions
Authorised						
Equity shares of ₹ 10 each	300,000,020	3,000.00	300,000,020	3,000.00	300,000,020	3,000.00
	300,000,020	3,000.00	**300,000,020**	**3,000.00**	**300,000,020**	**3,000.00**
Issued						
Equity shares of ₹ 10 each	127,306,674	1,273.07	127,306,674	1,273.07	127,306,674	1,273.07
	127,306,674	**1,273.07**	**127,306,674**	**1,273.07**	**127,306,674**	**1,273.07**
Subscribed and paid-up						
Equity shares of ₹ 10 each (fully paid up)	127,306,110	1,273.06	127,305,868	1,273.06	127,305,868	1,273.06
Equity shares of ₹ 10 each (partly paid up: ₹ 5 each)	564	#	806	#	806	#
Total	**127,306,674**	**1,273.06**	**127,306,674**	**1,273.06**	**127,306,674**	**1,273.06**

Below rounding off norms.

24.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount ₹ in Millions	Number of Shares	Amount ₹ in Millions	Number of Shares	Amount ₹ in Millions
Equity shares of ₹ 10 each (fully paid-up)						
Opening balance	127,305,868	1,273.06	127,305,868	1,273.06	127,305,868	1,273.06
Issued during the year	-	-	-	-	-	-
Converted into fully paid up during the year	242.00	#	-	-	-	-
Equity shares of ₹ 10 each (partly paid up: ₹ 5 each)						
Opening balance	806.00	#	806	#	806	#
Issued during the year	-	-	-	-	-	-
Converted into fully paid up share during the year Rs. 10 each	(242)	#	-	-	-	-
Outstanding at the end of the year	**127,306,674**	**1,273.06**	**127,306,674**	**1,273.06**	**127,306,674**	**1,273.06**

Below rounding off norms.

24.2 Terms/ rights, preference and restriction attached to equity shares of ₹ 10 each

(i) The Holding Company has only one class of equity share having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share held.

(ii) The dividend proposed by the Board of Directors which is subject to approval of shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.

(iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amount, in proportion to capital paid upon such equity share.

24.3 Detail of shareholder holding more than 5% shares in the Holding Company:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Equity shares						
Hero MotoCorp Ltd.	52,431,893	41.19	52,431,893	41.19	52,431,893	41.19
Bahadur Chand Investment Pvt. Ltd.	25,896,764	20.34	25,896,764	20.34	25,896,764	20.34
Otter Limited	12,882,170	10.12	12,882,170	10.12	12,882,170	10.12

Mr. Pawan Munjal (refer note 24.4 below)	3,608,812	2.83	3,608,812	2.83	3,608,812	2.83
Ms. Renu Munjal (refer note 24.4 below)	4,094,737	3.22	4,094,737	3.22	4,094,737	3.22
Ms. Santosh Munjal (refer note 24.4 below)	323,600	0.25	323,600	0.25	323,600	0.25
Mr. Suman Kant Munjal (refer note 24.4 below)	4,094,737	3.22	4,094,737	3.22	4,094,737	3.22
Total Brijmohan Lal Om Parkash (Partnership firm)	**12,121,886**	**9.52**	**12,121,886**	**9.52**	**12,121,886**	**9.52**

24.4 Holding shares on behalf of Brijmohan Lal Om Parkash (partnership firm).

24.5 Shareholding pattern of Promoters

S.No.	Particulars	As at March 31, 2024			As at March 31, 2023			As at March 31, 2022		
		No. of shares	Percentage of total shares (%)	Percentage of change during the year (%)	No. of shares	Percentage of total shares (%)	Percentage of change during the year (%)	No. of shares	Percentage of total shares (%)	Percentage of change during the year (%)
	Promoter:									
1	Hero MotoCorp Limited	52,431,893	41.19	-	52,431,893	41.19	-	52,431,893	41.19	-
2	Bahadur Chand Investments Private Limited	25,896,764	20.34	-	25,896,764	20.34	-	25,896,764	20.34	-
3	Brijmohan Lal Om Parkash (partnership Firm)	12,121,886	9.52	-	12,121,886	9.52	-	12,121,886	9.52	-
4	Hero Investcorp Private Limited	3,433,008	2.70	-	3,433,008	2.70	-	3,433,008	2.70	-
5	Pawan Munjal	592,259	0.47	-	592,259	0.47	-	592,259	0.47	0.25
6	Renu Munjal	410,740	0.32	-	410,740	0.32	-	410,740	0.32	-
7	Suman Kant Munjal	184,534	0.15	-	184,534	0.15	-	184,534	0.15	-
8	Abhimanyu Munjal	150,681	0.12	(0.12)	301,363	0.24	-	301,363	0.24	-
9	Renuka Munjal	16,373	0.01	-	16,373	0.01	-	16,373	0.01	-
	Promoter Group:									
1	Munjal Acme Packaging Systems Private Limited	1,921,968	1.51	-	1,921,968	1.51	-	1,921,968	1.51	-
2	Pawan Munjal Family Trust	790,394	0.62	-	790,394	0.62	-	790,394	0.62	-
3	RK Munjal and Sons Trust	790,394	0.62	-	790,394	0.62	-	790,394	0.62	-
4	Annuvrat Munjal	342,945	0.27	-	342,945	0.27	-	342,945	0.27	-
5	Sunil Kant Munjal	314,502	0.25	-	314,502	0.25	-	314,502	0.25	-
6	Survam Trust	243,905	0.19	-	243,905	0.19	-	243,905	0.19	-
7	Ujjwal Munjal	224,420	0.18	-	224,420	0.18	-	224,420	0.18	-
8	Rahul Munjal	224,166	0.18	-	224,166	0.18	-	224,166	0.18	-
9	Supria Munjal	190,978	0.15	-	190,978	0.15	-	190,978	0.15	-
10	Vasudha Dinodia	190,978	0.15	-	190,978	0.15	-	190,978	0.15	-
11	Akshay Munjal	187,324	0.15	-	187,324	0.15	-	187,324	0.15	-
12	Munjal Family Trust *	150,682	0.12	0.12	-	-	-	-	-	-
13	Radhika Uppal	104,805	0.08	-	104,805	0.08	-	104,805	0.08	-
14	Vidur Munjal	99,531	0.08	-	99,531	0.08	-	99,531	0.08	-
15	Geeta Anand	99,423	0.08	-	99,423	0.08	-	99,423	0.08	-
16	Aniesha Munjal	91,704	0.07	-	91,704	0.07	-	91,704	0.07	-
17	Vinod Ahuja HUF	37,000	0.03	-	37,000	0.03	-	37,000	0.03	-
18	Love Kumar Khosla	13,456	0.01	-	13,456	0.01	-	13,456	0.01	-
19	Vandana Raheja	7,204	0.01	-	7,204	0.01	-	7,204	0.01	-
20	Raj Kumari Khosla	2,088	0.00	-	2,088	0.00	-	2,088	0.00	-
21	Savita Grover	1,500	0.00	-	1,500	0.00	-	1,500	0.00	-
22	Bindu Gupta	20	0.00	-	20	0.00	-	20	0.00	-
23	Santosh Munjal	-	-	-	-	-	-	-	-	(0.25)

* Beneficial Owner of these shares is Abhimanyu Munjal.

24.6 There are no shares issued by way of bonus shares or issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the years ended March 31, 2024, March 31 2023 and March 31, 2022.

24.7 Employee stock options

Terms attached to stock options granted to employees are described in Note-46 regarding share based payments.

24.8 Compulsorily convertible preference shares (CCPS)

Refer note 18.4 to 18.8 for terms and rights attached to Compulsorily convertible preference shares (CCPS).

25. Other equity

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Securities premium			
Opening balance as at reporting date	**39,427.47**	**39,476.39**	**39,463.01**
Add: Additions during the year	0.08	11.10	13.38
Less: Share issue expenses	(2.50)	(60.02)	-
Closing balance as at reporting date	**39,425.05**	**39,427.47**	**39,476.39**
Statutory reserve as per RBI Act			
Opening balance as at reporting date	**3,568.23**	**2,653.52**	**2,653.52**
Add: Transferred from retained earnings	1,203.80	914.71	-
Closing balance as at reporting date	**4,772.03**	**3,568.23**	**2,653.52**
Statutory reserve as per NHB Act			
Opening balance as at reporting date	**49.45**	**4.19**	**-**
Add: Transferred from retained earnings	72.21	45.26	4.19
Closing balance as at reporting date	**121.66**	**49.45**	**4.19**
Stock options outstanding account			
Opening balance as at reporting date	**315.53**	**314.56**	**266.97**
Add: Charge during the year	154.55	0.97	60.97
Less: Transferred to security premium	(11.57)	-	(13.38)
Closing balance as at reporting date	**458.51**	**315.53**	**314.56**
General reserve			
Opening balance as at reporting date	**1,310.21**	**1,310.21**	**1,310.21**
Add: Transfer from retained earning	-	-	-
Closing balance as at reporting date	**1,310.21**	**1,310.21**	**1,310.21**
Other comprehensive income/ (loss)			
Opening balance as at reporting date	**-**	**-**	**-**
Add: Restated Other comprehensive income/ (loss) for the year	(9.88)	13.64	0.49
Less: Transferred to retained earnings	9.88	(13.64)	(0.49)
Closing balance as at reporting date	**-**	**-**	**-**
Cash flow hedge reserve			
Opening balance as at reporting date	(21.87)	(17.37)	-
Add: Changes in fair value of FVTOCI hedge instruments	(249.19)	(4.50)	(17.37)
Closing balance as at reporting date	**(271.06)**	**(21.87)**	**(17.37)**

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Retained earnings			
Opening balance as at reporting date	**6,512.32**	**2,660.64**	**4,710.75**
Add: Restated profit/ (loss) for the year	6,367.83	4,798.01	(1,919.10)
Add: Restated Other comprehensive income/ (loss) for the year	1.69	13.64	0.49
Less: Dividend paid on equity shares	(1,031.18)	-	(127.31)
Less: Transfers to general reserves	-	-	-
Less: Transfers to statutory reserve	(1,276.01)	(959.97)	(4.19)
Less: Adjustment for changes in ownership interests	(4.41)	-	-
Closing balance as at reporting date	**10,570.24**	**6,512.32**	**2,660.64**
Total	**56,386.64**	**51,161.34**	**46,402.14**

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-controlling interests			
Opening balance as at reporting date	**43.87**	**24.58**	**-**
Add: Addition during the year	9.62	17.74	24.53
Add: Restated profit/ (loss) for the year	2.66	1.46	0.11
Add: Restated Other comprehensive income/ (loss) for the year, net of tax	0.04	0.09	(0.06)
Less: Adjustment for changes in ownership interests in subsidiary	4.41	-	-
Closing balance as at reporting date	**60.60**	**43.87**	**24.58**

Nature of other equity:

Securities premium:
Securities premium is used to record the premium on issuance of shares. The securities premium can be utilised as per the provisions of the Companies Act, 2013.

Statutory reserve:
Statutory reserve is used to record reserve in accordance with section 45-IC of the Reserve Bank of India Act, 1934 and in accordance with section 29C of the NHB Act, 1987. The statutory reserves can be utilised for the purpose as specified by the RBI and NHB from time to time.

Stock options outstanding account:
Stock option outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Group for employees of the group. The reserve is used to recognise the fair value of the options issued to employees under Group's employee stock option plan. Refer note 46 for further detail of this plan.

General reserve:
Free reserve to be utilized as per provision of the Companies Act, 2013.

Cash flow hedge reserve

It represents the cumulative gains/ (losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Retained earnings:
Retained earnings is used to record profit/ (loss) for the year. This amount is utilised as per the provision of the Companies Act, 2013.

26. Revenue from operations

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on:			
- Loans (at amortised cost)	73,698.39	56,491.80	42,022.88
- Investments (FVTPL)	994.94	519.44	243.94
- Fixed deposits	100.48	184.76	151.84
Dividend income	7.12	7.43	7.42
Profit on sale of investments	647.01	856.25	434.39
Rental income	-	1.07	17.28
Gain on derecognition of financial instruments under amortised cost category	212.80	231.30	158.40
Net gain on fair value changes (refer note 26.1)	-	-	210.41
Insurance commission	1,139.91	212.19	153.64
Others charges	6,108.39	5,511.69	3,986.34
Total	**82,909.04**	**64,015.93**	**47,386.54**

26.1 Net gain/ (loss) on fair value changes

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss			
(i) On financial instruments designated at fair value through profit or loss	(3,486.90)	(3,100.52)	-
(ii) Others	101.66	103.47	210.41
Total net gain/ (loss) on fair value changes (A)	**(3,385.24)**	**(2,997.05)**	**210.41**
(B) Fair value changes			
(i) Unrealised gain/ (loss)	(3,385.24)	(2,997.05)	210.41
Total net gain/ (loss) on fair value changes (B)	**(3,385.24)**	**(2,997.05)**	**210.41**

27. Other income

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Fees on value added services	663.83	446.93	586.41
Other income	24.44	12.59	2.18
Total	**688.27**	**459.52**	**588.59**

28. Finance costs

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost			
- Interest on debt securities	4,681.71	3,942.51	2,621.27
- Interest on borrowings (other than debt securities)	25,349.22	17,060.82	13,518.28
- Interest on subordinated liabilities	837.49	691.07	581.15
- Interest on lease liabilities	105.22	45.10	39.83
- Others	-	-	24.70
Total	**30,973.64**	**21,739.50**	**16,785.23**

29. Impairment on financial instruments

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Impairment allowance (on loans measured at amortised cost)#	(192.00)	164.40	3,295.31
Settlement loss and bad debts written off *	17,415.90	11,957.90	15,112.80
Total	**17,223.90**	**12,122.30**	**18,408.11**
*Net off recoveries from bad debts written off	3,742.38	4,252.80	1,403.20
#Including reversal of impairment allowance as of the derecognition date	14,226.52	9,634.97	7,386.74

30. Employee benefits expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	6,143.22	4,923.97	3,181.80
Contribution to provident and other funds (refer note 35.1)	288.01	224.20	166.96
Employee share based payment expense (refer note 46)	288.28	85.26	64.98
Gratuity expense (refer note 35.2)	93.53	76.98	61.04
Staff welfare expenses	114.11	111.04	88.27
Total	**6,927.15**	**5,421.45**	**3,563.05**

31. Other expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	42.56	38.23	23.84
Rates and taxes	8.28	14.07	7.85
Insurance	152.17	151.12	92.86
Repairs and maintenance			
-Building	66.71	41.40	19.70
-Vehicle	4.13	3.18	1.72
-Others	1.00	-	0.47
Contractual staff cost	2,989.27	2,591.80	1,986.28
Recruitment and training	73.42	194.87	110.42
Loan processing fee	250.64	250.03	149.23
Communication	107.12	146.13	109.64
Printing and stationery	87.76	110.51	77.21
Bank charges	286.35	308.62	343.09
Travelling and conveyance	730.14	569.44	203.73
Loss on sale of property, plant and equipment (net)	12.44	15.97	28.82
Advertisement and marketing	428.09	335.31	71.72
Information technology	1,718.22	1,343.32	863.20
Loan collection charges	6,664.99	7,177.88	6,670.41
Legal and professional	735.73	843.97	356.87
Auditor's remuneration (refer note 31.1)	20.11	17.14	21.99
Expenditure towards corporate social responsibility (CSR) (refer note 31.2)	49.88	32.38	26.92
Miscellaneous*	393.26	278.26	261.15
Total	**14,822.27**	**14,463.63**	**11,427.12**

* Includes donation of ₹ 80.00 millions (March 31, 2023: ₹ Nil; March 31, 2022: ₹ Nil) made to Bharatiya Janata Party under section 182 of the Companies Act, 2013.

31.1: Auditor's remuneration

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Audit fee	11.90	9.50	9.50
Limited review	6.60	5.70	3.30
Certification fees	0.70	0.80	2.84
Others	-	-	5.35
Out of pocket expenses	0.91	1.14	1.00
Total	**20.11**	**17.14**	**21.99**

31.2: Expenditure on Corporate Social Responsibility (CSR)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
(a) Gross amount required to be spent by the Group during the year	46.40	11.70	57.31
(b) Amount approved by the Board to be spent during the year	49.90	43.90	57.31
(c) Amount spent during the year on:			
i) Construction/ acquisition of any assets	-	-	-
ii) On purpose other than (i) above	49.90	43.90	15.32
(d) Shortfall at the end of the year	-	-	11.59
(e) Total of previous years shortfall	-	11.59	-
(f) Reason for shortfall	-	-	-
(g) Nature of CSR activities	#	#	#
(h) Amount carried forward from previous year for setting off in the current year	-	-	30.40
(i) Excess amount spent during the year carried forward to subsequent year	3.50	20.61	-

(j) The company has spent excess/(short) amount and details of the same are as follows:

Financial Year	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Balance not carried forward to next year	Balance carried forward to next year
2021-22^	30.40	57.31	15.32	-	(11.59)
2022-23*	(11.59)	11.70	43.90	-	20.61
2023-24	-	46.40	49.90	-	3.50

^ The shortfall amounting to ₹ 11.59 million relates to the Holding Company.

* The excess amounting to ₹ 20.61 million relates to the Holding Company.

Promoting education including skill development.

32 Earning per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Restated net profit/ (loss) for the year (₹ in millions) **(A)**	6,370.48	4,799.47	(1,918.98)
Calculation of weighted average number of equity shares			
Number of equity shares outstanding at the beginning of the year	127,306,674	127,306,674	127,306,674
Number of equity shares issued during the year	-	-	-
Number of equity shares outstanding at the end of the year	127,306,674	127,306,674	127,306,674
Nominal value of equity share (in ₹)	10	10	10
Weighted average number of equity shares outstanding during the year **(B)**	127,306,273	127,306,271	127,306,271
Basic earnings per share of face value of ₹ 10 each **(A)/ (B)**	50.04	37.70	(15.07)
Weighted average number of potential dilutive equity shares **(C)**	127,560,202	127,423,670	127,448,798
Dilutive earnings per share of face value of ₹ 10 each **(A)/ (C)**	49.94	37.67	(15.07)
Weighted average number of equity shares (diluted)			
Weighted average number of equity shares outstanding during the year	127,306,273	127,306,271	127,306,271
Add: Number of potential equity share in respect of employee stock option scheme and partly paid up shares	253,929	117,399	142,527
Weighted average number of potential dilutive equity shares	127,560,202	127,423,670	127,448,798

33 Operating segments

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components, and for which discrete financial information is available. The Group is engaged in the business of financing, leasing and related financial services. The Group's activities/ business is reviewed from an overall business perspective, rather than reviewing its product/ services as individual standalone components. Thus, the Group has only one operating segment, and no reportable segments in accordance with Ind AS 108 Operating Segments.

a) The Group wide disclosures as required by Ind AS 108 are as follows;

Information about products and services:

The Group provides a wide portfolio of other financial products including two-wheeler loans, pre-owned car loans, loyalty personal loan, inventory funding, loan against property, housing loan, loans to SMEs and emerging corporates etc.

The break-up of revenue from interest income and other income is provided in note 26.

b) Revenue from external customers

The entire income of the Group is generated from customers who are domiciled in India.

c) Revenue from external customer

The Group does not derives revenues, from any single customer, amounting to ten per cent or more of Group’s revenues.

34 Investment in subsidiary

The restated consolidated financial information include the financial information of Holding Company and its subsidiary. Group does not have any joint ventures or associates.

	Net assets, i.e. total asset minus total liability					
	As at March 31, 2024		**As at March 31, 2023**		**As at March 31, 2022**	
	Amount ₹ in Millions	**As % of consolidated net assets**	**Amount ₹ in Millions**	**As % of consolidated net assets**	**Amount ₹ in Millions**	**As % of consolidated net assets**
Parent						
Hero FinCorp Limited	57,755.48	100.17%	52,886.18	100.86%	48,379.46	101.48%
Subsidiary						
Hero Housing Finance Limited	7,974.42	13.83%	7,592.09	14.48%	4,320.32	9.06%
Inter Company	(8,009.60)	(13.89%)	(8,000.00)	(15.26%)	(5,000.00)	(10.49%)
Non controlling interest in subsidiary	(60.60)	(0.11%)	(43.87)	(0.08%)	(24.58)	(0.05%)
Total	**57,659.70**	**100.00%**	**52,434.40**	**100.00%**	**47,675.20**	**100.00%**

	Share in profit and loss					
	For the year ended March 31, 2024		**For the year ended March 31, 2023**		**For the year ended March 31, 2022**	
	Amount ₹ in Millions	**As % of consolidated profit & loss**	**Amount ₹ in Millions**	**As % of consolidated profit & loss**	**Amount ₹ in Millions**	**As % of consolidated profit & loss**
Parent						
Hero FinCorp Limited	6,019.19	94.52%	4,573.26	95.32%	(1,939.85)	101.08%
Subsidiary						
Hero Housing Finance Limited	361.03	5.67%	226.21	4.71%	20.87	(1.09%)
Inter Company	(9.74)	(0.15%)	-	-	-	-
Non controlling interest in subsidiary	(2.65)	(0.04%)	(1.46)	(0.03%)	(0.12)	0.01%
Total	**6,367.83**	**100.00%**	**4,798.01**	**100.00%**	**(1,919.10)**	**100.00%**

	Share in other comprehensive income					
	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount ₹ in Millions	As % of consolidated other comprehensive income	Amount ₹ in Millions	As % of consolidated other comprehensive income	Amount ₹ in Millions	As % of consolidated other comprehensive income
Parent						
Hero FinCorp Limited	(264.68)	102.14%	(1.51)	(16.48%)	(9.60)	57.07%
Subsidiary						
Hero Housing Finance Limited	5.61	(2.16%)	10.74	117.58%	(7.28)	43.28%
Non controlling interest in subsidiary	(0.04)	0.02%	(0.09)	(1.10%)	0.06	(0.35%)
Total	**(259.11)**	**100.00%**	**9.14**	**100.00%**	**(16.82)**	**100.00%**

	Share in total comprehensive income					
	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount ₹ in Millions	As % of consolidated total comprehensive income	Amount ₹ in Millions	As % of consolidated total comprehensive income	Amount ₹ in Millions	As % of consolidated total comprehensive income
Parent						
Hero FinCorp Limited	5,754.53	94.20%	4,571.80	95.10%	(1,949.50)	100.70%
Subsidiary						
Hero Housing Finance Limited	366.58	6.00%	236.91	4.93%	13.64	(0.70%)
Inter Company	(9.70)	(0.15%)	-	0.00%	-	-
Non controlling interest in subsidiary	(2.80)	(0.05%)	(1.60)	(0.03%)	(0.09)	0.00%
Total	**6,108.61**	**100.00%**	**4,807.11**	**100.00%**	**(1,935.95)**	**100.00%**

35 Retirement benefit plan

35.1 Defined contribution plan

The Group makes periodic contribution towards provident fund, superannuation fund and national pension scheme which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue. The amount recognized as expense towards such contributions are as follows:

(₹ in Millions)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Employer's contribution to provident fund	268.01	205.25	151.02
Employer's contribution to superannuation fund	10.00	9.42	8.58
Employer's contribution to national pension scheme	10.00	9.53	7.36
Total	**288.01**	**224.20**	**166.96**

35.2 Defined benefit plan

The Group operates an unfunded gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit vests after five year of continuous service. The benefit to employees is as per the plan rules or as per the Payment of Gratuity Act, 1972, whichever is earlier.

i) Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	311.02	269.36	223.38
Included in statement of profit and loss:			
Current service cost	70.74	59.17	47.30
Interest expense	22.79	17.81	13.74
Benefits paid	(22.18)	(19.02)	(14.98)
	71.35	**57.96**	**46.06**
Remeasurement gains/ (losses) in other comprehensive income (OCI)			
Actuarial loss/(gain) arising from :			
- demographic assumptions	(2.34)	(3.84)	(0.10)
- financial assumptions	12.12	(3.99)	(0.12)
- experience adjustment	4.54	(8.47)	0.14
	14.32	**(16.30)**	**(0.08)**
Other			
Contributions paid by the employer	-	-	-
Balance at the end of the year	**396.69**	**311.02**	**269.36**

Since the liability is not funded, therefore information with regards to the plan assets has not been furnished.

ii) Expense recognised in statement of profit and loss:

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	70.74	59.17	47.30
Net interest expense/(income)	22.79	17.81	13.74
Total	**93.53**	**76.98**	**61.04**

iii) Expense recognised in other comprehensive (income)/loss:

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement (gains)/ losses			
Actuarial loss/ (gain)arising from :			
- demographic assumptions	(2.34)	(3.84)	(0.10)
- financial assumptions	12.14	(4.00)	(0.12)
- experience adjustment	4.52	(8.46)	0.14
Total	**14.32**	**(16.30)**	**(0.08)**

iv) Plan characteristics and associated risks

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. increase in the maximum limit on gratuity of Rs. 2,000,000).

v) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages) of Holding Company:

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate	7.15%	7.30%	6.60%
Withdrawal rate			
Up to 30 years	22.00%	22.00%	24.00%
31 - 44 years	22.00%	22.00%	22.00%
Above 44 years	22.00%	22.00%	2.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age (years)	58	58	58
Future salary growth*	7-12%	7-12%	7-12%

*The estimate of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and relevant factors such as supply and demand in the employment market etc.

Principal actuarial assumptions at the reporting date (expressed as weighted averages) of Subsidiary Company:

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate	7.15%	7.40%	6.90%
Withdrawal rate	10%-15%	10.00%	10%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age (years)	58 years	58 years	58 years
Future salary growth*	10.00%	10.00%	10.00%

*The estimate of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and relevant factors such as supply and demand in the employment market etc.

vi) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(₹ in Millions)

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (- / + 1%)	382.31	412.33	300.11	322.81	255.34	285.39
Salary growth rate (- / + 1%)	411.18	382.93	322.13	300.46	284.69	255.65
Attrition rate (- / + 50%)	379.78	417.51	300.27	323.59	260.33	281.25
Mortality rate (- / + 10%)	396.69	396.68	310.98	310.98	269.44	269.48

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

vii) Expected contribution during the next annual reporting period

Since the scheme is managed on unfunded basis, the next year contribution is taken as Nil (March 31, 2023 : Nil; March 31, 2022 : Nil).

viii) Expected maturity analysis of the defined benefit plans in future years (valued on undiscounted basis) **(₹ in Millions)**

Duration (years)	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
within the next 12 months	154.13	136.62	108.10
Between 2 to 5 years	181.48	128.06	71.92
Above 5 years	205.09	159.82	243.97

As at March 31, 2024, the weighted-average duration of the defined benefit obligation was 3 years (March 31, 2023: 3 years; March 31, 2022: 5 years) for the Holding Company, 7 years (March 31, 2023: 8 years; March 31, 2022: 9 years) for the Subsidiary Company.

35.3 Other long term employee benefit plan

Other long term employee benefit plans comprises compensated absences. The Group operates compensated absences plan (earned leaves), where in every employee is entitled to the benefit equivalent to certain leaves for every completed year of service subject to maximum as prescribed in the policies. The same is payable during early retirement, withdrawal of scheme, resignation by employee and upon death of employee. The Holding Company also recognises sick leave provision, where in every employee is entitled to the benefit equivalent to 6 days salary for every completed year of service which is subject to maximum of 20 days accumulation of leaves. The amount of the provision is ₹ 301.91 millions (March 31, 2023: ₹ 237.72 millions; March 31, 2022: ₹ 211.20 millions) as per the actuarial report.

36 Maturity analysis of assets and liabilities

The table below shows a maturity analysis of assets and liabilities. Loans is net of impairment loss allowance on loans considering realisability, the amount recoverable from Stage 3 assets is classified under after 12 months.

(₹ in Millions)

Particulars	As at March 31, 2024			As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	987.84	-	987.84	7,501.40	-	7,501.40	8,744.94	-	8,744.94
Bank balance other than cash and cash equivalents	590.68	-	590.68	412.17	-	412.17	1,645.17	-	1,645.17
Derivative financial instruments	848.89	488.28	1,337.17	(0.47)	1,158.63	1,158.16	1.63	19.77	21.40
Trade receivables	49.21	-	49.21	13.02	-	13.02	19.56	-	19.56
Loans	222,306.47	276,498.23	498,804.70	188,143.07	210,569.62	398,712.69	149,519.40	163,890.99	313,410.39
Investments	18,883.35	76.21	18,959.56	17,298.74	176.20	17,474.94	11,503.22	226.58	11,729.80
Other financial assets	1,398.19	521.90	1,920.09	1,532.79	363.50	1,896.29	957.03	143.18	1,100.21
Non financial assets									
Current tax assets (net)	-	1,555.44	1,555.44	-	1,474.14	1,474.14	-	1,166.46	1,166.46
Deferred tax assets (net)	-	3,690.19	3,690.19	-	3,761.54	3,761.54	-	4,336.78	4,336.78
Property, plant and equipment	-	1,810.04	1,810.04	-	675.90	675.90	-	495.24	495.24
Right-of-use assets	-	1,182.72	1,182.72	-	455.54	455.54	-	430.70	430.70
Intangible assets under development	-	7.50	7.50	-	27.60	27.60	-	7.92	7.92
Intangible assets	-	271.74	271.74	-	191.54	191.54	-	214.15	214.15
Other non-financial assets	852.41	27.34	879.75	752.43	4.95	757.38	600.34	67.33	667.67
Total assets	**245,917.04**	**286,129.59**	**532,046.63**	**215,653.15**	**218,859.16**	**434,512.31**	**172,991.29**	**170,999.10**	**343,990.39**
Liabilities									
Financial liabilities									
Trade Payables									
(i) Total outstanding dues of micro enterprise and small enterprise	7.31	-	7.31	24.75	-	24.75	28.36	-	28.36
(ii) Total outstanding dues of creditors other than micro enterprise and small enterprise	4,382.72	-	4,382.72	4,878.84	81.40	4,960.24	3,019.71	-	3,019.71
Debt securities	54,032.10	13,005.05	67,037.15	40,772.77	26,698.02	67,470.79	36,595.16	23,215.28	59,810.44
Borrowing (other than debt securities)	139,492.30	218,911.60	358,403.90	98,487.12	167,642.75	266,129.87	94,783.50	125,523.19	220,306.69
Subordinated liabilities	370.03	35,883.68	36,253.71	357.70	32,320.24	32,677.94	240.90	6,439.27	6,680.17
Lease Liabilities	200.12	1,072.27	1,272.39	112.37	411.62	523.99	91.84	392.98	484.82
Other financial liabilities	4,465.90	647.44	5,113.34	8,776.10	251.14	9,027.24	4,742.65	169.77	4,912.42
Non financial liabilities									
Current tax liabilities (net)	408.54	-	408.54	10.34	-	10.34	-	-	-
Provisions	264.22	434.38	698.60	230.90	317.84	548.74	179.25	301.31	480.56
Other non - financial liabilities	518.04	230.63	748.67	518.61	141.53	660.14	485.43	82.01	567.44
Total liabilities	**204,141.28**	**270,185.05**	**474,326.33**	**154,169.50**	**227,864.54**	**382,034.04**	**140,166.80**	**156,123.81**	**296,290.61**
Net	**41,775.76**	**15,944.54**	**57,720.30**	**61,483.65**	**(9,005.38)**	**52,478.27**	**32,824.49**	**14,875.29**	**47,699.78**

37 Change in liabilities arising from financing activities

(₹ in Millions)

Particulars	As at April 1, 2023	Cash flows	Others	As at March 31, 2024
Debt securities*	67,470.79	(2,747.60)	2,313.96	67,037.15
Borrowings other than debt securities	266,129.87	91,216.30	1,057.73	358,403.90
Subordinated liabilities	32,677.94	75.64	3,500.13	36,253.71
Lease Liabilities	523.99	(346.10)	1,094.50	1,272.39
Total liabilities from financing activities	**366,802.59**	**88,198.24**	**7,966.32**	**462,967.15**

(₹ in Millions)

Particulars	As at April 1, 2022	Cash flows	Others	As at March 31, 2023
Debt securities*	59,810.44	5,577.50	2,082.85	67,470.79
Borrowings other than debt securities	220,306.69	44,499.00	1,324.18	266,129.87
Subordinated liabilities	6,680.17	22,799.10	3,198.67	32,677.94
Lease Liabilities	484.82	(150.68)	189.85	523.99
Total liabilities from financing activities	**287,282.12**	**72,724.92**	**6,795.55**	**366,802.59**

(₹ in Millions)

Particulars	As at April 1, 2021	Cash flows	Others	As at March 31, 2022
Debt securities*	43,496.72	15,262.70	1,051.02	59,810.44
Borrowings other than debt securities	191,784.88	28,609.60	(87.79)	220,306.69
Subordinated liabilities	6,677.70	7.60	(5.13)	6,680.17
Lease Liabilities	443.70	(135.60)	176.72	484.82
Total liabilities from financing activities	**242,403.00**	**43,744.30**	**1,134.82**	**287,282.12**

*Others in debt securities represent discount on commercial paper amortised during the year.

38 Contingent liabilities, commitments and leasing arrangements

38.1 Capital commitment

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for*	60.51	89.50	30.31
(ii) Undrawn committed credit lines	20,916.84	12,886.64	7,720.36
Total	**20,977.35**	**12,976.14**	**7,750.67**
*Net of advances paid	15.34	31.17	4.29

38.2 Contingent liability

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
VAT matters under appeal	2.00	2.00	5.31
Income tax matters			
Appeals/ Writ by the Group	1,126.17	3,121.07	2,986.33
Appeals by the Income tax department	3.30	3.30	3.28
Bank Guarantee*	5.00	5.00	5.00
Total	**1,136.47**	**3,131.37**	**2,999.92**

* The Group has provided bank guarantee to National Stock Exchange to comply with the requirement of Recovery Expense Fund as per SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

(a) The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Group towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Group will complete its evaluation and will give appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.

38.3 Litigations constitute the pending litigations filed by customers/vendors/ex-employees/others against the Group for service deficiency/title claims/monetary claims, etc. which is in the course of business as usual. Asides the above the Group in its rightful entitlement initiates appropriate legal proceedings for recovery of loan and enforcing security interest. A provision is created where an unfavourable outcome is deemed probable based on review of pending litigations with its legal counsels and assessment of such contingency as ‘low’, ‘medium’ or ‘high’. In respect of the open litigations, the Management believes that the outcome of such matters will not have a material adverse effect on the Group’s financial position, its operations and cash flows.

39 Related party transactions

List of Related parties where transactions have occurred during the year:

(a) Parties having significant influence over the Group:

Hero MotoCorp Limited
Bahadur Chand Investment Private Limited - Core Investment Company

(b) Subsidiary Company:

Hero Housing Finance Limited

(c) Key managerial personnel (KMP):

Mr. Pawan Munjal – Chairman
Ms. Renu Munjal – Managing Director*
Mr. Abhimanyu Munjal – Joint Managing Director & Chief Executive Officer**
Mr. Pradeep Dinodia - Non-Executive Director
Mr. Vivek Chaand Sehgal - Non-Executive Director (upto February 05, 2024)
Mr. Sanjay Kukreja - Non-Executive Director
Mr. Matthew Russell Michelini - Non-Executive Director (w.e.f August 03, 2022 upto February 05, 2024)
Mr. Jayesh Jain – Chief Financial Officer (upto May 21, 2023)#
Mr. Sajin Mangalathu - Chief Financial Officer (w.e.f August 04, 2023)#
Mr. Shivendra Kumar Suman – Company Secretary#
Mr. Amar Raj Singh Bindra - Non-Executive Director (w.e.f May 01, 2023)
Ms. Anuranjita Kumar - Non-Executive Director (w.e.f February 05, 2024)

*designated as Whole Time Director w.e.f May 3, 2024
**designated as Managing Director & CEO w.e.f May 3, 2024
identified as per the provisions of Companies Act, 2013

(d) Enterprises over which key management personnel and their relatives are able to exercise significant influence:-

Hero Investcorp Private Limited
Hero Solar Energy Private Limited
Brijmohan Lal Om Parkash (Partnership Firm)
Munjal Acme Packaging Systems Private Limited
Cosmic Kitchen Private Limited
Ather Energy Private Limited
Hero Wind Energy Private Limited
SR Dinodia & Co. LLP
Hero Mind Mine Institute Private limited
BML Munjal University
Motherson Auto Limited (upto February 05, 2024)
Motherson Lease Solution Limited (upto February 05, 2024)
Hamari Asha Foundation
Elvy Lifestyle Private Limited

A. Transactions with related parties during the year :

(a) Transaction with parties having significant influence over the Group

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Hero MotoCorp Limited			
Dividend received	0.18	0.10	0.13
Dividend paid	424.70	-	52.43
Dividend paid on compulsorily convertible preference shares	166.27	-	-
Lease rental received	-	1.10	17.28
Subvention income	28.83	30.60	87.41
Reimbursement for sale of operating lease vehicles	-	2.10	7.50
Issuance of compulsorily convertible preference shares	-	7,000.00	-
Bahadur Chand Investment Private Limited - Core Investment Company			
Dividend paid	209.76	-	25.90

(b) Enterprises over which key management personnel and their relatives are able to exercise significant influence

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cosmic Kitchen Private Limited			
Staff welfare expense and others	22.22	9.30	2.17
Business Promotion Expense	1.17	4.20	-
Brijmohan Lal Om Parkash (Partnership firm)			
Dividend paid	98.19	-	12.12
Dividend paid on compulsorily convertible preference shares	19.00	-	-
Issuance of compulsorily convertible preference shares	-	800.00	-
Hero Investcorp Private Limited			
Dividend paid	27.81	-	3.43
Munjal Acme Packaging Systems Private Limited			
Dividend paid	15.57	-	1.92
Ather Energy Private Limited			
Loan given (including interest capitalisation)	-	1,500.00	1,300.00
Loan repaid	1,067.47	1,338.00	444.66
Processing fees received	-	18.80	26.00
Interest received/accrued	216.55	171.60	249.74
Subvention income	5.53	-	-
Margin money paid	30.44	-	-
Other charges	-	-	0.22
Hero Solar Energy Private Limited			
Loan given (including interest capitalisation)	-	-	2,500.00
Loan repaid	502.15	1,760.80	250.00
Processing fees received	-	-	25.00
Interest received/accrued	5.80	182.30	163.79
Interest waiver	3.80	-	-
Motherson Lease Solution Limited			
Loan given	-	-	425.00
Loan repaid	-	425.80	-
Interest received/accrued	-	33.50	0.28
Dividend paid	0.39	-	-
Hero Wind Energy Private Limited			
Loan repaid	-	-	2,507.65
Interest received/accrued	-	-	201.96
Motherson Auto Limited			
Loan repaid	-	-	676.28
Interest received/accrued	-	-	40.17
Hero Mind Mine Institute Private limited			
Employee's training expense	0.95	2.20	4.80
SR Dinodia & Co. LLP			
Professional Fee	-	-	0.21
BML Munjal University			
Employee's training expense	4.36	-	2.18
Hamari Asha Foundation			
Induction Expense	0.19	-	-
Business Promotion Expense	2.71	-	-
Elvy Lifestyle Private Limited			
General Office Expense	0.34	-	-

(c) Transactions with key management personnel and their relatives:

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term employee benefits#**	457.44	318.00	223.84
Post–employment benefits#	-	-	-
Other long-term benefits#	-	-	-
Dividend paid	29.49	-	3.04
Director sitting fee/commission	12.70	2.40	3.37
Loan given	-	-	38.32
Loan repaid	-	-	168.87
Interest received/accrued	-	-	7.98
Reimbursement of expenses	0.51	-	-

Does not include gratuity and compensated absences as these are provided based on the Group as a whole.

** Includes variable pay/ commission on payment basis since accruals are made at the Group level and are subject to requisite approvals.

B. Outstanding balances at the year end:

(a) Parties having significant influence over the Group:

(₹ in Millions)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Hero MotoCorp Limited			
Amount receivable as at year end	0.51	0.20	0.64
Investment in equity shares	6.47	3.22	3.14
Issuance of compulsory convertible preference shares	7,000.00	7,000.00	-

(b) Enterprises over which key management personnel and their relatives are able to exercise significant influence

(₹ in Millions)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Brijmohan Lal Om Parkash (Partnership firm)			
Issuance of compulsory convertible preference shares	800.00	800.00	-
Ather Energy Private Limited			
Loan outstanding at the year end (receivable)	1,077.46	2,145.00	1,968.23
Outstanding margin money at the year end	24.38	54.82	-
Amount receivable as at year end	2.69	-	-
Hero Solar Energy Pvt Limited			
Loan outstanding at the year end (receivable)	-	500.00	2,257.52
Motherson Lease Solution Limited			
Loan outstanding at the year end (receivable)	-	-	425.28
Cosmic Kitchen Private Limited			
Outstanding expenses at the year	1.49	-	-

C. The following are the details of the transactions which were eliminated upon consolidation as per Ind AS 110 read with SEBI ICDR Regulations during the years ended March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Transactions entered during the years:			
Hero Housing Finance Limited			
Investment in equity shares	-	3,000.00	-
Purchase of property, plant and equipment	-	0.33	0.63
Sale of property, plant and equipment	12.73	0.83	0.89
Rental income	31.66	-	2.33
Other Income	28.51	34.39	43.76
Sourcing Commission Income	-	1.45	-
ESOP cross charge received	0.72	1.77	2.89
ESOP cross charge paid	-	-	0.15
(b) Outstanding balances at the year end:			
Hero Housing Finance Limited			
Investment in equity shares	8,000.00	8,000.00	5,000.00
Amount receivable as at year end	51.46	0.26	-

Notes:
1. Dividend related transactions are on actual payment/ receipt basis.

40 Capital

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI. The Group has complied in full with all its externally imposed capital requirements over the reported period.

40.1 Capital management

The primary objectives of Group's capital management policy are to ensure that the Group complies with regulatory capital requirements. The Group ensures adequate capital at all time and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flow are monitored, borrowing covenants are honoured and ratings are maintained.
Regulatory capital- related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed level. In accordance with such norms, Tier I capital of the Group comprises of share capital, compulsorily convertible preference shares, share premium, retained earnings, general reserve, statutory reserve, employee stock options outstanding account less deferred revenue expenditure, deferred tax assets and intangible assets (excluding right-of-use assets). The other component of regulatory capital is Tier II Capital Instruments, which include subordinate debt and impairment allowance on loans for stage 1 to the extent the same does not exceed 1.25 % of Risk Weight Assets. There were no changes in capital management process during the period presented.

41 Events after balance sheet date

There have been no significant events after the reporting date that requires disclosure in these restated consolidated financial information.

42 Leases

(i) Statement showing carrying value of right of use assets **(₹ in Millions)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	**455.54**	**430.70**	**401.58**
Additions	1,019.68	152.00	139.45
Deductions/ adjustments	5.86	5.40	-
Depreciation	286.64	121.76	110.33
At the year end	**1,182.72**	**455.54**	**430.70**

(ii) Amount recognized in Profit/ Loss **(₹ in Millions)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Depreciation charge for right-of-use assets	286.60	121.76	110.31
Interest expense (included in finance cost)	105.22	45.10	39.83
Variable lease payments	-	-	-
Income from sub-leasing right-of-use assets	-	-	-
Expenses related to short term leases and leases of low value assets	42.56	38.23	23.84

(iii) Maturity analysis of undiscounted lease liability **(₹ in Millions)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Less than one year	379.79	155.48	131.04
One to Five years	1,009.96	423.84	378.59
More than five years	179.63	72.24	70.70
Total Payments	**1,569.38**	**651.56**	**580.33**

(iv) Cash Flows **(₹ in Millions)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
The total cash outflow of leases	385.94	186.92	162.13

(v) Future Commitments **(₹ in Millions)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Future undiscounted lease payments to which leases are not commenced	61.61	819.36	-

43 Financial instruments

(a) Financial instruments by category and fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial information.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Millions)

As at March 31, 2024	Carrying amount					Fair value*		
	FVTPL	FVTOCI	Amortised Cost	Derivative instruments in hedging relationship	Total	Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents#	-	-	987.84	-	**987.84**	-	-	-
Bank balance other than cash and cash equivalents#	-	-	590.68	-	**590.68**	-	-	-
Derivative financial instruments	-	-	-	1,337.17	**1,337.17**	-	1,337.17	-
Trade receivables#	-	-	49.21	-	**49.21**	-	-	-
Loans	-	-	498,804.70	-	**498,804.70**	-	-	498,632.94
Investments##	18,959.56	-	-	-	**18,959.56**	4,419.76	14,469.62	70.18
Other financial assets#	-	-	1,920.09	-	**1,920.09**	-	-	-
	18,959.56	**-**	**502,352.52**	**1,337.17**	**522,649.25**	**4,419.76**	**15,806.79**	**498,703.12**
Financial liabilities								
Trade payables#								
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	7.31	-	**7.31**	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	4,382.72	-	**4,382.72**	-	-	-
Debt securities	-	-	67,037.15	-	**67,037.15**	-	-	67,008.33
Borrowing (other than debt securities)	-	-	358,403.90	-	**358,403.90**	-	-	358,244.48
Subordinated liabilities	26,112.37	-	10,141.34	-	**36,253.71**	-	-	36,150.58
Lease Liabilities#	-	-	1,272.39	-	**1,272.39**	-	-	-
Other financial liabilities#	-	-	5,113.34	-	**5,113.34**	-	-	-
	26,112.37	**-**	**446,358.15**	**-**	**472,470.52**	**-**	**-**	**461,403.39**

(₹ in Millions)

As at March 31, 2023	Carrying amount					Fair value*		
	FVTPL	FVTOCI	Amortised Cost	Derivative instruments in hedging relationship	Total	Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents#	-	-	7,501.40	-	**7,501.40**	-	-	-
Bank balance other than cash and cash equivalents#	-	-	412.17	-	**412.17**	-	-	-
Derivative financial instruments	-	-	-	1,158.16	**1,158.16**	-	1,158.26	-
Trade receivables#	-	-	13.02	-	**13.02**	-	-	-
Loans	-	-	398,712.69	-	**398,712.69**	-	-	399,655.82
Investments##	17,474.94	-	-	-	**17,474.94**	1,303.42	15,983.00	188.40
Other financial assets#	-	-	1,896.29	-	**1,896.29**	-	-	-
	17,474.94	**-**	**408,535.57**	**1,158.16**	**427,168.67**	**1,303.42**	**17,141.26**	**399,844.22**
Financial liabilities								
Trade payables#								
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	24.75	-	**24.75**	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	4,960.24	-	**4,960.24**	-	-	-
Debt securities	-	-	67,470.79	-	**67,470.79**	-	-	67,059.22
Borrowing (other than debt securities)	-	-	266,129.87	-	**266,129.87**	-	-	265,752.11
Subordinated liabilities	23,100.42	-	9,577.52	-	**32,677.94**	-	-	32,719.53
Lease Liabilities#	-	-	523.99	-	**523.99**	-	-	-
Other financial liabilities#	-	-	9,027.24	-	**9,027.24**	-	-	-
	23,100.42	**-**	**357,714.40**	**-**	**380,814.82**	**-**	**-**	**365,530.86**

(₹ in Millions)

As at March 31, 2022	Carrying amount					Fair value*		
	FVTPL	FVTOCI	Amortised Cost	Derivative instruments in hedging relationship	Total	Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents#	-	-	8,744.94	-	**8,744.94**	-	-	-
Bank balance other than cash and cash equivalents#	-	-	1,645.17	-	**1,645.17**	-	-	-
Derivative financial instruments	-	-	-	21.40	**21.40**	-	21.40	-
Trade receivables#	-	-	19.56	-	**19.56**	-	-	-
Loans	-	-	313,410.39	-	**313,410.39**	-	-	312,066.58
Investments##	11,729.80	-	-	-	**11,729.80**	864.20	10,626.85	238.66
Other financial assets#	-	-	1,100.21	-	**1,100.21**	-	-	-
	11,729.80	**-**	**324,920.27**	**21.40**	**336,671.47**	**864.20**	**10,648.25**	**312,305.24**
Financial liabilities								
Trade payables#								
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	28.36		**28.36**	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,019.71		**3,019.71**	-	-	-
Debt securities	-	-	59,810.44		**59,810.44**	-	-	59,129.15
Borrowing (other than debt securities)	-	-	220,306.69		**220,306.69**	-	-	220,262.82
Subordinated liabilities	-	-	6,680.17		**6,680.17**	-	-	6,818.21
Lease Liabilities#	-	-	484.82		**484.82**	-	-	-
Other financial liabilities#	-	-	4,912.42		**4,912.42**	-	-	-
	-	**-**	**295,242.61**		**295,242.61**	**-**	**-**	**286,210.18**

*This includes fair value of financial instruments subsequently measured at amortised costs for which fair value as at reporting date is disclosed as per requirements of Ind AS 107 Financial Instruments : Disclosures.

#The carrying amount of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, other financial assets, trade payable, lease liabilities and other financial liabilities approximates the fair value, due to their short-term nature except for security deposit, margin money received from customer for which fair value was calculated based on the discounted EIR.

The fair values disclosed are only in respect of investment carried at FVTPL.

(b) Changes in level 3 financial instruments (Valued at FVTPL)

(₹ in Millions)

	Financial Assets			Financial Liabilities		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance	188.40	238.66	352.00	23,100.42	-	-
Acquisitions during the year	-	-	30.50	-	20,000.00	-
Disposals/repayments during the year	117.95	86.70	151.00	474.97	-	-
Fair value gains / (losses) recognised in profit or loss*	(0.27)	36.44	7.16	(3,486.92)	(3,100.42)	-
Gains / (losses) recognised in other comprehensive income	-	-	-	-	-	-
Closing balance	**70.18**	**188.40**	**238.66**	**26,112.37**	**23,100.42**	**-**
*includes unrealised gain/ (loss) recognised in profit or loss related to assets and liabilities held at the end of the reporting period	(0.27)	(20.00)	(46.50)	(3,486.92)	(3,100.42)	-

(c) **Valuation framework**

The finance department of the Group includes personnel that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 : Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is
Level 3 : If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Group develops Level 3 inputs based on the best information available in the circumstances.

The Group uses suitable valuation models to determine the fair value of common and simple financial instruments, that use only observable market data and require little management judgement and estimation.

Loans
The fair value of loan and advances are estimated by discounted cash flow models. For fixed rate loans, the fair value represent the discounted value (discounted basis the weighted average yield of recently disbursed loans) of the expected future cash flow. For floating rate interest loans, the carrying amount of loans represent fair market value of loans.

Debt securities, borrowings (other than debt securities) and subordinated liabilities (other than compulsorily convertible preference shares (CCPS))
Fair value is estimated at portfolio level by a discounted cash flow model incorporating market interest rates and the group's own credit risk or based on market-observable data such as secondary market prices for its traded debt. Further, for floating rate interest bearing borrowings, the carrying amount of borrowings represent fair market value of borrowings.

Compulsorily Convertible Preference Shares (CCPS)
Fair value is estimated by using a discounted cash flow model based on management expected cash flows (determined using monte carlo simulations), discount rates (market inputs adjusted for the holding company specific risk) and terms of CCPS. The significant unobservable inputs include risk adjusted discount rate. Increase in the discount rate by 100 bps would decrease the fair value by ₹ 253.22 millions (March 31, 2023: ₹ 440.60 millions; March 31, 2022: Nil) and decrease in discount rate by 100 bps would increase the fair value by ₹ 255.81 millions (March 31, 2023: ₹ 450.50 millions; March 31, 2022: Nil) .

Investments
Investment in alternate investment fund is recorded at fair value determined by third party using discounted cash flow method. Investment in government securities, commercial paper, treasury bills, certificate of deposits, corporate bonds etc. are fair valued at reporting date. For rest of the investments, based on the information available from external sources, management believes that the carrying value of the investments approximates the fair value.

There were no transfers between levels during the year.

44 Risk management framework

44.1 *Risk profile and risk mitigation*

(a) Risk management structure and Group's risk profile

The respective Company's Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The respective Board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee of respective Companies oversees how management monitors compliance 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 respective Companies.

44.2 *Credit risk*

Credit risk arises from loans, cash and cash equivalents, bank balance other than cash and cash equivalents, investments, trade receivables and other financial assets. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's asset on finance and trade receivables from customers; loans and investments. The carrying amounts of financial assets represent the maximum credit risk exposure.

The Group holds cash and cash equivalents and other bank balances with banks and financial institutions. Funds are invested after taking into account parameters like safety, liquidity and post-tax returns etc. The credit worthiness of such banks and financial institutions is evaluated by the Management on an ongoing basis and is considered to be high.

a) Credit risk management

Financial assets measured on a collective basis

The Group splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Secured/unsecured i.e. based on whether the loans are secured
- Nature of security i.e. the nature of the security if the loans are determined to be secured
- Nature of loan i.e. based on the nature of loan

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

• significant financial difficulty of the borrower or issuer;
• a breach of contract such as a default or past due event;
• the restructuring of a loan by the Group on terms that the Group would not consider otherwise; or
• it is becoming probable that the borrower will enter bankruptcy or other financial re-organization;

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Group standard payment and terms and conditions are offered. The Group's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Portfolio review is performed by the management on quarterly basis.

(b) Definition of default

The Group considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses 90 days past due on its contractual payments. Further in compliance with RBI circular dated November 12, 2021, Cases, where borrower had crossed 90 days past due, continued to be considered as Stage 3 (credit-impaired) for ECL calculations till the time all the due contractual payments are paid by the borrower.

The Group considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Following indicators are incorporated:

- DPD analysis as on each reporting date
- significant changes in expected performance and behaviour of the borrower including changes in payment status of borrowers.

(c) Probability of default (PD)

Day past dues (DPD) analysis is the preliminary inputs in the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by type of product and borrowers as well as by DPD. The Group analyses the data collected and generates estimates of the PD of exposures and how these are expected to change as result of passage of time.

The month-on-month outstanding balances in each DPD bucket are assessed to estimate the historic probability of default for each bucket; this probability is then combined with a macro-economic variable to compute the final PD estimate.

(d) Exposure at default

The exposure at default (EAD) represents the gross carrying amount (in addition to the interest to be earned during the next year) of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

(e) Loss given default

Loss given default (LGD) represent estimated financial loss the Group is likely to suffer in the event of default and it is used to calculate provision requirement on EAD along with probability of default. LGD values are assessed, reviewed and approved by the Group. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realized from any collateral held.

(f) Significant increase in credit risk

The Group continuously monitor all the assets subject to ECL in order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Group assesses whether there has been significant increase in credit risk since initial recognition. The Group also applies a secondary qualitative methods for triggering a significant increase in credit risk for an asset, such as moving customer/ facilities to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than one month overdue, the credit risk is deemed to have increase significantly since initial recognition. The Group continuously monitors all assets subject to ECLs.

g) Expected credit loss on loans

The Group assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, date of initial recognition, remaining term to maturity, collateral type, and other relevant factors.

For the assessment, each financial asset (after segmentation based on the nature), is then clubbed into the following DPD cohorts:

- Current (0 DPD)
- 1-30 DPD
- 31-60 DPD
- 61-90 DPD
- >90 DPD

The Group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the statistical models and other historical data.

44.2.1 ***Inputs, assumptions and estimation techniques used to determine expected credit loss***

The Holding Company's loan loss provision are made on the basis of the Holding Company's historical loss experience and future expected credit loss, after factoring in various macro-economic parameters such as Consumer Prices (% change pa; av), Industrial Production (% change pa), Real GDP, Unemployment Rate (%), Real Manufacturing, Lending Interest Rate (%) etc. The selection of these variables was made basis statistical analysis and relevance to the business.

The macro- economic variables were regressed using a regression model against the log-odds of the weighted average PDs to forecast the forward-looking PDs with macro-economic overlay incorporated.

Best, base and worst scenarios were created for all the variables and default rates were estimated for all the scenarios. These default rates were then used with the same LGD and EAD to arrive at the expected credit loss for all three cases. The three cases were then assigned weights and a final probability-weighted expected credit loss estimate was computed.

Macro economic indicator	Scenario	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Domestic demand (% real change pa)	Base	8.40	8.70	9.70	7.70	1.20	2.50	3.50	5.50
	Best	9.24	9.57	10.67	8.47	1.32	2.75	3.85	6.05
	Worst	5.88	6.09	6.79	5.39	0.84	1.75	2.45	3.85
Real GDP (% change pa)	Base	4.60	4.70	7.20	6.00	8.20	7.20	5.70	6.00
	Best	5.06	5.17	7.92	6.60	9.02	7.92	6.27	6.60
	Worst	3.22	3.29	5.04	4.20	5.74	5.04	3.99	4.20
Services (% change pa)	Base	7.69	7.58	7.47	7.36	7.25	7.14	7.03	6.92
	Best	8.46	8.34	8.22	8.10	7.98	7.86	7.74	7.62
	Worst	5.39	5.31	5.23	5.15	5.08	5.00	4.92	4.85
Consumer prices (% change pa; av)	Base	5.40	5.70	4.30	3.90	3.70	4.30	4.50	5.00
	Best	4.86	5.13	3.87	3.51	3.33	3.87	4.05	4.50
	Worst	7.02	7.41	5.59	5.07	4.81	5.59	5.85	6.50
Private consumption (real % change pa)	Base	17.50	15.00	15.70	9.60	(10.90)	(4.40)	2.10	8.50
	Best	19.25	16.50	17.27	10.56	(11.99)	(4.84)	2.31	9.35
	Worst	12.25	10.50	10.99	6.72	(7.63)	(3.08)	1.47	5.95
Lending interest rate (%)	Base	14.50	14.00	14.00	13.80	13.40	13.00	12.70	12.30
	Best	13.05	12.60	12.60	12.42	12.06	11.70	11.43	11.07
	Worst	18.85	18.20	18.20	17.94	17.42	16.90	16.51	15.99
Gross fixed investment (% real change pa)	Base	(3.00)	(1.70)	2.80	2.30	26.10	16.80	8.30	3.10
	Best	(3.30)	(1.87)	3.08	2.53	28.71	18.48	9.13	3.41
	Worst	(2.10)	(1.19)	1.96	1.61	18.27	11.76	5.81	2.17

44.2.2 ***Analysis of risk concentration***

The Group's concentrations of risk are managed by client/ counterparty and industry sector.

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
The maximum credit exposure to any individual client or counterparty	3,529.10	3,000.70	3,133.10

44.2.3 ***Analysis of portfolio***

An analysis of changes in gross carrying amount in relation to loan portfolio is as follows:

(₹ in Millions)

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3*	Total	Stage 1	Stage 2	Stage 3*	Total
Gross carrying amount opening balance	382,933.19	10,837.47	21,202.02	414,972.68	286,179.15	18,471.30	24,857.60	329,508.05
New assets originated (refer note 1and 2 below)	294,768.68	4,740.78	4,715.29	304,224.75	261,988.81	4,292.04	3,381.25	269,662.10
Assets repaid (excluding write offs) (refer note 2 below)	(174,648.43)	(4,177.81)	(2,863.77)	(181,690.01)	(151,340.44)	(11,619.75)	(3,854.78)	(166,814.97)
Transfers from Stage 1	(17,919.07)	7,076.91	10,842.16	-	(14,493.40)	5,356.19	9,137.21	-
Transfers from Stage 2	1,015.78	(2,938.55)	1,922.77	-	969.29	(4,280.43)	3,311.14	-
Transfers from Stage 3	223.85	132.77	(356.62)	-	681.85	203.17	(885.02)	-
Settlement loss and bad debts written off **	(5,034.97)	(2,852.18)	(14,749.33)	(22,636.48)	(1,052.07)	(1,585.05)	(14,745.38)	(17,382.50)
Gross carrying amount closing balance	**481,339.03**	**12,819.39**	**20,712.52**	**514,870.94**	**382,933.19**	**10,837.47**	**21,202.02**	**414,972.68**

(₹ in Millions)

Particulars	For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3*	Total
Gross carrying amount opening balance	230,949.46	24,657.65	19,142.14	274,749.25
New assets originated (refer note 1and 2 below)	190,831.15	3,406.26	2,042.94	196,280.35
Assets repaid (excluding write offs) (refer note 2 below)	(116,048.57)	(6,571.14)	(1,313.94)	(123,933.65)
Transfers from Stage 1	(21,471.18)	7,750.53	13,720.65	-
Transfers from Stage 2	2,178.02	(8,797.50)	6,619.48	-
Transfers from Stage 3	114.49	65.90	(180.39)	-
Settlement loss and bad debts written off **	(374.22)	(2,040.40)	(15,173.28)	(17,587.90)
Gross carrying amount closing balance	**286,179.15**	**18,471.30**	**24,857.60**	**329,508.05**

* Principal overdue and total interest overdue (as per contractual terms) of more than 90 days cases is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Principal Overdue for more than 90 days (Number of cases)	205,180.00	206,010.00	380,358.00
Principal overdue of more than 90 days cases (₹ in Millions)	5,424.20	4,178.12	6,907.00
Total Interest overdue for more than 90 days cases (₹ in Millions)	2,056.80	2,019.99	2,268.30

Further, stage 3 also includes carrying value of loans which are tagged as NPA / Stage 3 as per RBI circular dated November 12, 2021 and contractual value of loans under other facilities of such NPA customer which are less than 90 days, however tagged as NPA / Stage 3.

** Interest overdue on bad debts written off cases is as follows:

(₹ in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interst overdue on bad debtrs written off	1,477.30	1,174.50	1,070.60

#Stage 3 asset is net of interest income on impaired portion of loan assets amounting to ₹ 1,118.60 millions (March 31, 2023 : ₹ 1,132.00 millions; March 31, 2022: ₹ 1,309.00 millions)

Reconciliation of Impairment loss allowance in relation to loan portfolio is as follows:

(₹ in Millions)

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance- opening balance	3,718.45	2,208.22	10,333.32	16,259.99	1,925.18	3,443.85	10,728.63	16,097.66
New assets originated (refer note 1 and 2 below)	1,875.56	1,052.89	2,794.82	5,723.27	1,552.54	911.33	1,729.93	4,193.80
Effect of change in estimate/ repayment	443.27	1,555.40	6,310.83	8,309.50	680.98	(571.32)	5,493.84	5,603.50
Transfers from Stage 1	(149.86)	56.86	93.00	-	(190.84)	52.82	138.02	-
Transfers from Stage 2	114.44	(485.59)	371.15	-	153.01	(765.27)	612.26	-
Transfers from Stage 3	89.54	39.51	(129.05)	-	209.55	59.41	(268.96)	-
Settlement loss and bad debts written off	(3,255.39)	(1,844.62)	(9,126.51)	(14,226.52)	(611.97)	(922.60)	(8,100.40)	(9,634.97)
Impairment allowance- Closing balance	**2,836.01**	**2,582.67**	**10,647.56**	**16,066.24**	**3,718.45**	**2,208.22**	**10,333.32**	**16,259.99**

(₹ in Millions)

Particulars	For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Impairment allowance- opening balance	1,164.37	3,996.11	7,641.94	12,802.42
New assets originated (refer note 1 and 2 below)	1,308.61	972.53	1,010.99	3,292.13
Effect of change in estimate/ repayment	(382.04)	1,416.86	6,355.03	7,389.85
Transfers from Stage 1	(127.87)	39.27	88.60	-
Transfers from Stage 2	109.14	(2,044.54)	1,935.40	-
Transfers from Stage 3	27.28	14.31	(41.59)	-
Settlement loss and bad debts written off	(174.31)	(950.69)	(6,261.74)	(7,386.74)
Impairment allowance- Closing balance	**1,925.18**	**3,443.85**	**10,728.63**	**16,097.66**

An analysis of Expected credit loss rate:

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss rate*	0.59%	20.15%	51.41%	3.12%	0.97%	20.38%	48.74%	3.92%

Particulars	For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Expected credit loss rate*	0.67%	18.64%	43.16%	4.89%

* Expected credit loss rate is computed ECL divided by EAD

Note 1: New assets originated represents fresh disbursals made during the year. Classification of new assets originated in stage 1, stage 2, and stage 3 is based on period/year end staging. Interest accruals on existing loans that remain unpaid at the end of the year, are classified under new assets originated as per their opening stage category.

Note 2 : Assets originated and repaid during the year have not been disclosed in the movement of gross carrying amount.

Note 3: The contractual amount of financial assets that has been written off by the Group is as follows:

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Contractual amount of financial assets that has been written off that were still subject to enforcement activity	20,872.80	16,221.80	15,594.67

Note 4: Loan assets involving one time resolution vide RBI Circular dated August 06, 2020 and May 05, 2021, were classified under Stage 2 as on March 31, 2022 considering the significant increase in credit risk at that point in time. Taking into account the repayment behaviour of the customer, such loans have been appropriately classified as per their actual days past due as on March 31, 2023 and March 31, 2024.

Note 5: The Group recognize expected credit loss (ECL) on collective basis that takes into account comprehensive credit risk information.

March 31, 2024

Expected credit loss (ECL) has increased from ₹ 16,097.66 millions to ₹ 16,259.99 millions as at March 31, 2023. Further, the same has decreased to ₹ 16,066.24 millions as at March 31, 2024.

During the year ended March 31, 2024, expected credit loss rate in stage III has increased from 48.74% to 51.41% and overall expected credit loss rate has decreased from 3.92% to 3.12% as compared to year ended March 31, 2023. The portfolio composition has improved with greater concentration in Stage 1 in March 31, 2024 (~93%) as compared to March 31, 2023 (~92%) thereby resulting in a lower overall ECL%.

March 31, 2023

Expected credit loss (ECL) has increased from ₹ 12,802.40 millions to ₹ 16,097.66 millions as at March 31, 2022. Further, the same has increased to ₹ 16,259.99 millions as at March 31, 2023.
During the year ended March 31, 2023, expected credit loss rate in stage 3 has increased from 43.16% to 48.74% and overall expected credit loss rate has decreased from 4.89% to 3.92% as compared to year ended March 31, 2022. The portfolio composition has improved with greater concentration in Stage 1 in March 31, 2023 (~92%) as compared to March 31, 2022 (~87%) thereby resulting in a lower overall ECL%.

March 31, 2022

Expected credit loss (ECL) has increased from ₹ 8,934.10 millions to ₹ 12,802.40 millions as at March 31, 2021. Further, the same has been increased to ₹ 16,097.66 millions by March 31, 2022. Primarily reason for increase is increase in Exposure at Default. EAD has been increased by 9.22% by the year ended March 31, 2021 as compared to year ended March 31, 2020 and the same has been increased by 19.93% by the year ended March 31, 2022 as compared to year ended March 31, 2021.

In addition to EAD, ECL has also increased due to increase in stage 3 assets as compared to previous year and change in mix of stage 1 and 2 assets. Other changes which have contributed increase in ECL is increase in the % of probability of default in current as compared to previous year because of significant change in macro-economic overlays due to COVID-19, increase in Loss given default on account of increase in losses determined based on historical trend, collateral valuation etc.

During the year ended March 31, 2022, expected credit loss rate in stage 3 is increased from 39.92% to 43.16% and overall expected credit loss rate is increased from 4.66% to 4.89% as compared to year ended March 31, 2021.

Note 6: Stage 3 assets include properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

(₹ in Millions)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Properties	209.90	160.40	55.89

Note 7: Derecognition of financial assets

During the year ended March 31, 2024, March 31, 2023 and March 31, 2022, the Subsidiary Company has sold 90% of a portion of its loans through direct assignments, measured at amortised cost, to maintain reasonable leverage. As per regulatory requirement, the Subsidiary Company continues to hold balance 10% of those loans as Minimum Retention Requirement (MRR). The Subsidiary Company transferred substantially all the risks and rewards relating to assets to the buyer and accordingly, sold portion of loans was derecognised.

The following table below sets forth, for the periods indicated, the summary of carrying amounts of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition.

(₹ in Millions)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Value of financial assets derecognised	1,543.49	2,095.30	1,016.77
Gain on derecognition of financial assets	212.80	231.30	158.40

Since the Subsidiary Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety therefore the whole of the interest spread at its present value (discounted over the expected life of the asset) is recognised on the date of derecognition as interest-only strip receivable (Excess interest spread receivable) with a corresponding credit to the statement of profit and loss. The Outstanding pool of downsell portfolio as on March 31, 2024 is ₹ 3,337.20 millions (March 31, 2023: ₹ 2,536.20 millions, March 31, 2022: ₹ 1,016.77 millions)

44.2.4 Impact of COVID-19 (March 31, 2022)

The Group has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors/ information available, upto the date of approval of these financial results. Given the dynamic and evolving nature of COVID-19, the impact assessment of COVID-19 is a continuing process and uncertainties associated with its nature and duration. The Group will continue to monitor any material changes of future economic conditions.

44.2.5 ***Collateral and other credit enhancements***

The loan portfolio of the Group has both secured and unsecured loans and they vary with the type of funding. Products like loan against property, corporate loan, two wheeler loan and pre owned car loan are all secured loans whereas products like business loan and personal loan generally do not carry any collateral security.

For loan against property, properties (residential, commercial, industrial, mixed use, etc.) are generally acceptable collateral. For corporate loan there is usually a collateral basket comprising of properties, rated securities,

current assets (including stock and book debts), plant and machinery, and deposits. For two wheeler loan and pre owned car loan, the respective vehicle against which the loan been offered is taken as a collateral security.

The Holding Company has a pre-defined loan to value norms in the policy and the same is disbursed to control the risk of the Holding Company. For loan against property, the loan to value ('LTV') is in the range of 50% to 75%. For corporate loan, the funding is secured by way of a collateral basket – the overall security cover is generally maintained in the range of 1.1 times to 3.0 times and above. For loan against shares, a minimum cover of 2.0 times is maintained.

For pre-owned car and two wheeler loan, the Holding Company maintains a loan to value range of 75% to 90% depending upon tenure and model. The loan to value for refinance of pre-owned car can be up to 175%.

Valuation of the collateral, wherever applicable, is done by empanelled valuers who carry the necessary experience and expertise in the area. The guidelines governing these valuation have been clearly laid out for each collateral class. For two wheeler loan since the asset is new no valuation has been carried out by the Holding Company. Valuation of the collateral for pre-owned car is done by empanelled valuers who carry the necessary experience and expertise in the area. Collaterals related to credit impaired assets are revalued for assessment /provisioning purposes and distress value is considered. The Group has an in-house team of technical managers who oversee the property valuation activity undertaken by empaneled technical valuers.

The loan portfolio of the subsidiary company generally comprises housing loan and non-housing loan which are generally secured by land and building such as residential building, commercial building, industrial building, etc. The Subsidiary Company is regulated by National Housing Bank Directions (NHB Directions) and Reserve Bank of India Master Directions (RBI Master Directions) , the LTV ratios are in line with the NHB Directions and RBI Master Directions and the internal credit policy framework of the Subsidiary company.

As at March 31, 2024 **(₹ in Millions)**

Stage 3 Total Outstanding (TOS) (A)	**Wheeled Assets (B)**	**Immovables (Land & Buildings) (C)**	**Other Asset (D)**	**Total Collateral (E=B+C+D)**	**Net Exposure (F=A-E)**	**Total ECL**
13,457.89	14,039.63	6,194.67	907.76	21,142.06	(7,684.17)	5,504.45

As at March 31, 2023 **(₹ in Millions)**

Stage 3 Total Outstanding (TOS) (A)	**Wheeled Assets (B)**	**Immovables (Land & Buildings) (C)**	**Other Asset (D)**	**Total Collateral (E=B+C+D)**	**Net Exposure (F=A-E)**	**Total ECL**
13,878.87	11,524.32	7,098.06	2,805.65	21,428.03	(7,549.16)	5,376.96

As at March 31, 2022 (₹ in Millions)

Stage 3 TOS (A)	Wheeled Assets (B)	Immovables (Land & Buildings) (C)	Other Asset (D)	Total Collateral (E=B+C+D)	Net Exposure (F=A-E)	Total ECL
18,678.58	17,624.60	6,832.53	1,897.30	26,354.43	(7,675.85)	7,063.29

Note 1: Including Buyout Portfolio
Note 2: Stage 3 TOS and Total ECL is of the secured assets
Note 3: The total collateral value is the fair market value of the collaterals and the distress value of the collaterals has been used to compute the total ECL allowances.

44.3 ***Liquidity risk***

Liquidity risk arises as the Group has contractual financial liabilities that are required to be serviced and redeemed as per committed timelines and in the business of lending where funds are required for the disbursement and creation of financial assets to address the going concern of the Group. Liquidity risk management is imperative to the Group as this allows covering the core expenses, market investment / creation of financial assets, timely repayment of debt commitments and continuing with its operations. The Group uses various liquidity monitoring tools to measure and gauge the liquidity risk as per necessary guidelines stipulated by the RBI. The Group with the help of the Asset and Liability Committee (ALCO), ALM policy and Liquidity Desk, monitors the Liquidity risk and uses structural, dynamic liquidity statements and cash flow statements as a mechanism to address this. To effectively manage the fallout of the COVID-19 pandemic related RBI measures on its funding and liquidity, the Group has been continuously maintaining adequate level of liquidity buffers in terms of High Quality Liquid Assets as a safeguard against any likely disruption in the funding and market liquidity.

44.3.1 ***Contractual maturities of financial instruments***

The table below summarizes the maturity profile of the undiscounted cash flows of the Group's financial liabilities as at reporting date.

(₹ in Millions)

	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
As at March 31, 2024					
Financial liabilities					
Trade payables	4,390.03	4,441.50	-	-	4,441.50
Debt securities*	67,037.15	56,329.15	14,864.98	555.13	71,749.26
Borrowings (other than debt securities)*	358,403.90	159,561.66	234,556.90	6,855.81	400,974.37
Subordinate liabilities*#	36,253.71	1,420.65	7,776.10	6,608.38	15,805.13
Lease liabilities	1,272.39	408.14	1,097.07	179.63	1,684.84
Other financial liabilities	5,113.34	4,523.34	580.68	318.27	5,422.29
Total undiscounted financial liabilities	**472,470.52**	**226,684.44**	**258,875.73**	**14,517.22**	**500,077.39**

(₹ in Millions)

	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
As at March 31, 2023					
Financial liabilities					
Trade payables	4,984.99	4,903.65	81.40	-	4,985.05
Debt securities*	67,470.79	42,844.50	27,531.56	3,312.25	73,688.31
Borrowings (other than debt securities)*	266,129.87	114,247.62	179,880.34	4,650.30	298,778.26
Subordinate liabilities*#	32,677.94	1,230.95	6,946.13	7,793.73	15,970.81
Lease liabilities	523.99	155.48	423.91	72.24	651.63
Other financial liabilities	9,027.24	8,794.94	294.30	166.43	9,255.67
Total undiscounted financial liabilities	**380,814.82**	**172,177.14**	**215,157.64**	**15,994.95**	**403,329.73**

(₹ in Millions)

	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
As at March 31, 2022					
Financial liabilities					
Trade payables	3,048.07	3,048.07	-	-	3,048.07
Debt securities*	59,810.44	38,932.50	20,616.06	5,973.88	65,522.44
Borrowings (other than debt securities)*	220,306.69	105,146.50	132,769.59	2,728.48	240,644.57
Subordinate liabilities*#	6,680.17	535.28	4,002.64	5,240.55	9,778.47
Lease liabilities	484.82	131.04	378.59	70.70	580.33
Other financial liabilities	4,912.42	4,649.73	307.11	77.56	5,034.40
Total undiscounted financial liabilities	**295,242.61**	**152,443.12**	**158,073.99**	**14,091.17**	**324,608.28**

*The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amounts may change as market interest rates change.
#In respect of Compulsorily Convertible Preference Shares (CCPS) issued during the year, the Company has only considered a mandatory pay-out of preference dividend of 3% p.a. for the purpose of liquidity risk, as such CCPS are likely to be converted into the entity's own shares as estimated by the management as on March 31, 2024. Also refer to Note 18.8

44.4 ***Market risk***

Market risk is the risk that the fair value or future cash flow of financial instrument will fluctuate due to changes in market variables such as interest rates, foreign exchange rates etc. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while maximising the return. Cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, and other financial assets do not have any interest and market risk exposure due to the nature of balances.

Interest rate risk
A major portion of the Group's assets and liabilities are interest bearing - which could be either at a fixed or a floating rate. Interest rate risk is managed by way of regular monitoring of all interest rate bearing assets and liabilities. The same also forms part of the ALCO and ALM policy.

The exposure of Group's financial assets and liabilities to interest rate risk is as follows:

(₹ in Millions)

Financial assets	**Floating rate**	**Fixed rate**
March 31, 2024	144,030.57	370,840.37
March 31, 2023	101,450.46	313,522.22
March 31, 2022	76,716.26	252,791.79
Financial liabilities		
March 31, 2024	350,870.50	110,824.26
March 31, 2023	269,557.42	96,721.18
March 31, 2022	204,307.00	82,490.30

The table below illustrates the impact of a 1.00% movement in interest rates on interest income and interest expense on floating loans and floating borrowings respectively for next one year, assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average loans and borrowings outstanding during the year.

	Impact on profit before tax (₹ in Millions)		
Movement in interest rates	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
1.00%	(1,321.26)	(1,051.66)	(861.03)
(1.00%)	1,321.26	1,051.66	861.03

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments,

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Investments carried at FVTPL valued using quoted prices in active market	18,959.56	17,474.94	11,729.80

	Impact on profit before tax (₹ in millions)		
Movement in price	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
5.00%	947.98	873.74	586.49
(5.00%)	(947.98)	(873.74)	(586.49)

44.5 ***Foreign currency risk management***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group presently manages this foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the underlying exposure. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Group holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ in Millions, are as follows:

(₹ in Millions)

Foreign currency exposure	Currency	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Borrowings (other than debt securities)	USD	41,710.37	33,720.18	6,640.51
Borrowings (other than debt securities)	SGD	6,395.40	6,401.27	3,018.80
Trade Payables	USD	-	-	4.18

Impact of hedge on the Balance Sheet: (₹ in Millions)

		As at March 31, 2024			As at March 31, 2023			As at March 31, 2022		
Foreign currency exposure	**Currency**	**Notional Amount**	**Carrying amount of hedging instrument asset**	**Carrying amount of hedging instrument liability**	**Notional Amount**	**Carrying amount of hedging instrument asset**	**Carrying amount of hedging instrument liability**	**Notional Amount**	**Carrying amount of hedging instrument asset**	**Carrying amount of hedging instrument liability**
External commercial borrowing	USD	41,201.91	1,108.68	33.10	32,947.01	921.98	69.94	5,604.32	26.43	-
	SGD	6,395.40	296.22	33.53	6,401.27	309.31	2.72	3,018.80	-	6.66
Foreign currency loan	USD	508.47	0.50	1.60	773.17	-	0.47	1,036.10	2.25	0.62
	SGD	-	-	-	-	-	-	-	-	-

Movement in cash flow hedge reserve

(₹ in Millions)

Derivative instruments	Foreign exchange contracts	Cross currency swaps	Total
As at April 1, 2023	**9.99**	**11.91**	**21.90**
Add: changes in discounted spot element of foreign exchange contracts/CCS	(7.26)	518.78	511.52
Add: MTM gain/Loss of Derivative contracts	1.88	(179.64)	(177.76)
Less: amount reclassified to P&L	-	-	
Less: Deferred tax relating to above	(0.77)	85.37	84.60
As at March 31, 2024	**5.38**	**265.68**	**271.06**
As at April 1, 2022	19.62	(2.22)	17.40
Add: changes in discounted spot element of foreign exchange contracts	(8.68)	1,157.81	1,149.13
Add: changes in FV of interest rate swaps	(2.60)	(1,138.90)	(1,141.50)
Less: amount reclassified to P&L	-	-	-
Less: Deferred tax relating to above	(1.66)	4.82	3.16
As at March 31, 2023	**10.00**	**11.87**	**21.87**
As at April 1, 2021	-	-	-
Add: changes in discounted spot element of foreign exchange contracts	13.57	16.77	30.34
Add: changes in FV of interest rate swaps	9.62	(19.77)	(10.15)
Less: amount reclassified to P&L	-	-	-
Less: Deferred tax relating to above	3.57	(0.75)	2.82
As at March 31, 2022	**19.62**	**(2.25)**	**17.37**

Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other comprehensive income arises from foreign forward exchange contracts and foreign exchange option contracts designated as cash flow hedges. Group has considered a sensitivity of +/- 5% for increase and decrease in the ₹ against the relevant foreign currencies to calculate the net impact on OCI.

(₹ in Millions)

Foreign currency exposure	Impact on profit after tax			Impact on other comprehensive income		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
USD						
Borrowings (other than debt securities) +5%	-	-	-	33.92	(64.80)	(22.72)
Borrowings (other than debt securities) -5%	-	-	-	(33.92)	64.80	22.72
SGD						
Borrowings (other than debt securities) +5%	-	-	-	5.13	(20.06)	(0.94)
Borrowings (other than debt securities) -5%	-	-	-	(5.13)	20.06	0.94
USD						
Trade payables +5%	-	-	(0.20)	-	-	-
Trade payables -5%	-	-	0.20	-	-	-

44.6 Interest rate sensitivity on derivative financial instruments

The sensitivity of changes in the interest rates from derivative financial instruments i.e. forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. Group has considered a sensitivity of +/-1% for related interest rate changes to calculate the impact on OCI.

(₹ in Millions)

Movement in interest rates	Impact on profit after tax			Impact on other comprehensive income		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
USD						
1.00%	-	-	-	(463.01)	(356.02)	(72.31)
(1.00%)	-	-	-	473.12	363.76	73.79
SGD						
1.00%	-	-	-	4.32	3.99	1.99
(1.00%)	-	-	-	(4.32)	(3.99) -	1.99

44.7 Modified financial assets

(₹ in Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Amortized cost of modified assets at the time of modification during the year	134.00	41.61	4,776.18
Modification gain/ (loss) for the year	-	-	-
Carrying cost of the modified financial assets	1,988.90	2,849.45	3,400.57

45 Utilisation of borrowed funds and share premium

The Group has not given any loan or invested funds to any persons, entities (intermediaries) with the understanding that 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.
b) provide any guarantee, security or the like to or on behalf of the Group.

The Group has not received any fund from any person, entities (Funding Party) with the understanding 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.
b) provide any guarantee, security or the like on behalf of the Funding Party.

46 Employee Stock Option Scheme

(i) Equity settled

The Employee Stock Options Scheme titled "ESOP Scheme 2017" in respect of holding company and "ESOP Scheme 2018" in respect of subsidiary company or "the Scheme" was approved by the shareholders of the holding Company and subsidiary company through postal ballot on June 09, 2017 and September 21, 2018 respectively. The Scheme covered 2,639,703 options of Holding Company and 22,900,000 options of subsidiary company. The Scheme allows the issue of options to employees of the respective companies which are convertible to one equity share of the respective companies. As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The options granted vest over a period of 4 years from the date of the grant in proportions specified in the ESOP Plan. The fair value as on the date of the grant of the options, representing Stock compensation charge, is expensed over the vesting period.

Plan	Number of Options Granted	Grant date	Number of Options outstanding as at March 31, 2024	Vesting condition and vesting period	Exercise price (Rs.)	Weighted average fair value of the options at grant date (₹)
ESOP 2017#	962,590	July 1, 2017	403,537	10% on completion of first year, 20% on completion of second year, 30% on completion of third year and 40% on completion of fourth year	495	240.60
	25,000	December 1, 2017	-		495	329.09
	49,000	December 5, 2017	49,000		495	329.21
	93,215	January 8, 2018	69,919		495	327.95
	30,000	December 6, 2019	30,000		780	345.68
	115,000	April 1, 2020	-		780	345.68
ESOP 2017^	678,600	July 1, 2020	387,686	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	780	306.80
	17,400	October 1, 2020	17,400		780	306.80
	6,400	January 1, 2021	6,400		780	306.80
	45,000	October 1, 2021	45,000		780	199.52
	6,000	January 1, 2022	6,000		780	199.52
	202,800	June 1, 2022	136,800		780	201.45
	7,500	October 1, 2022	7,500		780	201.45
	12,000	November 1, 2022	12,000		780	201.45
	142,000	January 2, 2023	142,000		780	273.64
	107,418	March 1, 2023	107,418		780	273.64
	1,108,656	October 1, 2023	1,103,269		780	492.76
	20,000	December 1, 2023	20,000		780	492.76
	12,600	March 1, 2024	12,600		780	565.43
ESOP 2018-Tranche 1*	1,200,000	September 24, 2018	507,000	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	10	4.69
ESOP 2018-Tranche 2*	3,000,000	September 24, 2018			10	5.34
ESOP 2018-Tranche 3*	3,600,000	September 24, 2018			10	5.87
ESOP 2018-Tranche 4*	4,200,000	September 24, 2018			10	6.33
ESOP 2018-Tranche 1**	850,000	July 01, 2020	7,260,000	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	10	4.84
ESOP 2018-Tranche 2**	2,125,000	July 01, 2020			10	5.33
ESOP 2018-Tranche 3**	2,550,000	July 01, 2020			10	5.81
ESOP 2018-Tranche 4**	2,975,000	July 01, 2020			10	6.22
ESOP 2018-Tranche 1**	216,000	December 01, 2021	1,675,000	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	10	5.45
ESOP 2018-Tranche 2**	540,000	December 01, 2021			10	5.95
ESOP 2018-Tranche 3**	648,000	December 01, 2021			10	6.49
ESOP 2018-Tranche 4**	756,000	December 01, 2021			10	6.97
ESOP 2018-Tranche 1**	45,000	May 01, 2022	405,000	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	12	7.79
ESOP 2018-Tranche 2**	112,500	May 01, 2022			12	8.40
ESOP 2018-Tranche 3**	135,000	May 01, 2022			12	9.00
ESOP 2018-Tranche 4**	157,500	May 01, 2022			12	9.57

ESOP 2018-Tranche 1**	30,380	April 01, 2023	303,800	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	20	7.19
ESOP 2018-Tranche 2**	75,950	April 01, 2023			20	8.09
ESOP 2018-Tranche 3**	91,140	April 01, 2023			20	8.85
ESOP 2018-Tranche 4**	106,330	April 01, 2023			20	9.59
ESOP 2018-Tranche 1**	12,949	May 01, 2023	129,492	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	21.2	6.50
ESOP 2018-Tranche 2**	32,373	May 01, 2023			21.2	7.39
ESOP 2018-Tranche 3**	38,848	May 01, 2023			21.2	8.19
ESOP 2018-Tranche 4**	45,322	May 01, 2023			21.2	8.94
ESOP 2018-Tranche 1**	5,000	August 01, 2023	50,000	10% on completion of first year, 25% on completion of second year, 30% on completion of third year and 35% on completion of fourth year	21.2	6.50
ESOP 2018-Tranche 2**	12,500	August 01, 2023			21.2	7.39
ESOP 2018-Tranche 3**	15,000	August 01, 2023			21.2	8.19
ESOP 2018-Tranche 4**	17,500	August 01, 2023			21.2	8.94

^ As amended by shareholders of Holding Company vide shareholders' special resolution dated June 28, 2020

* Approved by shareholders of Subsidiary Company dated September 21, 2018

** Amended and approved by shareholders of Subsidiary Company dated June 30, 2020

Modification to scheme approved by shareholder of Holding Company vide special resolution dated August 02, 2023. No incremental impact of the changes.

Fair value of share options granted

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below:

Inputs in to the pricing model of Holding Company

ESOP 2017	**Particulars**						
	Weighted average fair value of option (₹)	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
July 1, 2017	240.60	616.30	495.00	Nil	4.5	0.26	6.58
December 1, 2017	329.09	647.40	495.00	38.18	4.5	0.82	6.60
December 5, 2017	329.21	647.40	495.00	38.22	4.5	0.82	6.60
January 8, 2018	327.95	647.40	495.00	37.8	4.5	0.82	6.60
December 6, 2019	345.68	820.70	780.00	38.55	4.5	1.75	6.28
April 1, 2020	345.68	820.70	780.00	38.55	4.5	1.75	6.28
July 1, 2020	306.80	740.90	780.00	43.40	4.5	0.32	5.20
October 1, 2020	306.80	740.90	780.00	43.40	4.5	0.32	5.20
January 1, 2021	306.80	740.90	780.00	43.40	4.5	0.32	5.20
October 1, 2021	199.52	550.60	780.00	48.80	4.5	0.39	5.49
January 1, 2022	199.52	550.60	780.00	48.80	4.5	0.39	5.49
June 1, 2022	201.45	550.00	780.00	47.67	4.5	0.36	7.00
October 1, 2022	201.45	550.00	780.00	47.67	4.5	0.36	7.00
November 1, 2022	201.45	550.00	780.00	47.67	4.5	0.36	7.00
January 2, 2023	273.64	611.80	780.00	53.09	4.5	0.38	7.21
March 1, 2023	273.64	611.80	780.00	53.09	4.5	0.38	7.21
October 1, 2023	492.76	892.83	780.00	51.13	4.5	0.82	7.38
December 1, 2023	492.76	892.83	780.00	51.13	4.5	0.82	7.38
March 1, 2024	565.43	993.13	780.00	49.73	4.5	0.82	7.20

Inputs in to the pricing model of Subsidiary Company

ESOP 2018	**Particulars**						
(For grant date September 24, 2018)	**Weighted average fair value of option (₹)**	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
Tranche 1	4.69	11.24	10.00	35.61	3.5	Nil	7.94
Tranche 2	5.34	11.24	10.00	36.29	4.5	Nil	8.03
Tranche 3	5.87	11.24	10.00	36.09	5.5	Nil	8.09
Tranche 4	6.33	11.24	10.00	35.69	6.5	Nil	8.13

ESOP 2018	**Particulars**						
(For grant date July 1, 2020)	**Weighted average fair value of option (₹)**	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
Tranche 1	4.84	11.46	10.00	43.4	3.5	Nil	4.81
Tranche 2	5.33	11.46	10.00	41.5	4.5	Nil	5.20
Tranche 3	5.81	11.46	10.00	40.5	5.5	Nil	5.51
Tranche 4	6.22	11.46	10.00	39.4	6.5	Nil	5.76

ESOP 2018	**Particulars**						
(For grant date December 1, 2021)	**Weighted average fair value of option (₹)**	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
Tranche 1	5.45	12.76	12.00	47.92	3.5	Nil	5.18
Tranche 2	5.95	12.76	12.00	44.95	4.5	Nil	5.53
Tranche 3	6.49	12.76	12.00	43.7	5.5	Nil	5.83
Tranche 4	6.97	12.76	12.00	42.51	6.5	Nil	6.08

ESOP 2018	**Particulars**						
(For grant date May 1, 2022)	**Weighted average fair value of option (₹)**	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
Tranche 1	7.79	16.96	12.00	28.19	3.5	Nil	6.20
Tranche 2	8.40	16.96	12.00	25.75	4.5	Nil	6.51
Tranche 3	9.00	16.96	12.00	24.07	5.5	Nil	6.73
Tranche 4	9.57	16.96	12.00	23.2	6.5	Nil	6.90

ESOP 2018	**Particulars**						
(For grant date April 1, 2023)	**Weighted average fair value of option (₹)**	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
Tranche 1	7.19	21.20	20.00	27.63	3.5	Nil	7.12
Tranche 2	8.09	21.20	20.00	26.08	4.5	Nil	7.14
Tranche 3	8.85	21.20	20.00	24.32	5.5	Nil	7.14
Tranche 4	9.59	21.20	20.00	23.02	6.5	Nil	7.15

ESOP 2018	**Particulars**						
(For grant date May 1, 2023)	**Weighted average fair value of option (₹)**	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
Tranche 1	6.50	21.20	21.20	27.36	3.5	Nil	6.86
Tranche 2	7.39	21.20	21.20	25.69	4.5	Nil	6.92
Tranche 3	8.19	21.20	21.20	24.13	5.5	Nil	6.96
Tranche 4	8.94	21.20	21.20	22.81	6.5	Nil	7.00

ESOP 2018	**Particulars**						
(For grant date August 1, 2023)	**Weighted average fair value of option (₹)**	**Weighted average share price (₹)**	**Exercise price (₹)**	**Expected volatility****	**Option life (Years)**	**Dividend yield (%)**	**Risk-free interest rate (%)***
Tranche 1	6.50	21.20	21.20	27.36	3.5	Nil	6.86
Tranche 2	7.39	21.20	21.20	25.69	4.5	Nil	6.92
Tranche 3	8.19	21.20	21.20	24.13	5.5	Nil	6.96
Tranche 4	8.94	21.20	21.20	22.81	6.5	Nil	7.00

*The risk free interest rate being considered for the calculation is interest rate applicable to the implied yield of zero coupon government securities.

**Expected volatility calculation is based on volatility of similar listed enterprises.

Movement in share options during the year of Holding Company

Particulars	**As at March 31, 2024**		**As at March 31, 2023**		**As at March 31, 2022**	
	Number of options	**Weighted average fair value of the options at grant date (₹ per share)**	**Number of options**	**Weighted average fair value of the options at grant date (₹ per share)**	**Number of options**	**Weighted average fair value of the options at grant date (₹ per share)**
(i) Outstanding at the beginning of the year	1,514,381	268.65	1,333,534	278.66	1,472,819	282.79
(ii) Granted during the year	1,141,256	493.57	471,718	239.62	51,000	199.52
(iii) Forfeited/ cancelled during the year	99,108	270.52	290,871	268.33	190,285	275.05
(iv) Exercised during the year	-	-	-	-	-	-
(v) Outstanding at the end of the year	2,556,529	368.98	1,514,381	268.65	1,333,534	278.66
(vi) Exercisable at the end of the year	878,344	275.65	732,128	273.52	752,251	263.43

Weighted average remaining contractual life of options outstanding as at year end is 16 months (March 31, 2023: 11 months; March 31, 2022: 8 months) of Holding Company.

Movement in share options during the year of Subsidiary Company

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Number of options	Weighted average fair value of the options at grant date (₹ per share)	Number of options	Weighted average fair value of the options at grant date (₹ per share)	Number of options	Weighted average fair value of the options at grant date (₹ per share)
(i) Outstanding at the beginning of the year	10,427,500	5.39	12,070,000	5.93	12,815,000	5.75
(ii) Granted during the year	483,292	8.50	450,000	8.93	2,160,000	6.42
(iii) Forfeited/ cancelled during the year	-	-	320,000	-	450,000	-
(iv) Exercised during the year	580,500	-	1,772,500	-	2,455,000	-
(v) Outstanding at the end of the year	10,330,292	6.23	10,427,500	6.06	12,070,000	5.93
(vi) Exercisable at the end of the year	5,307,000	5.69	2,912,500	5.39	1,132,500	5.09

Weighted average remaining contractual life of options outstanding as at year end is 4.75 years (March 31, 2023: 5.5 years; March 31, 2022: 6.3 years) of subsidiary company.

(ii) Cash settled

The Cash settled Employee Stock Options Scheme titled "Phantom Stock Units Plan 2022" or "the Phantom Scheme" was approved, on the recommendations of the Nomination and Remuneration Committee (NRC), by the Board of the Holding Company on August 03, 2022. The Scheme confers a right upon the Employee to receive sum of money equal to Appreciation in accordance with the terms and conditions of such issue. As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The fair value is re-measured at each reporting period up to, and including the settlement date, is expensed over the vesting period.

Plan	Number of Options Granted	Grant date	Number of Options outstanding	Vesting condition and vesting period	Fair value of the options at grant date (₹)
Phantom Stock Units Plan 2022	323,511	September 1, 2022	237,009	Tranche I: 33% on completion of first year, Tranche II: 33% on completion of second year, Tranche III: 34% on completion of third year.	Tranche I - 548.13 Tranche II - 546.50 Tranche III - 545.10
	3,375	October 1, 2022	3,375		
	2,500	November 1, 2022	1,675		
	17,437	January 1, 2023	14,193		Tranche I - 659.10 Tranche II - 657.40 Tranche III - 656.00
	17,400	March 1, 2023	17,400		
	3,930	April 1, 2023	3,930		Tranche I - 659.10 Tranche II - 657.40 Tranche III - 656.00
	1,920	June 1, 2023	1,920		Tranche I - 659.10 Tranche II - 657.40 Tranche III - 656.00

Fair value of share options granted

The fair value of options as at March 31, 2024 is estimated using the Monte Carlo Simulations (MCS) model after applying the key assumption which are tabulated below:

Inputs in to the pricing model of Holding Company

Phantom Stock Units Plan 2022	As at March 31, 2024	As at March 31, 2023
Fair value of share options	Tranche I - 902.96 Tranche II - 815.06 Tranche III - 734.37	Tranche I - 659.10 Tranche II - 657.40 Tranche III - 656.00
Expected volatility*	49.73%	41.01%-52.27%
Option life (years)	Tranche I- 1.5-2.25 Tranche II- 2.5-3.25 Tranche III- 3.5-4.25	Tranche I- 1.5-2.40 Tranche II- 2.5-3.40 Tranche III- 3.5-4.40
Dividend yield (%)	0.82%	0.30%
Risk-free interest rate (%)**	7.22%	7.09%-7.14%

*Expected volatility calculation is based on volatility of similar listed enterprises.

**The risk free interest rate being considered for the calculation is interest rate applicable to the implied yield of zero coupon government securities.

Movement in share options during the year of Holding Company

Particulars	Number of options		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Outstanding at the beginning of the year	344,855	-	NA
(ii) Granted during the year	5,850	364,223	NA
(iii) Forfeited/ cancelled during the year	44,724	19,368	NA
(iv) Exercised during the year	26,479	-	NA
(v) Outstanding at the end of the year	279,502	344,855	NA
(vi) Exercisable at the end of the year	74,187	-	NA
*Weighted avearge exercise price	869.41	NA	

47 Dividend paid and proposed

(₹ in Millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Declared and paid during the year			
Dividends on ordinary shares:			
Final dividend for the year ended March 31, 2023: ₹ 8.10# per share (March 31, 2022: Nil per share, March 2021: ₹ 1** per share)	1,031.18	-	127.31
Dividend distribution tax on final dividend declared and paid	-	-	-
Total dividends paid (including dividend distribution tax)	**1,031.18**	**-**	**127.31**

After the reporting dates the following dividends were proposed by the Board of Directors subject to the approval of the shareholders at Annual General Meeting. Accordingly, the dividends have not been recognised as liabilities.

Dividend on ordinary shares:			
Proposed for approval at Annual General Meeting March 31, 2024: ₹ 10* per share (March 31, 2023: ₹ 8.10# per share; March 31, 2022: Nil per share;)	1,273.06	1,031.18	-
	1,273.06	**1,031.18**	**-**

* On May 03, 2024, the Board of Directors has proposed a final dividend on equity shares of Rs.10.00 per share for the financial year ended March 31, 2024 subject to the approval by the shareholders at the Annual General Meeting.

\# On May 01, 2023, the Board of Directors has proposed a final dividend on equity shares of ₹ 8.10 per share for the financial year ended March 31, 2023 subject to the approval of the shareholders at Annual General Meeting.

** On April 29, 2021, the Board of Directors has proposed a final dividend on equity shares of ₹ 1.00 per share for the financial year ended March 31, 2021 and the same was approved by the shareholders at the Annual General Meeting held on September 14, 2021.

48 Additional Regulatory Information required by Schedule III to the Companies Act, 2013

(i) The Group has not entered any transactions with companies that were struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(ii) The Group is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iii) During the year, no scheme of arrangements in relation to the Group has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable, since there were no such transaction.

(iv) The Group does not have any transactions which were not recoded in the books of accounts, but offered as income during the year in the income tax assessment.

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

For and on behalf of the Board of Directors of
Hero FinCorp Limited

Abhimanyu Munjal
Managing Director & CEO
(DIN No. : 02822641)
Place: Gurugram
Date: July 29, 2024

Renu Munjal
Director
(DIN No. : 00012870)
Place: Dubai
Date: July 29, 2024

Sajin Mangalathu
Chief Financial Officer
Place: Gurugram
Date: July 29, 2024

Shivendra Suman
Company Secretary
Place: Gurugram
Date: July 29, 2024

Signature to notes 1 to 48 forming part of the consolidated restated financial information.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

For B R Maheswari & Co LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050

Sharad Vasant
Partner
Membership Number: 101119
Place: Mumbai
Date: July 29, 2024

Sudhir Maheshwari
Partner
Membership Number: 081075
Place: Gurugram
Date: July 29, 2024

Hero FinCorp Limited
CIN - U74899DL1991PLC046774
Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and their impact on equity and the profit/loss of the Group:

Part A : Statement of Adjustments to Audited Consolidated Financial Statements

Reconciliation between audited equity and restated equity

(₹ in Millions)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Total Equity as per Audited Consolidated Financial Statements	57,720.30	52,478.27	47,699.78
Material restatement adjustments:			
(i) Audit qualifications	-	-	-
(ii) Adjustments due to prior period items/other adjustment	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
(iv) Change in accounting policies	-	-	-
Total Impact of adjustments (i+ii+iii+iv)	-	-	-
Total Equity as per Restated Consolidated Financial Information	57,720.30	52,478.27	47,699.78

Reconciliation between audited profit /(loss) after tax and restated profit/ (loss) after tax

(₹ in Millions)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profit/(Loss) after tax as per Audited Consolidated Financial Statements	6,370.48	4,799.47	(1,918.98)
Material restatement adjustments:			
(i) Audit qualifications	-	-	-
(ii) Adjustments due to prior period items/other adjustment	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
(iv) Change in accounting policies	-	-	-
Total Impact of adjustments (i+ii+iii+iv)	-	-	-
Restated Profit/(Loss) after tax as per Restated Consolidated Financial Information	6,370.48	4,799.47	(1,918.98)

Note to adjustment:

i) Audit qualifications - There are no audit qualifications in auditor's report for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

ii) Material regrouping/ reclassification - Appropriate regrouping/ reclassifiacation have been made in the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated statement of cash flows, wherever required, by reclassification of corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited Consolidated Financial Statements for the year ended March 31, 2024, prepared in accordance with Schecdule- III (Division-III) of the Act, as amended, requirements of IND AS 1 - 'Preparation of financial statements' and other applicable IND AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Part B : Non Adjusting Items

a) Emphasis of matter paragraph and auditor's remarks/ comments on annexure to Auditor's Report not requiring adjustment to Restated Consolidated Financial

i) Hero Fincorp Limited

Emphasis of matter paragraph in the audit report on consolidated financial statements for the year ended March 31, 2022
We draw attention to Note 44.2.4 to the consolidated financial statements, which describes the Management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Holding Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
Our opinion is not modified in respect of this matter.

b) Auditor's Comments in Annexure to Auditors' Report:

Annexure to Auditor's Report for the year ended March 31, 2024

Certain statements/comments included in the CARO on the standalone financial statements of the Holding Company for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below.

Additionally, the statements/comments in the CARO issued on the separate statutory financial statements of Hero Housing Finance Limited, a subsidiary of the Company as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 have also been reproduced below:

Hero FinCorp Limtied

Annexure to Auditor's Report for the year ended March 31, 2024
Clause vii(b) of CARO, 2020 Order
The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	91.10	2013-14 2014-15	Commissioner (Appeals) of Income Tax	Amount paid under protest is 3.69 crore
Income Tax Act, 1961	Income tax	3.30	2006-07 2009-10	The High Court of Delhi	Amount paid under protest is 0.14 crore
Income Tax Act, 1961	Income tax	829.80	2017-18	Commissioner (Appeals) of Income Tax	Amount paid under protest is 24.33 crore
Income Tax Act, 1961	Income tax	1,989.50	2016-17	Commissioner (Appeals) of Income Tax	Amount paid under protest is 25.73 crore
Income Tax Act, 1961	Income tax	4.00	2019-20	Commissioner (Appeals) of Income Tax	-
Income Tax Act, 1961	Income tax	167.20	2020-21	Commissioner (Appeals) of Income Tax	Amount paid under protest is 11.35 crore
Delhi Value added Tax Act	Value added tax	2.00	2013-14 2014-15	Objection hearing authority (Trade & Tax department)	-

Annexure to Auditor's Report for the year ended March 31, 2023
Clause vii(a) of CARO, 2020 Order
According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employee' state insurance, income tax, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of undisputed statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. In millions)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Employees' Provident Fund Organization	Provident fund dues	0.30	April 2022 to August 2022	May 2022 to September 2022	Not yet paid	Due to non - linking of Aadhar number with employee's PF account as required by notification dated June 15th, 2021, issued by Provident Fund authorities. Amount of 0.05 millions deposited subsequently

Clause vii(b) of CARO, 2020 Order
According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	91.10	2013-14 2014-15	Commissioner (Appeals) of Income Tax	Amount paid under protest is 36.9 millions
Income Tax Act, 1961	Income tax	3.30	2006-07 2009-10	The High Court of Delhi	Amount paid under protest is 1.4 millions
Income Tax Act, 1961	Income tax	829.80	2017-18	Commissioner (Appeals) of Income Tax	Amount paid under protest is 243.3 millions
Income Tax Act, 1961	Income tax	2,028.70	2016-17	Commissioner (Appeals) of Income Tax	Amount paid under protest is 257.3 millions
Income Tax Act, 1961	Income tax	4.00	2019-20	Commissioner (Appeals) of Income Tax	-

Income Tax Act, 1961	Income tax	167.20	2020-21	Commissioner (Appeals) of Income Tax	Amount paid under protest is 113.5 millions
Delhi Value added Tax Act	Value added tax	2.00	2013-14 2014-15 2015-16 2016-17 2017-18	Objection hearing authority (Trade & Tax department)	-

Annexure to Auditor's Report for the year ended March 31, 2022
Clause vii(a) of CARO, 2020 Order
According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including , income tax, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

Clause vii(b) of CARO, 2020 Order
According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31,2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	**Nature of dues**	**Amount (Rs. In millions)**	**Period to which the amount relates**	**Forum where the dispute is pending**	**Remarks, if any**
Income Tax Act, 1961	Income tax	91.10	2013-14 2014-15	Commissioner (Appeals) of Income Tax	Amount paid under protest is 36.9 millions
Income Tax Act, 1961	Income tax	3.30	2006-07 2009-10	The High Court of Delhi	Amount paid under protest is 1.4 millions
Income Tax Act, 1961	Income tax	866.30	2017-18	The High Court of Delhi	-
Income Tax Act, 1961	Income tax	2,028.70	2016-17	Commissioner (Appeals) of Income Tax	Amount paid under protest is 257.3 millions
Delhi Value added Tax Act	Value added tax	5.30	2013-14 2014-15 2015-16 2016-17 2017-18	Objection hearing authority (Trade & Tax department)	-

ii) Hero Housing Finance Limited

Annexure to Auditor's Report for the year ended March 31, 2024

Clause vii(a) & vii(b) of CARO, 2020 Order
According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, and other material statutory dues, as applicable to the Company, with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, and other material statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable

b) As at March 31, 2024, the following are the particulars of dues referred in sub-clause (a) above which have not been deposited on account of any dispute:

Name of the Statute	**Period to which amount relates**	**Amount (In INR millions)**	**Amount paid* (In INR millions)**	**Forum where dispute is pending**
Income-tax Act, 1961	AY 2017-18	0.20	0.20	Commissioner (Appeals)

*Adjusted against earlier / subsequent year refund orders

Annexure to Auditor's Report for the year ended March 31, 2023

Clause vii(a) & vii(b) of CARO, 2020 Order
According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

(a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, and other material statutory dues, as applicable to the Company, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts, except for one case stated below, payable in respect of Provident Fund, Incometax, Goods and Services Tax, and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable except in case of Provident Fund for two employees, for which the amount, in our opinion, is not material and could not be deposited due to inconsistency in the employees' records with the Employee Provident Fund Organisation.

(b) As at 31 March, 2023, the following are the particulars of dues referred in sub-clause (a) above which have not been deposited on account of any dispute:

Name of the Statute	Period to which amount relates	Amount (In INR millions)	Amount paid* (In INR millions)	Forum where dispute is pending
Income-tax Act, 1961	AY 2017-18	0.17	0.17	Commissioner (Appeals)

*Adjusted against earlier / subsequent year refund orders

Annexure to Auditor's Report for the year ended March 31, 2022

Clause vii(b) of CARO, 2020 Order

As at 31st March, 2022, the following are the particulars of dues referred in sub-clause (a) above which have not been deposited on account of any dispute:

Name of the Statute	Period to which amount relates	Amount (In INR millions)	Amount paid* (In INR millions)	Forum where dispute is pending
Income-tax Act, 1961	AY 2017-18	0.17	0.17	Commissioner (Appeals)

*Adjusted against earlier / subsequent year refund orders

For and on behalf of the Board of Directors of
Hero FinCorp Limited

Abhimanyu Munjal
Managing Director & CEO
(DIN No. : 02822641)
Place: Gurugram
Date: July 29, 2024

Renu Munjal
Director
(DIN No. : 00012870)
Place: Dubai
Date: July 29, 2024

Sajin Mangalathu
Chief Financial Officer
Place: Gurugram
Date: July 29, 2024

Shivendra Suman
Company Secretary
Place: Gurugram
Date: July 29, 2024

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

For B R Maheswari & Co LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050

Sharad Vasant
Partner
Membership Number: 101119
Place: Mumbai
Date: July 29, 2024

Sudhir Maheshwari
Partner
Membership Number: 081075
Place: Gurugram
Date: July 29, 2024

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

	As at and for the		
	Year ended March 31, 2024	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Restated basic earnings per equity share (face value of ₹ 10 each) (in ₹)	50.04	37.70	(15.07)
Restated diluted earnings per equity share (face value of ₹10 each) (in ₹)	49.94	37.67	(15.07)
Return on Net Worth ("RoNW")(%)[(1)]	11.05%	9.15%	(4.03)%
Adjusted Net Asset Value per Equity Share (in ₹)[(2)]	658.03	593.33	374.49
Net Asset Value per Equity Share (in ₹) [(3)]	452.92	411.87	374.49
Restated profit/(loss) after tax (in ₹ million)	6,370.48	4,799.47	(1,918.98)
Adjusted profit/(loss) after tax (in ₹ million)[(4)]	9,857.38	7,899.99	(1,918.98)
EBITDA (in ₹ million) [(5)]	41,238.75	29,471.02	14,576.85
Adjusted EBITDA (in ₹ million) [(6)]	44,725.65	32,571.54	14,576.85
Adjusted EBITDA Margin (%)[(7)]	53.50%	50.52%	30.38%

Notes:

(1) Return on Net Worth ("RoNW") (%) represents ratio of Restated profit/(loss) after tax for the relevant fiscal to net worth as of the last day of relevant fiscal.

(2) Adjusted Net Asset Value per Equity Share calculated by dividing Adjusted Net Worth of the Company by total number of Equity Shares as of the last day of relevant Fiscals.

(3) Net Asset Value per Equity Share calculated by dividing Net Worth of the Company by total number of Equity Shares as of the last day of relevant Fiscals.

(4) Restated Profit/(loss) after tax excluding CCPS cost for the relevant fiscal.

(5) EBITDA: Earnings before interest, taxes, depreciation, and amortization. EBITDA is calculated as restated profit/(loss) after tax for the fiscal plus total tax expenses, depreciation and amortization expenses, and finance costs.

(6) Adjusted EBITDA: EBITDA plus CCPS Cost. CCPS Cost is fair value change in CCPS recognized in net gain/(loss) on fair value changes for the relevant Fiscal.

(7) Adjusted EBITDA Margin: Ratio of Adjusted EBITDA to total income for the relevant fiscal.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Financial Years 2024, 2023 and 2022 ("**Audited Financial Statements**") are available on our website at https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance.

Further, the audited standalone financial statements of our Subsidiary for Financial Years 2024, 2023 and 2022 ("**Subsidiary Financial Statements**") will be available on our website at https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance. 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 Subsidiary Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the Subsidiary Financial Statements should not be considered as part of information that any investor should consider when subscribing for or purchasing 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 or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements and the Subsidiary Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information - Notes to the Restated Consolidated Financial Information – Annexure VI - Note 39 – Related Party Transactions.*" on page 421.

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 for Fiscals 2024, 2023 and 2022. This section should be read together with "Risk Factors", "Industry Overview", "Business", "Selected Statistical Information" and "Restated Consolidated Financial Information" on pages 31, 147, 237, 336 and 361, respectively. Unless otherwise stated or the context requires otherwise, the financial information in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. Our financial year ends on March 31 of each year. Accordingly, references to "Fiscal 2024," "Fiscal 2023" and "Fiscal 2022" 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 – Internal Risks – Significant differences exist between Indian accounting standard and other accounting principles, such as international financial reporting standards and United States generally accepted accounting principles, which investors may be more familiar with and may consider material to their assessment of our financial condition" on page 73. 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 31 and 29, respectively.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled 'Report on Loans and Financial Services Industry in India' dated July 30, 2024 prepared and issued by CRISIL (the "**CRISIL Report**"), which has been commissioned and paid for by our Company exclusively in connection with the Offer and prepared, only for the purposes of understanding the industry in which we operate, pursuant to an engagement letter dated April 5 2024. The CRISIL Report will form part of the material documents for inspection and is available at the following web-link https://www.herofincorp.com/investor-relations. Unless otherwise indicated, all 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 year. For further details, see "Risk Factors - Internal Risks – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance that may vary from any standard methodology in our industry, and such measures are not verified. " and "Industry Overview" on pages 67 and 147, respectively.*

Overview

We are a scaled NBFC offering a diversified suite of financial products catered primarily to the growing retail customer segment and the rapidly formalising MSME customer segment in India. We offer retail, MSME and CIF loans. Our retail loans include vehicle, personal and mortgage loans. We had AUM of ₹518,208.11 million as at March 31, 2024, of which our retail and MSME loan verticals contributed 65.08% and 20.80%, respectively. Since our inception in 1991, we have grown our customer base to 11.80 million customers, which included 5.00 million active retail customers, 29,060 active MSME customers and 360 active CIF customers, spanning 18,603 pin-codes across India, as at March 31, 2024. We operate under the "Hero" brand heritage and trust established by our parent and promoter, Hero MotoCorp Limited We are strategically positioned to tap into the expanding and significantly underpenetrated retail and MSME customer segments in India. As at March 31, 2024, 72.20% of our retail customers came from households with annual incomes ranging from ₹0.20 million to ₹1.00 million, a group we identify as the "Aspiring India" or "Rising India" segment according to the CRISIL Report.

We follow a "Customer First Approach" in designing lending products that are customisable and cater to the unique needs of our retail, MSME and CIF customers throughout their lifetimes. Our business verticals comprise:

1. **Retail Finance.** We offer retail customers:

    (i) **Vehicle Loans** comprising (a) two-wheeler loans to finance purchases of scooters and motorcycles from Hero MotoCorp Limited and E2Ws from select brands, and (b) used car loans to finance or refinance purchases of used cars.

    (ii) **Personal Loans** comprising (a) personal loans sourced through our partner platforms, (b) HIPLs sourced through our mobile app and website, (c) open market personal loans sourced through our channel partners, particularly DSAs, and (d) loyalty personal loans for existing customers who already have a credit history with us.

    (iii) **Mortgage Loans** through our subsidiary and housing finance arm, Hero Housing Finance Limited ("**HHFL**"), in the form of secured loans which we offer to self-employed and salaried retail customers seeking to purchase residential property or land to construct their homes, renovate or extend their homes, or mortgage their existing property for business or personal purposes.

2. **MSME Finance.** We offer MSME customers (i) secured loans in the form of loans against property and construction finance; and (ii) unsecured loans in the form of business loans and supply chain finance, to support them in the operation and expansion of their businesses, including acquiring fixed assets and meeting working capital needs.

3. **CIF**. We offer secured loans to corporate & institutional customers such as promoters, holding companies and operating entities of large corporations.

We distribute our lending products to a diverse customer base across various demographics, income levels, livelihoods, geographic regions, and credit histories throughout India. Our unique customer acquisition model supports this broad reach. We source business through a robust omni-channel, asset light, pan-India distribution network consisting of a strategic mix of our in-house sales team for direct sourcing and our partnership network. Our distribution network comprises our digital channels, HHFL branches, relationship managers and our sales executives, which is complemented by our asset-light, distribution partner network, comprising (i) two-wheeler and used car dealers, (ii) digital partners and (iii) DSAs. For more details on our business, see "*Our Business*" on page 237.

Principal Factors Affecting our Financial Condition and Results of Operations

Increase in Total Gross Loans

Increases in our Total Gross Loans are driven by the (i) growth of our customer franchise and (ii) growth of distribution, which in turn, generate an increase in interest income.

Our Total Gross Loans increased by 25.94% from ₹329,508.05 million in Fiscal 2022 to ₹414,972.68 million in Fiscal 2023 and further increased by 24.07% to ₹514,870.94 million in Fiscal 2024. This generated an increase in interest income from ₹42,418.66 million in Fiscal 2022 to ₹57,196.00 million in Fiscal 2023 and to ₹74,793.81 million in Fiscal 2024.

Growth of our customer franchise

Our total customer base grew from 7.70 million customers as at March 31, 2022 to 11.80 million customers as at March 31, 2024. Our customer base included 5.00 million active retail customers and 29,060 active MSME customers across India, as at March 31, 2024. We leveraged our large customer base to cross-sell lending products to our customers. The average number of lending products per customer was 1.15, 1.28, and 1.12 in Fiscals 2024, 2023, and 2022, respectively.

As at March 31, 2024, 72.20% of our retail customers belonged to the Aspiring India segment. The "Aspiring India" segment is characterised by households with annual incomes between ₹0.20 million to ₹1.00 million, according to the CRISIL Report. This segment represents a significant growth opportunity for us. According to the CRISIL Report, this is a fast-growing segment with the number of Aspiring India households expected to grow from 103.00 million households in Fiscal 2022, to 181.00 million households by Fiscal 2030. Further, the Government of India expects MSMEs' contribution to GDP to increase from 29.20% in Fiscal 2022 to 40.00-50.00% by Fiscal 2030, while there exists a substantial MSME credit gap of ₹103.00 trillion as at March 31, 2024. The growth of the retail and MSME customer segments, which comprised 99.70% and 0.30% of our customer base as at March 31, 2024, respectively, will be helpful in our efforts to increase sales of our lending products and grow our Total Gross Loans.

Growth of distribution

We distribute our lending products to a diverse pool of customers across various demographics, income levels, livelihoods, geographic regions, and credit histories throughout India through our unique customer acquisition model. We source business through a robust omni-channel, asset light, pan-India distribution network consisting of our in-house sales team for direct sourcing and our partnership network. According to the CRISIL Report, as at March 31, 2024, there was a total of 19,300 pin-codes in India as recorded in the all India pin-code directory, of which our network covered 18,603 pin-codes. Leveraging our extensive omni-channel distribution network, we sourced 2.05 million distinct customers in Fiscal 2024 and have served 11.80 million customers as at March 31, 2024. Our ability to increase distribution by direct sourcing through our branches, cross-selling and top-up marketing to existing customers and effectively utilise website, app and digital marketing will be instrumental to our ability to grow our customer base and our Total Gross Loans.

In addition, diversifying and expanding our partnership network helps us to boost our market visibility and reputation, which attracts more customers and in turn grow our Total Gross Loans. We have established partnerships with third-party organisations, including: (i) two-wheeler and used car dealers, (ii) digital partners and (iii) DSAs. We aim to partner with more EV players in India to grow our vehicle financing business with leading technology companies to build a technology partner ecosystem. We also plan to further deepen our partner relationships by launching a DSA partner mobile application called "The Bridge" by the second quarter of Fiscal 2025 for our sourcing partners. The application is expected to provide real-time information to our partners, increase transparency and enable us to acquire more retail and MSME customers.

Increase in net interest margin ("NIM")

Our results of operations depend significantly on our NIM, which is the difference between our interest income earned from disbursal of loan products and the interest expended on our borrowings. Interest income from interest on loans, interest on investments and interest on deposits is the largest contributor to our revenue from operations. In Fiscals 2024, 2023 and 2022, interest income amounted to 90.21%, 89.35% and 89.52% of our total revenue from operations, respectively. On the other hand, finance cost amounted to 41.86%, 38.06% and 33.23% of our total expenses in Fiscals 2024, 2023 and 2022, respectively. As such, NIM is affected by (i) changes in interest rates on our Total Gross Loans and borrowings and (ii) our product portfolio mix.

Interest rates on loans and borrowings

The magnitude and timing of interest rate changes in the asset and liability markets have a significant impact on our NIM and profitability. Movements in short and long-term interest rates affect our interest earned and interest expended. As at March 31, 2024, 72.03% and 27.97% of our Total Gross Loans were at fixed and floating rates, respectively, while 24.00% and 76.00% of our total borrowings were subject to fixed and floating interest rates, respectively. As there are varying maturity periods applicable to our interest-bearing assets and interest-bearing liabilities, a change in interest rates may result in an increase in interest expense relative to our interest income leading to a reduction in our NIM. Our ability to continue growing our business and meeting customer demand for new loans will depend heavily on our ability to raise funds on competitive interest rates and terms.

We leverage our high credit ratings to raise funds from diverse sources within the capital markets, including non-convertible debentures ("**NCDs**"), commercial papers, term loans, working capital facilities, and external commercial borrowings ("**ECBs**") from financial institutions and borrowed from various lenders at competitive rates. We also engage in price discovery efforts during borrowing resets, employed mechanisms such as resetting spreads and switching benchmarks, and explored repayments in the case of interest rate increases. In Fiscal 2024, 2023, and 2022, our average cost of borrowing was 7.95%, 6.90%, and 6.37%, respectively, while our peers' borrowing costs ranged between 5.30%-8.80% in Fiscal 2022, 5.60%-9.20% in Fiscal 2023, and 6.10%-8.60% in Fiscal 2024, according to the CRISIL Report.

Our cost of funds depends on external factors such as the status of bank lending rates in India, as well as internal factors such as changes in our credit rating. We may also be affected by changes in RBI repo rates, which impact the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities. Adverse conditions in the global and Indian economy resulting from economic dislocations or liquidity disruptions may adversely affect availability of credit, and decreased liquidity may lead to an increase in interest rates. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

We are focused on maintaining a positive asset-liability position. We plan to continue to focus on diversifying our borrowings and increase the share of ECB and NCDs, among other sources of funding.

Our product mix

We are focused on increasing disbursements of our retail and MSME products as we continue to grow our customer base. Our profitability significantly depends on our ability to introduce more retail and MSME lending products and increase the sales of such products, including through cross-selling of products. In addition, we plan to increase sales of insurance products from our insurance partners to our customers, on which we earn commissions.

The following table sets forth a breakdown of our disbursements by type of customer for the years indicated:

Particulars	**Fiscal**					
	2024		**2023**		**2022**	
	(in ₹ million)	*(%)*	*(in ₹ million)*	*(%)*	*(in ₹ million)*	*(%)*
Retail Finance	253,999.77	73.70%	201,410.09	72.68%	136,185.15	69.13%
MSME Finance	48,650.12	14.12%	39,864.93	14.38%	15,416.50	7.83%
CIF	41,982.59	12.18%	35,858.30	12.94%	45,397.30	23.04%
Total Disbursement	**344,632.47**	**100.00%**	**277,133.32**	**100.00%**	**196,998.95**	**100.00%**

Operating expenses

Our ability to continue controlling our operating expenses will directly impact our profitability. In Fiscals 2024, 2023 and 2022, our total expenses were ₹73,991.84 million, ₹57,123.24 million and ₹50,515.41 million, respectively, of which (i) employee benefits expenses comprised 9.36%, 9.49% and 7.05% of our total expenses, respectively, and (ii) loan collection charges comprised 9.01%, 12.57% and 13.20% of our total expenses, respectively. We maintained Operating Expenses as a percentage of total disbursements at 7.48%, 8.39%, and 7.78% in Fiscals 2024, 2023 and 2022 respectively. Our results of operations are thus dependent on our ability to manage employee costs and loan collection charges, as well as our ability to leverage technology to further improve our productivity.

We employ an asset-light distribution network which leverages the strength of our channel partners, dealers and distribution associates to enable us to expand our distribution reach while maintaining an optimally-sized workforce. Our centralized collections infrastructure which comprises our in-house collections team supported by 8,313 active field agents from 1,228 outsourced field agencies, outsourced call centres operated by 545 personnel, and Hero MotoCorp Limited dealers also contributes to our operational efficiency. As at March 31, 2024, we had 4,469 on-roll employees. Our AUM per employee was ₹115.96 million, ₹116.33 million and ₹126.31 million in Fiscals 2024, 2023 and 2022, respectively, while our disbursement per employee was ₹77.12 million, ₹77.22 million and ₹75.28 million, respectively. We seek to continue improving Total Gross Loans and disbursements per employee, which reflect our ability to effectively manage our operating expenses.

We have integrated technology into every facet of our business including onboarding, underwriting, loan fulfilment, settlement, collections and servicing. Our distribution and collections network are integrated through our central system, enhancing data management and promoting straight through processing of loan applications across business verticals, and in turn, productivity levels. We introduced personal payment links and a mobile app through which customers can make direct payments. This improved our non-cash collections rate from 76.00% in Fiscal 2022, to 81.24% in Fiscal 2023, and 83.31% in Fiscal 2024. We introduced generative pre-trained transformer ("**GPT**") based chat models that are integrated into our mobile app and website. In Fiscal 2024, 53.02% of customer queries were received through digital channels, with 95.77% of them being resolved digitally. We intend to further enhance technology and AI integration across all our business operations. We are committed to further optimising our processes, including by automating our fulfilment processes, customer service and other operational tasks, to reduce our operating expenses and enhance our overall productivity.

Credit quality

Our ability to manage and improve the credit quality of our loans is a key driver of our results of operations. We measure our credit quality in part through NPA. As the number of our loans that become NPA increase, the credit quality of our loan portfolio will correspondingly decrease. With the growth of our business, our ability to manage the credit quality of our loans will be a key driver to our results of operations and profitability, as quality loans help reduce the risk of losses from loan impairment and write-offs.

The following table illustrates our asset quality ratios as at the dates indicated:

Particulars	For the Fiscal ended / As at March 31,		
	2024	2023	2022
	(in ₹ million, except percentages)		
Stage 3 Loans(1)	20,712.52	21,202.02	24,857.60
GNPA Ratio (2)	4.02%	5.11%	7.54%
Stage 3 Impairment Allowance	10,647.56	10,333.32	10,728.63
NNPA(3)	10,064.96	10,868.70	14,128.97
NNPA Ratio(4)	2.00%	2.69%	4.43%

Notes:

(1) Stage 3 Loans: gross carrying amount of Stage 3 Loans as of the last day of the relevant Fiscal.

(2) GNPA Ratio: ratio of Stage 3 Loans to Total Gross Loans as of the last day of the relevant Fiscal.

(3) NNPA: Stage 3 Loans reduced by Stage 3 Impairment Allowance as of the last day of the relevant Fiscal.

(4) NNPA Ratio: ratio of NNPA to Total Gross Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal .

While our AUM has increased, our NPA has steadily declined over the years. The quality of our underwriting practices, which leverages an AI and ML based application scorecard and our deep data lake to identify borrower risk profiles, as well as our robust collections infrastructure and practices, which enable us to effectively monitor loan portfolios and make timely corrective interventions, have enabled us to maintain relatively low levels of NPA. Our ability to control and reduce our level of Stage 3 Loans is also dependent on a number of factors beyond our control, such as increased competition, adverse effects on the business, financial condition and results of operations of our customers, a rise in unemployment, sharp and sustained rise in interest rates, slow industrial and business growth, changes in customer behaviour and demographic patterns, change in central and state regulations, including any future RBI regulations requiring us to lend to certain sectors as identified by RBI.

Impairment on Financial Instruments is our impairment allowance on the gross carrying amount of Total Gross Loans and Settlement Loss and Bad Debts Written Off (i.e. bad-debts written off net of recoveries from bad-debts written off accounts). In Fiscals 2024, 2023 and 2022 our Provision Coverage Ratio (PCR) was 51.41%, 48.74% and 43.16%, respectively. Our Impairment on Financial Instruments was ₹17,223.90 million, ₹12,122.30 million and ₹18,408.11 million in Fiscals 2024, 2023 and 2022, respectively. Any increase in the level of final credit losses or an inability to maintain our asset quality that adversely affect our NPA levels may require us to increase our provisions and write-offs, and in turn, increase our credit costs and adversely affect our financial performance.

We plan to roll out our application scorecard across all business verticals to further enhance the accuracy of our underwriting processes and the credit quality of our loans.

We collect and store data in a cloud-based data lake environment. As at March 31, 2024, our data lake contains 102 data points at the micro-market level and collaborates with 30 data partners. We have the ability to gather data down to the pin code level, and this level of detailed, quality data enhances our analytics capabilities across various functions and enables data-driven business decision-making. For example, we plan to input more behavioural and other customer data into our scorecard. This is intended to allow us to more accurately assess behavioural and fraud risk throughout a customers' life cycle, thereby lowering our risk.

Changes in regulations

Our results of operations and continued growth depend on stable government policies and regulations. The banking industry in India is subject to extensive regulation by governmental organisations and regulatory bodies such as the RBI and SEBI covering various aspects such as loans and advances, investments, deposits, risk management, foreign investment, corporate governance, market conduct, customer protection, foreign exchange management, capital adequacy, provisioning requirements, margin requirements, know your customer and anti-money laundering. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and various reforms have been implemented. Under the NBFC Scale Based Regulations, we are required to maintain a minimum capital adequacy ratio of 15% of the credit risk weighted assets ("**CRWAs**") on a continuous basis, including a minimum Tier I Capital of at least 10% of the CRWAs, with Tier II Capital limited to a maximum of 100% of total Tier I capital. Our total CRAR (as a percentage of credit RWA) was 16.28%, 20.57% and 15.60% as at March 31, 2024, March 31, 2023, and March 31, 2022, respectively.

We may be required to incur additional expenditure to comply with such laws and regulations in the future and our inability to comply with such laws and regulations may have an adverse effect on our business, results of operations, financial condition and cash flows.

The impact of the COVID-19 pandemic on our results of operations and financial condition

The COVID-19 outbreak and its effect on the economy impacted our customers and our performance after the pandemic. The Government of India initiated a nationwide lockdown in 2020 pursuant to the COVID-19 pandemic. Due to the impact of various regulatory measures in response to the COVID-19 pandemic including moratoriums availed by customers, we experienced a decline in collections. In particular, our cash-based collections requiring the physical presence of our collections staff ceased due to the nationwide lockdown and travel restrictions that were imposed.

In addition, the RBI issued guidelines as part of the COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. In line with the guidelines, we granted a moratorium of up to six months on all loan repayments due between March 1, 2020 and August 31, 2020 to all eligible borrowers in accordance with our Board-approved policies.

Our reduced collections during the COVID-19 pandemic contributed to a higher Stage 3 Loans as a percentage of Total Gross Loans of 7.54% in Fiscal 2022, as compared to Stage 3 Loans as a percentage of Total Gross Loans of 5.11% and 4.02% in Fiscals 2023 and 2024, respectively. We wrote off a significant portion of our Stage 3 Loans in Fiscal 2022. Those write offs and the general economic outlook as a result of the pandemic were factored into our estimates, assumptions and judgments in the measurement of our impairment loss allowances, which contributed to our recording of a restated loss after tax of ₹1,918.98 million for Fiscal 2022. Similar unforeseen events occurring in the future may have similar adverse effects on our business, results of operation, financial condition and cash flows.

Principal Components of Statement of Profit and Loss

Income

Our total income comprises (i) revenue from operations and (ii) other income.

Revenue from operations

Our revenue from operations comprises (i) interest income, (ii) dividend income, (iii) profit on sale of investments (net), (iv) rental income, (v) gain on derecognition of financial instruments under amortised cost category, (vi) net gain on fair value changes, (vii) insurance commission and (viii) other charges. In Fiscals 2024, 2023 and 2022, total revenue from operations comprised 99.18%, 99.29% and 98.77% of our total income, respectively.

Interest income

Interest income is the largest contributor to our revenue from operations. We derive interest income from interest on loans, interest on investments and interest on fixed deposits. In Fiscals 2024, 2023 and 2022, interest income amounted to 90.21%, 89.35% and 89.52% of our total revenue from operations, respectively.

Interest on loans comprises interest income on our (1) retail loans comprising (a) vehicle loans, (b) personal loans and (c) mortgage loans through our subsidiary, HHFL; (2) MSME loans and (3) CIF loans. We recognise interest income on loans by applying the effective interest rate ("**EIR**") to the gross carrying amount of financial assets other than credit-impaired assets. For credit-impaired financial assets that are regarded as Stage 3 Loans, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for expected credit loss ("**ECL**")). Interest on investments primarily comprises interest income on financial assets measured at fair value through profit and loss, such as government securities, commercial papers, treasury bills, investment funds, certificates of deposits and corporate bonds.

Interest on fixed deposits comprises interest income on fixed bank deposits.

Dividend income

We derive dividend income from our investments in equity securities and preference instruments. In Fiscals 2024, 2023 and 2022, dividend income amounted to 0.01%, 0.01% and 0.02% of our total revenue from operations, respectively.

Profit on sale of investments

We derived income from profit on sale of investments in equity securities, investment funds, mutual funds, government securities, commercial papers, treasury bills, certificates of deposits and corporate bonds. In Fiscals 2024, 2023 and 2022, profit on sale of investments amounted to 0.78%, 1.34% and 0.92% of our total revenue from operations, respectively.

Rental income

In Fiscals 2023 and 2022, we earned rental income on leased vehicles. In Fiscal 2023, we disposed of such vehicles and accordingly, did not receive rental income in Fiscal 2024. In Fiscals 2023 and 2022, rental income amounted to 0.002% and 0.04% of our total revenue from operations, respectively.

Gain on derecognition of financial instruments under amortised cost category

In Fiscals 2024, 2023 and 2022, our subsidiary, HHFL, sold 90% of its loans through direct assignments, measured at amortised cost, to maintain reasonable leverage. HHFL transferred substantially all of the risks and rewards relating to the assets to the buyer, and accordingly, derecognised the portion of loans that were sold. For further details, please see "*Restated Consolidated Financial Information Notes forming part of the Restated Consolidated Financial Information – Annexure VI - Note 44.2.3: Analysis of portfolio*" on page 429. The interest spread at present value was thus recognised on the date of derecognition as excess interest spread receivable, with a corresponding credit to the statement of profit and loss. In Fiscals 2024, 2023 and 2022, gain on derecognition of financial instruments under amortised cost category amounted to 0.26%, 0.36% and 0.33% of our total revenue from operations, respectively.

Net gain on fair value changes

In Fiscal 2022, we recognised net gain on fair value changes with respect to financial instruments measured at fair value through profit or loss ("**FVTPL**"), which include unrealised gain/loss (including marked to market gain/loss) on investment in equity securities, investment funds, mutual funds, government securities, commercial papers, treasury bills, certificate of deposits and corporate bonds. In Fiscals 2022, net gain on fair value changes amounted to 0.44% of our total revenue from operations.

In Fiscal 2023, we allotted 36,363,636 compulsorily convertible preference shares ("**CCPS**") (comprising of 17,036,363 Class A CCPS and 19,327,273 Class B CCPS) of face value of ₹550 each aggregating to ₹20,000 million. In accordance with Ind AS 32 'Financial Instruments: Presentation', we classified these CCPS as a financial liability and presented it in accordance with Schedule III division III of the Companies Act, 2013 (disclosed under the head of subordinated liabilities). These CCPS are subsequently measured at fair value through profit or loss as per Ind-AS 109 requirements. In Fiscals 2023 and 2024, there was a net loss on fair value changes primarily due to fair value loss recognised on CCPS designated at fair value through profit or loss.

Insurance commission

We are registered as an insurance broker with the insurance regulatory and development authority of India ("**IRDAI**") and sell partner insurance providers' insurance plans to our customers. We receive insurance commission on sales of insurance plans that we help facilitate, with amounts varying in accordance with the terms of our agreements with the relevant insurance provider. In Fiscals 2024, 2023 and 2022, insurance commission amounted to 1.37%, 0.33% and 0.32% of our total revenue from operations, respectively.

Other charges

We receive income from charges on loans to customers, such as cheque dishonour charges, penal charges on amounts due, late payment charges on defaults and pre-payment charges on loans**.** In Fiscals 2024, 2023 and 2022, other charges amounted to 7.37%, 8.61% and 8.41% of our total revenue from operations, respectively.

Other income

We receive income from fees on value added services, such as advertising fee for advertising our partners' products on our digital channels. In Fiscals 2024, 2023 and 2022, other income comprised 0.82%, 0.71% and 1.23% of our total income, respectively.

Expenses

Our total expenses comprise (i) finance costs, (ii) impairment on financial instruments, (iii) employee benefits expenses, (iv) net loss on fair value changes, (v) depreciation and amortisation and (vi) other expenses.

Finance costs

Our finance costs comprise interest expense on financial liabilities primarily consisting of (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 Tier II redeemable non-convertible debentures, and (iv) interest on lease liabilities. Finance costs represented 41.86%, 38.06% and 33.23% of our total expenses in Fiscals 2024, 2023 and 2022, respectively.

Impairment on financial instruments

Impairment on financial instruments includes impairment allowance on loans measured at amortised cost and settlement loss and bad debts written off (net of recoveries from bad debt written off). Impairment allowance on loans is calculated based on ECL on Stage 1, Stage 2, Stage 3 Loans and loan commitments. ECL is calculated based on exposure of default, probability of default and loss given default. Impairment on financial instruments represented 23.28%, 21.22% and 36.44% of our total expenses in Fiscals 2024, 2023 and 2022, respectively. For further details on calculation of ECL, please see "*Restated Consolidated Financial Information – Annexure V – Basis of Preparation, Material Accounting Policies – Material Accounting Policies – Impairment of financial assets*" on page 381.

Employee benefits expenses

Employee benefits expenses comprise salaries and wages to on-roll employees, contribution to provident and other funds, employee share-based payment expenses, staff welfare expenses and gratuity expenses. Employee benefits expenses represented 9.36%, 9.49% and 7.05% of our total expenses in Fiscals 2024, 2023 and 2022, respectively. As at March 31, 2024, we had 4,469 on-roll employees.

Other expenses

We had other expenses primarily comprising (i) loan collection charges paid to third party field collections agencies and call centre agents, (ii) contractual staff costs to hire off-roll employees to assist with our sales, collections and other activities, (iii) information technology related expenses, (iv) travelling and conveyance related expenses, (v) legal and professional charges and (vi) advertisement and marketing. Other expenses represented 20.03%, 25.32% and 22.62% of our total expenses in Fiscals 2024, 2023 and 2022, respectively.

Total tax expenses

Our total tax expenses comprise (i) current tax and (ii) deferred tax attributable to origination and reversal of temporary differences. Our total tax expenses represented 4.37%, 4.47% and (1.23)% of our total expenses in Fiscals 2024, 2023 and 2022, respectively.

Results of Operations

The following table sets forth select financial data from our Restated Consolidated Statement of Profit and Loss for Fiscals 2024, 2023 and 2022, the components which are also expressed as a percentage of total income for such periods.

Particulars	**Fiscal**					
	2024		**2023**		**2022**	
	(in ₹ million)	*(% of total income)*	*(in ₹ million)*	*(% of total income)*	*(in ₹ million)*	*(% of total income)*
Income						
Revenue from operations						
Interest income	74,793.81	89.47%	57,196.00	88.71%	42,418.66	88.42%
Dividend income	7.12	0.01%	7.43	0.01%	7.42	0.02%
Profit on sale of investments	647.01	0.77%	856.25	1.33%	434.39	0.91%
Rental income	—	—	1.07	0.00%	17.28	0.04%
Gain on derecognition of financial instruments under amortised cost category	212.80	0.25%	231.30	0.36%	158.40	0.33%
Net gain on fair value changes	—	—	—	—	210.41	0.44%
Insurance commission	1,139.91	1.36%	212.19	0.33%	153.64	0.32%
Other charges	6,108.39	7.31%	5,511.69	8.55%	3,986.34	8.31%
Total revenue from operations	**82,909.04**	**99.18%**	**64,015.93**	**99.29%**	**47,386.54**	**98.77%**
Other income	688.27	0.82%	459.52	0.71%	588.59	1.23%
Total income	**83,597.31**	**100.00%**	**64,475.45**	**100.00%**	**47,975.13**	**100.00%**

Particulars	Fiscal					
	2024		2023		2022	
	(in ₹ million)	*(% of total income)*	*(in ₹ million)*	*(% of total income)*	*(in ₹ million)*	*(% of total income)*
Expenses						
Finance costs	30,973.64	37.05%	21,739.50	33.72%	16,785.23	34.99%
Net loss on fair value changes	3,385.24	4.05%	2,997.05	4.65%	—	—
Impairment on financial instruments	17,223.90	20.60%	12,122.30	18.80%	18,408.11	38.37%
Employee benefits expense	6,927.15	8.29%	5,421.45	8.41%	3,563.05	7.43%
Depreciation and amortisation expense	659.64	0.79%	379.31	0.59%	331.90	0.69%
Other expenses	14,822.27	17.73%	14,463.63	22.43%	11,427.12	23.82%
Total expenses	**73,991.84**	**88.51%**	**57,123.24**	**88.60%**	**50,515.41**	**105.29%**
Restated profit/(loss) before tax	**9,605.47**	**11.49%**	**7,352.21**	**11.40%**	**(2,540.28)**	**(5.29)%**
Tax Expenses						
Current tax	3,074.62	3.68%	1,977.01	3.07%	270.34	0.56%
Deferred tax (credit) (net)	160.37	0.19%	575.73	0.89%	(891.64)	(1.86)%
Total tax expense	**3,234.99**	**3.87%**	**2,552.74**	**3.96%**	**(621.30)**	**(1.30)%**
Restated profit/(loss) after tax	**6,370.48**	**7.62%**	**4,799.47**	**7.44%**	**(1,918.98)**	**(4.00)%**

Fiscal 2024 compared to Fiscal 2023

Income

Our total income increased by 29.66% to ₹83,597.31 million in Fiscal 2024 from ₹64,475.45 million in Fiscal 2023, primarily due to an increase in our total revenue from operations by 29.51% to ₹82,909.04 million in Fiscal 2024 from ₹64,015.93 million in Fiscal 2023.

Revenue from operations

Our total revenue from operations increased by 29.51% to ₹82,909.04 million in Fiscal 2024 from ₹64,015.93 million in Fiscal 2023 primarily due to an increase in interest income, insurance commission and other charges which was partially offset by a decrease in profit on sale of investments.

Interest income

Our interest income increased by 30.77% to ₹74,793.81 million in Fiscal 2024 from ₹57,196.00 million in Fiscal 2023 primarily due to an increase in interest on loans (at amortised cost) by 30.46% to ₹73,698.39 million in Fiscal 2024 from ₹56,491.80 million in Fiscal 2023. The increase in interest on loans was primarily attributable to the growth in our average Total Gross Loans by 24.90% to ₹464,921.81 million in Fiscal 2024 from ₹372,240.37 million in Fiscal 2023 and an increase in our Yield on Advances by 4.68% from 15.37% for Fiscal 2023 to 16.09% for Fiscal 2024. Our Total Gross Loans as at the last day of the relevant fiscal year, increased to ₹514,870.94 million as at March 31, 2024 from ₹414,972.68 million as at March 31, 2023.

Dividend income

Our dividend income decreased by 4.17% to ₹7.12 million in Fiscal 2024 from ₹7.43 million in Fiscal 2023 primarily due to a redemption of our dividend bearing preference instruments (quoted) of ₹90.00 million in Fiscal 2024.

Profit on sale of investments

Our profit on sale of investments decreased on actual realisation by 24.44% to ₹647.01 million in Fiscal 2024 from ₹856.25 million in Fiscal 2023 primarily due to an increase in our investment in investment securities and a decrease in our sale of such investment securities, which resulted in higher interest income on investments and lower profit on sale of investment securities.

Rental income

Our rental income decreased to nil in Fiscal 2024 from ₹1.07 million in Fiscal 2023 primarily because in Fiscal 2023, we disposed of our leased vehicles which were previously leased out and ceased to receive rental income.

Gain on derecognition of financial instruments under amortised cost category

Our gain on derecognition of financial instruments under the amortised cost category decreased by 8.00% to ₹212.80 million in Fiscal 2024 from ₹231.30 million in Fiscal 2023 primarily due to a decrease in the amount of loans assigned by HHFL to ₹1,543.49 million in Fiscal 2024 from ₹2,095.30 million in Fiscal 2023. In Fiscals 2024, 2023 and 2022, our subsidiary, HHFL, sold 90% of its loans through direct assignments, measured at amortised cost, to maintain reasonable leverage. HHFL transferred substantially all of the risks and rewards relating to the assets to the buyer, and accordingly, derecognised the portion of the loans that were sold. For further details, please see "*Restated Consolidated Financial Information Notes forming part of the Restated Consolidated Financial Information - Annexure VI – Note 44.2.3: Analysis of portfolio*" on page 429.

Insurance commission

Our insurance commission increased by 437.21% to ₹1,139.91 million in Fiscal 2024 from ₹212.19 million in Fiscal 2023 primarily due to an increase in our disbursements and sale of third-party insurance plans.

Other charges

Our income from other charges increased by 10.83% to ₹6,108.39 million in Fiscal 2024 from ₹5,511.69 million in Fiscal 2023 primarily due to increased collection efforts resulting in better realisation of charges such as cheque dishonour charges, penal charges on amounts due, late payment charges on defaults and pre-payment charges on loans.

Other income

Our other income increased by 49.78% to ₹688.27 million in Fiscal 2024 from ₹459.52 million in Fiscal 2023 primarily due to an increase in fee on value added services (fees earned for advertising our partners' products on our digital channels) by 48.53% to ₹663.83 million in Fiscal 2024 from ₹446.93 million in Fiscal 2023.

Expenses

Our total expenses increased by 29.53% to ₹73,991.84 million in Fiscal 2024 from ₹57,123.24 million in Fiscal 2023 primarily due to an increase in finance costs, impairment on financial instruments and employee benefits expenses. As a percentage of total income, our total expenses were 88.51% in Fiscal 2024 compared to 88.60% in Fiscal 2023.

Finance costs

Our finance costs increased by 42.48% to ₹30,973.64 million in Fiscal 2024 from ₹21,739.50 million in Fiscal 2023 primarily due to an increase in our interest expense on borrowings (other than debt securities) by 48.58% to ₹25,349.22 million in Fiscal 2024 from ₹17,060.82 million in Fiscal 2023, an increase in interest expense on debt securities by 18.75% to ₹4,681.71 million in Fiscal 2024 from ₹3,942.51 million in Fiscal 2023 and an increase in interest expense on subordinated liabilities by 21.19% to ₹837.49 million in Fiscal 2024 from ₹691.07 million in Fiscal 2023. Our Average Cost of Borrowings also increased by 15.22% to 7.95% in Fiscal 2024 from 6.90% in Fiscal 2023. This increase was primarily due to an increase in borrowings to fund our increase in loan disbursements, and the general increase in interest rates on borrowings in the market.

Net loss on fair value changes

In Fiscal 2023, we allotted 36,363,636 compulsorily convertible preference shares ("**CCPS**") (comprising 17,036,363 Class A CCPS and 19,327,273 Class B CCPS) of face value of ₹550 each aggregating to ₹20,000 million. In accordance with Ind AS 32 'Financial Instruments: Presentation', we classified these CCPS as a financial liability and presented it in accordance with Schedule III division III of the Companies Act, 2013 (disclosed under the head of subordinated liabilities). These CCPS are subsequently measured at fair value through profit or loss as per Ind-AS 109 requirements.

Our net loss on fair value changes increased by 12.95% to ₹3,385.24 million in Fiscal 2024 from ₹2,997.05 million in Fiscal 2023 primarily due to an increase in fair value loss recognised on compulsorily convertible preference shares ("**CCPS**") designated at fair value through profit or loss. CCPS Cost increased by 12.46% to ₹3,486.90 million in Fiscal 2024 from ₹3,100.52 million in Fiscal 2023.

Impairment on financial instruments

Our impairment on financial instruments increased by 42.08% to ₹17,223.90 million in Fiscal 2024 from ₹12,122.30 million in Fiscal 2023 due to an increase in the settlement loss and bad debts written off primarily due to adoption of more stringent write off guidelines.

Employee benefits expenses

Our employee benefits expenses increased by 27.77% to ₹6,927.15 million in Fiscal 2024 from ₹5,421.45 million in Fiscal 2023 primarily due to an increase in salaries and wages by 24.76% to ₹6,143.22 million in Fiscal 2024 from ₹4,923.97 million in Fiscal 2023 and an increase in employee share-based payment expenses by 238.12% to ₹288.28 million in Fiscal 2024 from ₹85.26 million in Fiscal 2023. The increase in salaries and wages was primarily due to an increase in our employee headcount to accommodate the growth of our business and an increase in salary rates. We had 4,469 on-roll employees as at March 31, 2024 as compared to 3,589 on-roll employees as at March 31, 2023. The increase in employee share-based payment expenses was primarily due to an increase in the number of stock options granted to employees.

Depreciation and amortisation

Our depreciation and amortisation expense increased by 73.91% to ₹659.64 million in Fiscal 2024 from ₹379.31 million in Fiscal 2023 primarily due to an increase in amortisation on right-of-use assets and an increase in depreciation on property, plant and equipment. Amortisation on right-of-use assets increased on account of higher additions of ₹867.68 million (addition during the year of ₹1,019.68 million in Fiscal 2024 and of ₹152.00 million in Fiscal 2023) increasing the total right-of-use assets to ₹1,693.98 million in Fiscal 2024 from ₹740.70 million in Fiscal 2023. Depreciation on property, plant and equipment increased on account of higher additions in property, plant and equipment of ₹1,064.80 million (addition during the year of ₹1,462.65 million in Fiscal 2024 and of ₹397.85 million in Fiscal 2023), increasing the total cost of property, plant and equipment to ₹2,715.12 million in Fiscal 2024 from ₹1,395.04 million in Fiscal 2023.

Other expenses

Our other expenses increased slightly by 2.48% to ₹14,822.27 million in Fiscal 2024 from ₹14,463.63 million in Fiscal 2023 primarily due to an increase in information technology expenses by 27.91% to ₹1,718.22 million in Fiscal 2024 from ₹1,343.32 million in Fiscal 2023 and an increase in contractual staff costs by 15.34% to ₹2,989.27 million in Fiscal 2024 from ₹2,591.80 million in Fiscal 2023 which was largely offset by a decrease in loan collection charges by 7.15% to ₹6,664.99 million in Fiscal 2024 from ₹7,177.88 million in Fiscal 2023. The increase in information technology expenses was primarily due to various initiatives we undertook pursuant to our digitisation strategy. For further details on our digitisation strategy, please see "*Our Business – Our Strategies – Leverage technology and AI integration to transform our operational efficiency, customer experience, and competitive position*" on page 252. The increase in our contractual staff costs was primarily due to the increase in the number of contractual staff we hired to assist with our sales, loan collection and other activities as we grew our business. The decrease in loan collection charges was primarily due to a change in our collections strategy whereby we allocated more collections cases to our in-house collections team rather than third-party collection agencies.

Tax expenses

Our total tax expenses increased by 26.73% to ₹3,234.99 million in Fiscal 2024 from ₹2,552.74 million in Fiscal 2023 in line with an increase in our restated profit before tax by 30.65% to ₹9,605.47 million in Fiscal 2024 from ₹7,352.21 million in Fiscal 2023.

Restated profit after tax

As a result of the foregoing factors, our restated profit after tax increased by 32.73% to ₹6,370.48 million in Fiscal 2024 from ₹4,799.47 million in Fiscal 2023.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 34.39% to ₹64,475.45 million in Fiscal 2023 from ₹47,975.13 million in Fiscal 2022, primarily due to an increase in our total revenue from operations by 35.09% to ₹64,015.93 million in Fiscal 2023 from ₹47,386.54 million in Fiscal 2022.

Revenue from operations

Our total revenue from operations increased by 35.09% to ₹64,015.93 million in Fiscal 2023 from ₹47,386.54 million in Fiscal 2022, primarily due to an increase in interest income, profit on sale of investments and other charges, partially offset by a decrease in net gain on fair value changes.

Interest income

Our interest income increased by 34.84% to ₹57,196.00 million in Fiscal 2023 from ₹42,418.66 million in Fiscal 2022 primarily due to an increase in interest on loans (at amortised cost) by 34.43% to ₹56,491.80 million in Fiscal 2023 from ₹42,022.88 million in Fiscal 2022. The increase in interest on loans was primarily due to an increase in our average Total Gross Loans by 23.21% to ₹372,240.37 million in Fiscal 2023 from ₹302,128.67 million in Fiscal 2022 and an increase in our Yield on Advances by 9.47% from 14.04% for Fiscal 2022 to 15.37% for Fiscal 2023. Our Total Gross Loans increased to ₹414,972.68 million as at March 31, 2023 from ₹329,508.05 million as at March 31, 2022.

Dividend income

Our dividend income increased by 0.13% to ₹7.43 million in Fiscal 2023 from ₹7.42 million in Fiscal 2022.

Profit on sale of investments

Our profit on sale of investments on actual realised gain on investments at FVTPL increased by 97.12% to ₹856.25 million in Fiscal 2023 from ₹434.39 million in Fiscal 2022 primarily due to an increase in profit on redemption of mutual funds and investment funds in Fiscal 2023 as compared to Fiscal 2022.

Rental income

Our rental income decreased to ₹1.07 million in Fiscal 2023 from ₹17.28 million in Fiscal 2022 primarily because in Fiscal

2023, we ceased to receive rental income as we disposed of our leased vehicles.

Gain on derecognition of financial instruments under amortised cost category

Our gain on derecognition of financial instruments under amortised cost category increased by 46.02% to ₹231.30 million in Fiscal 2023 from ₹158.40 million in Fiscal 2022 primarily due to an increase in the amount of loans assigned by HHFL to ₹2,095.30 million in Fiscal 2023 from ₹1,016.77 million in Fiscal 2022. In Fiscals 2024, 2023 and 2022, our subsidiary, HHFL, sold 90% of its loans through direct assignments, measured at amortised cost, to maintain reasonable leverage. HHFL transferred substantially all of the risks and rewards relating to the assets to the buyer, and accordingly, derecognised the portion of the loans that were sold. For further details, please see "*Restated Consolidated Financial Information Notes forming part of the Restated Consolidated Financial Information – Note 44.2.3: Analysis of portfolio*" on page 429.

Net gain on fair value changes

In Fiscal 2023, we allotted 36,363,636 CCPS (comprising 17,036,363 Class A CCPS and 19,327,273 Class B CCPS) of face value of ₹550 each aggregating to ₹20,000 million. In accordance with Ind AS 32 'Financial Instruments: Presentation', we classified these CCPS as a financial liability and presented it in accordance with Schedule III division III of the Companies Act, 2013 (disclosed under the head of Subordinated liabilities). These CCPS are subsequently measured at fair value through profit or loss as per Ind-AS 109 requirements.

We had a net loss on fair value changes of ₹2,997.05 million in Fiscal 2023 from a net gain on fair value changes of ₹210.41 million in Fiscal 2022 primarily due to fair value loss of ₹3,100.52 million recognised in Fiscal 2023 on CCPS designated at fair value through profit or loss.

Insurance commission

Our insurance commission increased by 38.11% to ₹212.19 million in Fiscal 2023 from ₹153.64 million in Fiscal 2022 primarily due to an increase in our sale of third-party insurance plans.

Other charges

Our income from other charges increased by 38.26% to ₹5,511.69 million in Fiscal 2023 from ₹3,986.34 million in Fiscal 2022 primarily due to increased collection efforts resulting in better realisation of charges such as cheque dishonour charges, penal charges on amounts due, late payment charges on defaults and pre-payment charges.

Other income

Our other income decreased by 21.93% to ₹459.52 million in Fiscal 2023 from ₹588.59 million in Fiscal 2022 due to a decrease in fee on value added services (fees earned from advertising our partners' products on our digital channels) by 23.79% to ₹446.93 million in Fiscal 2023 from ₹586.41 million in Fiscal 2022.

Expenses

Out total expenses increased by 13.08% to ₹57,123.24 million in Fiscal 2023 from ₹50,515.41 million in Fiscal 2022 primarily due to an increase in finance costs, net loss on fair value changes and other expenses which was partially offset by a decrease in impairment on financial instruments. As a percentage of total income, our total expenses were 88.60% in Fiscal 2023 compared to 105.29% in Fiscal 2022.

Finance costs

Our finance costs increased by 29.52% to ₹21,739.50 million in Fiscal 2023 from ₹16,785.23 million in Fiscal 2022 primarily due to an increase in our interest expense on borrowings (other than debt securities) by 26.21% to ₹17,060.82 million for Fiscal 2023 from ₹13,518.28 million for Fiscal 2022, an increase in interest expense on debt securities by 50.40% to ₹3,942.51 million for Fiscal 2023 from ₹2,621.27 million for Fiscal 2022 and an increase in interest expense on subordinated liabilities by 18.91% to ₹691.07 million for Fiscal 2023 from ₹581.15 million for Fiscal 2022. Our average cost of borrowings also increased by 8.32% to 6.90% in Fiscal 2023 from 6.37% in Fiscal 2022. Our interest expenses increased primarily due to an increase in the amount of our borrowings to finance our increased loan disbursements and a general increase in interest rates on borrowings in the market.

Net loss on fair value changes

We had net loss on fair value changes of ₹2,997.05 million in Fiscal 2023 as compared to nil in Fiscal 2022 primarily due to CCPS Cost of ₹3,100.52 million in Fiscal 2023 which was partially offset by a fair value gain on investment at FVTPL of ₹103.47 million in Fiscal 2023.

Impairment on financial instruments

Our impairment on financial instruments decreased by 34.15% to ₹12,122.30 million in Fiscal 2023 from ₹18,408.11 million in Fiscal 2022 due to a decrease in impairment allowance (on loans measured at amortised cost) and a decrease in settlement loss and bad debts written off. The decrease in impairment allowance (on loans measured at amortised cost) was primarily on account of improvement in ECL rates due to improved economic conditions. Settlement loss and bad debts written off were lower on account of higher recoveries from bad debts written off. For further details on calculation of ECL, please see "*Restated Consolidated Financial Information – Annexure V – Basis of Preparation, Material Accounting Policies – Material Accounting Policies – Impairment of financial assets*" on page 381.

Employee benefits expenses

Our employee benefits expenses increased by 52.16% to ₹5,421.45 million in Fiscal 2023 from ₹3,563.05 million in Fiscal 2022 primarily due to an increase in salaries and wages by 54.75% to ₹4,923.97 million for Fiscal 2023 from ₹3,181.80 million for Fiscal 2022. This increase in salaries and wages was primarily due to an increase in our employee headcount and our salary rates. We had 3,589 on-roll employees as at March 31, 2023 as compared to 2,617 on-roll employees as at March 31, 2022.

Depreciation and amortisation

Our depreciation and amortisation expense increased by 14.28% to ₹379.31 million in Fiscal 2023 from ₹331.90 million in Fiscal 2022. This increase was primarily due to an increase in depreciation on property, plant and equipment by 12.23% to ₹172.54 million in Fiscal 2023 from ₹153.74 million in Fiscal 2022 and an increase in amortisation charge of intangible assets by 24.76% to ₹85.01 million in Fiscal 2023 from ₹68.14 million in Fiscal 2022. The increase in depreciation on property, plant and equipment was primarily due to higher additions in property, plant and equipment of ₹197.93 million (addition during the year of ₹397.85 million in Fiscal 2023 and of ₹199.92 million in Fiscal 2022), increasing the cost of property, plant and equipment to ₹1,395.04 million in Fiscal 2023 from ₹1,094.98 million in Fiscal 2022.

Other expenses

Our other expenses increased by 26.57% to ₹14,463.63 million in Fiscal 2023 from ₹11,427.12 million in Fiscal 2022 primarily due to an increase in loan collection charges by 7.61% to ₹7,177.88 million for Fiscal 2023 from ₹6,670.41 million for Fiscal 2022, an increase in contractual staff costs by 30.49% to ₹2,591.80 million for Fiscal 2023 from ₹1,986.28 million for Fiscal 2022, an increase in legal and professional expenses by 136.49% to ₹843.97 million for Fiscal 2023 from ₹356.87 million for Fiscal 2022 and an increase in information technology related expenses by 55.62% to ₹1,343.32 million in Fiscal 2023 from ₹863.20 million in Fiscal 2022. The increase in loan collection charges was primarily due to our increased engagement of third-party collections agencies and call centres to improve our loan collections. The increase in our contractual staff costs was primarily due to an increase in the number of contractual staff we hired for sales and other activities. The increase in legal and professional expenses was primarily due to higher professional fee for engagements related to various process improvement projects. The increase in information technology expenses was primarily on account of various initiatives undertaken pursuant to our digitization strategy.

Tax expenses

Our total tax expense increased to ₹2,552.74 million for Fiscal 2023 from a credit of ₹621.30 million for Fiscal 2022 which is in line with the increase in our restated profit before tax to ₹7,352.21 million in Fiscal 2023 from a restated loss before tax of ₹2,540.28 million in Fiscal 2022.

Restated profit after tax

As a result of the foregoing factors, we recorded a restated profit after tax of ₹4,799.47 million in Fiscal 2023 from a restated loss after tax of ₹1,918.98 million in Fiscal 2022.

Key Performance Indicators

In evaluating our business, we consider and use certain key performance indicators ("**KPIs**"), as presented below, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We present these KPIs because we use them to evaluate our financial and operating performance. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they provide an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because they provide consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
	(₹ in million, unless otherwise specified)		
Scale			
AUM[(1)]	518,208.11	417,508.93	330,524.82
Product Vertical AUM (%)[(2)]			
Retail	65.08%	62.83%	60.41%
SME	20.80%	20.31%	18.61%
Corporate	11.56%	12.06%	20.07%
Others[(3)]	2.56%	4.79%	0.91%
AUM Growth (%)[(4)]	24.12%	26.32%	
Disbursements[(5)]	344,632.47	277,133.32	196,998.95
Disbursements Growth (%)[(6)]	24.36%	40.68%	
Product Vertical Disbursements Growth (%)[(7)]			
Retail	73.70%	72.68%	69.13%
SME	14.12%	14.38%	7.83%
Corporate	12.18%	12.94%	23.04%
Asset Quality			
Stage 3 Loans [(8)]	20,712.52	21,202.02	24,857.60
GNPA Ratio[(9)]	4.02%	5.11%	7.54%
NNPA[(10)]	10,064.96	10,868.70	14,128.97
NNPA Ratio[(11)]	2.00%	2.69%	4.43%
Provision Coverage Ratio (PCR)[(12)]	51.41%	48.74%	43.16%
Capital			
Total Borrowings[(13)]	461,694.76	366,278.60	286,797.30
Adjusted Total Borrowings[(14)]	435,582.39	343,178.08	286,797.30
Debt to Equity Ratio[(15)]	8.01	6.99	6.02
Adjusted Debt to Equity [(16)]	5.20	4.54	6.02
CRAR (%)[(17)]	16.28%	20.57%	15.60%
Tier I Capital (%)[(18)]	14.36%	17.68%	13.10%
Tier II Capital (%)[(19)]	1.92%	2.89%	2.50%
Net Worth[(20)]	57,659.70	52,434.40	47,675.20
Adjusted Net Worth[(21)]	83,772.07	75,534.92	47,675.20
Financials			
Total Income[(22)]	83,597.31	64,475.45	47,975.13
Net Interest Income[(23)]	43,820.17	35,456.50	25,633.43
Net Total Income[(24)]	52,623.67	42,735.95	31,189.90
Profit Before Credit Costs[(25)]	26,829.37	19,474.51	15,867.83
Impairment on financial instruments [(26)]	17,223.90	12,122.30	18,408.11
Restated Profit/(loss) after Tax [(27)]	6,370.48	4,799.47	(1,918.98)
PAT Growth (YoY) (%)[(28)]	32.73%	-	
Adjusted Profit/(loss) after Tax [(29)]	9,857.38	7,899.99	(1,918.98)
Adjusted PAT Growth (YoY) (%)[(30)]	24.78%	-	
Ratios			
Yield on Advances (%)[(31)]	16.09%	15.37%	14.04%
Net Interest Margin (%)[(32)]	9.43%	9.53%	8.48%
Average Cost of Borrowings (%)[(33)]	7.95%	6.90%	6.37%
Operating Expenses Ratio[(34)]	5.55%	6.25%	5.07%
Adjusted Operating Expenses Ratio[(35)]	4.80%	5.42%	5.07%
Cost to Income Ratio[(36)]	49.02%	54.43%	49.13%
Adjusted Cost to Income Ratio[(37)]	42.39%	47.18%	49.13%
Profit Before Credit Costs Ratio[(38)]	5.77%	5.23%	5.25%
Credit Cost Ratio[(39)]	3.70%	3.26%	6.09%
Return on Assets (ROA) (%)[(40)]	1.37%	1.29%	(0.64)%
Adjusted ROA (%)[(41)]	2.12%	2.12%	(0.64)%
Return on Equity (ROE) (%)[(42)]	11.57%	9.59%	(3.94)%
Adjusted ROE (%)[(43)]	12.38%	12.82%	(3.94)%
Operational			
Credit Ratings[(44)]	AA+	AA+	AA+
New loans disbursed (in millions)[(45)]	2.38	2.39	1.52
New customers acquired in the year (in millions)[(46)]	2.06	1.86	1.36
Total customer franchise (in millions)[(47)]	11.80	9.63	7.70
Cross sell franchise (%)[(48)]	8.42%	7.93%	7.50%
Product per customer[(49)]	4.25	3.15	3.52
Mobile app downloads (*in millions*)[(50)]	2.79	1.91	1.80
% of customers digitally acquired[(51)]	37.75%	40.70%	18.75%
Digital collections (%)[(52)]	83.31%	81.24%	76.00%
Digital share of customer service (%)[(53)]	53.02%	47.53%	48.88%

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
	(₹ in million, unless otherwise specified)		
Disbursements per On-Roll Employee[(54)]	77.12	77.22	75.28
Number of On-roll Employees (count) [(55)]	4,469	3,589	2,617
Number of Branches (count)[(56)]	140	81	82

Notes:

(1) AUM: sum of Total Gross Loans and Assigned Loan Assets as of the last day of the relevant Fiscal.

(2) Product Vertical AUM (%) is the % mix of AUM across our segments (Retail, SME and Corporate) for the relevant Fiscal

*(3) Others includes lending amount to Clearcorp Repo Order Matching System ("**CROMS**").*

(4) AUM Growth: Percentage growth in AUM as of the last day of the relevant Fiscal over the AUM as of the last day of the preceding Fiscal.

(5) Disbursements: Total amount of new loans disbursed to the customers during the relevant Fiscal.

(6) Disbursement Growth: Percentage growth in disbursements for the relevant Fiscal over disbursements in the preceding Fiscal.

(7) Product Vertical Disbursements Growth: is the percentage mix of disbursements across our segments (Retail, SME and Corporate) for the relevant Fiscal

(8) Stage 3 Loans: Gross carrying amount of Stage 3 Loans as of the last day of the relevant Fiscal.

(9) GNPA Ratio: Ratio of Stage 3 Loans to Total Gross Loans as of the last day of the relevant Fiscal

(10) NNPA: Stage 3 Loans reduced by Stage 3 Impairment Allowance (NPA Provisions) as of the last day of the relevant Fiscal.

(11) NNPA Ratio: Ratio of NNPA to Total Gross Loans reduced by Stage 3 Impairment Allowance (NPA Provision) as of the last day of the relevant Fiscal.

(12) Provision Coverage Ratio (PCR): calculated as the ratio of Stage 3 Impairment Allowance (NPA Provisions) to Stage 3 Loans as of the last day of the relevant Fiscal.

(13) Total Borrowings: Sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant Fiscal.

(14) Adjusted Total Borrowings: Sum of debt securities, borrowings (other than debt securities) and subordinated liabilities (excluding CCPS) as of the last day of the relevant Fiscal.

(15) Debt to Equity Ratio: Ratio of Total Borrowings to Net Worth as of the last day of the relevant Fiscal.

(16) Adjusted Debt to Equity: Ratio of Adjusted Total Borrowings to Adjusted Net Worth as of the last day of the relevant Fiscal.

(17) CRAR: Capital to risk (weighted) assets ratio divided by Tier I and Tier II Capital by total risk weighted assets, computed in accordance with the relevant RBI guidelines as of the last day of the relevant Fiscal.

(18) Tier I Capital (%): Tier I capital, computed basis the method provided by the regulator as of the last day of the relevant Fiscal, divided by total risk weighted assets.

(19) Tier II Capital (%): Tier II capital, computed basis the method provided by the regulator as of the last day of the relevant Fiscal, divided by total risk weighted assets.

(20) Net Worth: Sum of equity share capital and other equity as of the last day of the relevant Fiscal.

(21) Adjusted Net Worth: Net Worth as of the last day of the relevant Fiscal considering CCPS value as equity.

(22) Total Income: sum of total revenue from operation and other income for the relevant Fiscal.

(23) Net Interest Income: interest income reduced by finance cost for the relevant Fiscal.

(24) Net Total Income: total income reduced by finance cost for the relevant Fiscal.

(25) Profit before credit costs: calculated as Net Total Income reduced by Operating Expenses for the relevant Fiscal.

(26) Impairment on financial instruments: impairment allowance on gross carrying amount of Total Gross Loans and Settlement Loss and Bad Debts Written Off for the relevant Fiscal.

(27) Restated Profit/(loss) after tax: Restated Profit/(loss) before tax reduced by tax expenses for the relevant Fiscal.

(28) PAT Growth: Growth in Restated Profit/(loss) after Tax for the relevant Fiscal over Restated Profit/(loss) after Tax for the preceding Fiscal.

(29) Adjusted Profit/(loss) after tax: Restated Profit/(loss) after tax excluding CCPS Cost for the relevant Fiscal.

(30) Adjusted PAT growth: growth in Adjusted Profit/(loss) after tax for the relevant Fiscal over the Adjusted Profit/(loss) after tax for the preceding Fiscal.

(31) Yield on Advances: ratio of Interest Income to Average Total Gross Loans for the relevant Fiscal.

(32) Net Interest Margin: ratio of Net Interest Income to Average Total Gross Loans for the relevant Fiscal.

(33) Average Cost of Borrowings: ratio of finance cost to Average Adjusted Total Borrowings for the relevant Fiscal.

(34) Operating Expenses Ratio: ratio of Operating Expenses to Average Total Gross Loans for the relevant Fiscal.

(35) Adjusted Operating Expenses Ratio: ratio of Adjusted Operating Expenses to Average Total Gross Loans for the relevant Fiscal.

(36) Cost to Income Ratio: ratio of Operating Expenses to Net Total Income for the relevant Fiscal.

(37) Adjusted Cost to Income Ratio: ratio of Adjusted Operating Expenses to Net Total Income for the relevant Fiscal.

(38) Profit before Credit Cost Ratio: Ratio of Profit before Credit Cost to Average Total Gross Loans for the relevant Fiscal.

(39) Credit Cost Ratio: ratio of Impairment on Financial Instruments to Average Total Gross Loans for the relevant Fiscal.

(40) Return on Assets (ROA): ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Total Gross Loans for the relevant Fiscal.

(41) Adjusted ROA: ratio of Adjusted Profit/(loss) after tax to Average Total Gross Loans for the relevant Fiscal.

(42) Return on Equity: Ratio of Restated Profit/(loss) after tax for the relevant Fiscal to Average Net Worth for the relevant Fiscal.

(43) Adjusted ROE: Ratio of Adjusted Profit/(loss) after tax for the relevant Fiscal to the Average Adjusted Net Worth for the relevant Fiscal.

(44) Credit Ratings: Long-term and short-term credit ratings of our Company's various borrowing facilities on the basis of the assessment by independent rating agencies.

(45) New loans disbursed: number of Loan accounts disbursed during the relevant Fiscal.

(46) New customers acquired in the year: distinct new customers acquired during the relevant Fiscal.

(47) Total Customer Franchise: distinct Total Customers acquired till March 31 of the relevant Fiscal including closed account customers.

(48) Cross sell franchise: ratio of distinct LPL customers to distinct total customers acquired till March 31 of the relevant Fiscal.

(49) Products per customer: calculated as total loans disbursed (including non-lending products) by the number of distinct customers acquired during the relevant Fiscal.

(50) Mobile app downloads: mobile app installations during the relevant Fiscal.

(51) % of customers digitally acquired: ratio of digitally disbursed loan counts including disbursements through partnership platforms to total disbursal loan counts during the relevant Fiscal.

(52) Digital collections: ratio of Non-cash collections to total collections during the relevant Fiscal. Non-cash modes includes Nach, cheques, electronic clearing service payments, payments through payment gateways and aggregators

(53) Digital share of customer service: ratio of digitally received queries to total customer queries received during the relevant Fiscal.

(54) Disbursements per On-roll Employee: Disbursements for the relevant Fiscal divided by the number of on-roll employees for the relevant Fiscal.

(55) Number of On-roll Employees: total number of active on-roll employees as of the last day of relevant Fiscal.

(56) Number of Branches: Total number of active branches as of the last day of relevant Fiscal.

Selected Restated Statement of Assets and Liabilities

Assets

The table below sets forth the principal components of our total assets as at the dates indicated in the table below:

Particulars	**As at March 31,**		
	2024	**2023**	**2022**
	(in ₹ million)		
Total financial assets	522,649.25	427,168.67	336,671.47
Total non-financial assets	9,397.38	7,343.64	7,318.92
Total assets	**532,046.63**	**434,512.31**	**343,990.39**

Our total financial assets increased from ₹336,671.47 as at March 31, 2022 to ₹427,168.67 million as at March 31, 2023 and further increased to ₹522,649.25 million as at March 31, 2024. The increase in our total financial assets was primarily due to an increase in our loans secured by tangible assets, an increase in our unsecured loans, an increase in our investments which was partially offset by a decrease in cash and cash equivalents and bank balances other than cash and cash equivalents.

Our loans secured by tangible assets increased from ₹206,010.28 million as at March 31, 2022 to ₹245,481.20 million as at March 31, 2023 and further increased to ₹295,071.37 million as at March 31, 2024. Similarly, our unsecured loans increased from ₹107,107.21 million as at March 31, 2022 to ₹155,683.19 million as at March 31, 2023 and further increased to ₹206,208.54 million as at March 31, 2024. These increases in our Total Gross Loans were primarily the result of an increase in our loan disbursements from ₹196,998.95 million in Fiscal 2022 to ₹277,133.32 million in Fiscal 2023 and a further increase to ₹344,632.47 million in Fiscal 2024.

Our investments increased from ₹11,729.80 million as at March 31, 2022 to ₹17,474.94 million as at March 31, 2023 and further increased to ₹18,959.56 million as at March 31, 2024. This increase in investments was primarily on account of increase in our investments in treasury bills from ₹3,340.45 million as at March 31, 2022 to ₹6,725.49 million as at March 31, 2023 and further increased to ₹9,858.70 million as at March 31, 2024 and an increase in our investments in mutual funds from ₹861.06 million as at March 31, 2022 to ₹1,300.20 million as at March 31, 2023 and further increased to ₹4,413.30 million as at March 31, 2024. This increase in our investments in treasury bills and mutual funds was partially offset in Fiscal 2024 by a decrease in our investment in corporate bonds from ₹4,356.34 million as at March 31, 2023 to ₹263.60 million as at March 31, 2024.

The above increase in our Total Gross Loans and investments was partially offset by a decrease in cash and cash equivalents from ₹8,744.94 million as at March 31, 2022 to ₹7,501.40 million as at March 31, 2023 which further decreased to ₹987.84 million as at March 31, 2024. Similarly, in Fiscal 2023, there was a decrease in bank balance other than cash and cash equivalents from ₹1,645.17 million as at March 31, 2022 to ₹412.17 million as at March 31, 2023. This decrease in our cash and cash equivalents was primarily to fund our disbursements and higher investments during Fiscal 2023 and Fiscal 2024.

Our total non-financial assets increased from ₹7,318.92 as at March 31, 2022 to ₹7,343.64 million as at March 31, 2023 and further increased to ₹9,397.38 million as at March 31, 2024. The increase in our total non-financial assets was primarily due to an increase in our property, plant and equipment, right-of-use assets and current tax assets.

Our property, plant and equipment increased from ₹495.24 million as at March 31, 2022, to ₹675.90 million as at March 31, 2023 and further increased to ₹1,810.04 million as at March 31, 2024. Similarly, our right-of-use assets increased from ₹430.70 million as at March 31, 2022, to ₹455.54 million as at March 31, 2023 and further increased to ₹1,182.72 million as at March 31, 2024. The increases in our property, plant and equipment and right-of-use assets were primarily the result of higher net additions (additions netting off disposals during the respective Fiscal) on account of increases in offices and branch premises and other infrastructure including IT facilities to support our growing workforce. Accordingly, our net additions for property, plant and equipment increased from ₹29.77 million in Fiscal 2022 to ₹300.06 million in Fiscal 2023 and further increased to ₹1,320.08 million for Fiscal 2024, and our net additions for right-of-use assets increased from ₹60.96 million for Fiscal 2023 to ₹953.28 million for Fiscal 2024. This resulted in an increase in the total right-of-use assets for Fiscal 2024 as compared to Fiscal 2022.

There was also an increase in our total non-financial assets for Fiscal 2023 on account of an increase in current tax assets (net) from ₹1,166.46 million as at March 31, 2022, to ₹1,474.14 million as at March 31, 2023, which was partially offset by a decrease in our deferred tax assets (net) from ₹4,336.78 million as at March 31, 2022 to ₹3,761.54 million as at March 31, 2023. For further details, please see "*Restated Consolidated Financial Information - Notes forming part of the Restated Consolidated Financial Information - Annexure VI – Note 12: Tax expenses and deferred tax assets (net)*" on page 393.

Liabilities and equity

The table below sets forth the principal components of our total liabilities and total equity as at the fiscal years indicated in the table below:

Particulars	As at March 31,		
	2024	2023	2022
	(in ₹ million)		
Total financial liabilities	472,470.52	380,814.82	295,242.61
Total non-financial liabilities	1,855.81	1,219.22	1,048.00
Total liabilities	**474,326.33**	**382,034.04**	**296,290.61**
Total equity	**57,720.30**	**52,478.27**	**47,699.78**

Our total financial liabilities increased from ₹295,242.61 million as at March 31, 2022, to ₹380,814.82 million as at March 31, 2023 and further increased to ₹472,470.52 million as at March 31, 2024. The increase in our total financial liabilities was primarily due to an increase in our borrowings (other than debt securities) and an increase in our subordinated liabilities in order to finance our increased loan disbursements. Our borrowings (other than debt securities) increased from ₹220,306.69 million as at March 31, 2022, to ₹266,129.87 million as at March 31, 2023 and further increased to ₹358,403.90 million as at March 31, 2024. Our subordinated liabilities increased from ₹6,680.17 million as at March 31, 2022, to ₹32,677.94 million as at March 31, 2023 primarily due to the issuance of 36,363,636 CCPS of face value of ₹550 each aggregating to ₹20,000 million. Our subordinated liabilities further increased to ₹36,253.71 million as at March 31, 2024 primarily due to an increase in the issuance of Tier II non-convertible debentures.

Our total non-financial liabilities increased from ₹1,048.00 million as at March 31, 2022, to ₹1,219.22 million as at March 31, 2023 and further increased to ₹1,855.81 million as at March 31, 2024. Our total non-financial liabilities increased due to an increase in our net current tax liabilities arising from an increase in provision for income tax and an increase in our provisions for gratuity and compensated absences.

Our total equity increased from ₹47,699.78 million as at March 31, 2022, to ₹52,478.27 million as at March 31, 2023 and further increased to ₹57,720.30 million as at March 31, 2024. Our total equity increased primarily due to an increase in our retained earnings and an increase in our statutory reserves as per the RBI Act.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders (including Promoters) and borrowings. As at March 31, 2024, we had ₹987.84 million in cash and cash equivalents, ₹590.68 million in bank balance other than cash and cash equivalents and ₹358,403.90 million in borrowings (other than debt securities).

We believe that, after taking into account the expected cash to be generated from operations, 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.

Cash Flows

The table below summarises the statement of cash flows, as per our restated consolidated cash flow statements, for the years indicated:

	Fiscal		
	2024	2023	2022
	(in ₹ million)		
Net cash used in operating activities	(92,388.27)	(69,185.22)	(54,117.67)
Net cash generated from/(used in) investing activities	(1,297.93)	(4,741.34)	8,152.10
Net cash generated from financing activities	87,172.64	72,683.02	43,641.87
Net increase/(decrease) in cash and cash equivalents	**(6,513.56)**	**(1,243.54)**	**(2,323.70)**

Operating Activities

Net cash used in operating activities for Fiscal 2024 was ₹92,388.27 million, while our operating profit before working capital changes was ₹31,207.67 million. The difference was primarily attributable to an increase in loans of ₹115,806.76 million and a decrease in other financial liabilities of ₹3,950.60 million.

Net cash used in operating activities for Fiscal 2023 was ₹69,185.22 million, while our operating profit before working capital changes was ₹22,342.91 million. The difference was primarily attributable to an increase in loans of ₹94,723.20 million and an increase in derivative financial instruments of ₹1,151.30 million which was partially offset by an increase in other financial liabilities of ₹3,933.00 million, an increase in trade payables of ₹1,937.40 million and a decrease in bank balances other than cash and cash equivalents of ₹1,188.40 million.

Net cash used in operating activities for Fiscal 2022 was ₹54,117.67 million, while our operating profit before working capital changes was ₹15,976.12 million. The difference was primarily attributable to an increase in loans of ₹69,707.69 million, which was partially offset by an increase in other financial liabilities of ₹587.10 million and an increase in trade payables of ₹471.30 million.

Investing Activities

Our net cash flow used in investing activities for Fiscal 2024 was ₹1,297.93 million, which primarily consisted of purchase of investments of ₹148,323.14 million and purchase of property, plant and equipment and intangible assets of ₹1,606.50 million, which was partially offset by sale of investments of ₹147,440.40 million and interest received on investments of ₹1,141.40 million.

Our net cash flow used in investing activities for Fiscal 2023 was ₹4,741.34 million, which primarily consisted of purchase of investments of ₹175,902.64 million and purchase of property, plant and equipment and intangible assets of ₹509.80 million, which was partially offset by sale of investments of ₹171,117.30 million.

Our net cash flow generated from investing activities for Fiscal 2022 was ₹8,152.10 million, which primarily consisted of sale of investments of ₹195,221.70 million, partially offset by purchase of investments of ₹187,134.30 million.

Financing Activities

Our net cash generated from financing activities for Fiscal 2024 was ₹87,172.64 million, and primarily included proceeds from issue of borrowings (other than debt securities) of ₹239,073.70 million and proceeds from issue of debt securities of ₹53,490.00 million which was partially offset by repayment of borrowings (other than debt securities) of ₹147,857.40 million and repayment of debt securities of ₹56,237.60 million.

Our net cash flow generated from financing activities for Fiscal 2023 was ₹72,683.02 million which primarily consisted of proceeds from issue of borrowings (other than debt securities) of ₹190,051.00 million, proceeds from issue of debt securities of ₹51,059.00 million and proceeds from issue of CCPS of ₹20,000.00 million, which was partially offset by repayment of borrowings (other than debt securities) of ₹145,552.00 million and repayment of debt securities of ₹45,481.50 million.

Our net cash flow generated from financing activities for Fiscal 2022 was ₹43,641.87 million which primarily consisted of proceeds from issue of borrowings (other than debt securities) of ₹168,286.60 million and proceeds from issue of debt securities of ₹55,811.30 million, partially offset by repayment of borrowings (other than debt securities) of ₹139,677.00 million and repayment of debt securities of ₹40,548.60 million.

Non-GAAP Measures

See "*Selected Statistical Information – Non-GAAP measures*" on page 354 for our non-GAAP financial measures.

Credit Rating

The following table sets forth certain information with respect to our credit ratings as at March 31, 2024.

Facility	CRISIL	ICRA	CARE
Secured non-convertible debentures	AA+ / Stable	AA+ / Stable	—
Long-term principal protected market linked debentures	PPMLD AA+ / Stable	—	—
Tier I Perpetual Debt Programme	AA+ / Stable		
Unsecured subordinated Tier II non-convertible debentures	AA+ / Stable	AA+ / Stable	—
Bank facilities	—	—	—
Long-term banking facilities	AA+ / Stable	AA+ / Stable	AA+ / Stable
Short-term banking facilities	—	A1+	—
Commercial papers	A1+	A1+	A1+
Entity level	—	—	AA+ / Stable

Indebtedness

As at March 31, 2024, we had borrowings (other than debt securities) of ₹358,403.90 million which comprised secured term loans from banks and financial institutions, secured foreign currency term loans from banks, secured external commercial borrowings, loans repayable on demand from banks and an additional special refinance facility from the National Housing Bank. These borrowings were primarily used to fund our increased loan disbursements, and maintain our liquidity coverage ratio as mandated by the RBI Regulations. For further information on our agreements governing our outstanding indebtedness, please see "*Financial Indebtedness*" on page 475. The table below provides a breakdown of our borrowings as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(in ₹ million)		
Term loan from banks and financial institutions (secured)	275,849.73	205,614.00	183,717.24
Term loan from banks - Foreign currency loan (secured)	508.47	773.17	1,036.10
External commercial borrowing (secured)	47,597.31	39,348.28	8,623.12
Loans repayable on demand from banks:			
Cash credit (secured)	4,244.78	3,193.70	5,467.03
Working capital demand loans (secured)	23,150.11	14,700.72	17,613.20
Working capital demand loans (unsecured)	2,000.00	2,000.00	3,850.00
Additional special refinance facility from National housing Bank	5,053.50	500.00	-
Borrowings (other than debt securities)	**358,403.90**	**266,129.87**	**220,306.69**

Further, as at March 31, 2024, we had debt securities of ₹67,037.15 million which comprised secured redeemable non-convertible debentures and unsecured commercial papers. As at March 31, 2024, we also had subordinated liabilities of ₹36,253.71 million which comprised Tier 2 redeemable non-convertible unsecured debentures and CCPS designated at fair value through profit and loss. The table below provides a breakdown of our debt securities and subordinated liabilities as at the dates indicated:

Particulars	As at March 31,		
	2024	2023	2022
	(in ₹ million)		
Debt securities	67,037.15	67,470.79	59,810.44
Subordinated liabilities	36,253.71	32,677.94	6,680.17

Contractual Obligations

The table below sets forth our contractual obligations with definitive payment terms as at March 31, 2024.

Particulars	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years	Total
	(in ₹ million)				
Financial liabilities					
Trade payables	4,390.03	4,441.50	—	—	4,441.50
Debt securities(1)	67,037.15	56,329.15	14,864.98	555.13	71,749.26
Borrowings (other than debt securities)(1)	358,403.90	159,561.66	234,556.90	6,855.81	400,974.37
Subordinated liabilities(1)(2)	36,253.71	1,420.65	7,776.10	6,608.38	15,805.13
Lease liabilities	1,272.39	408.14	1,097.07	179.63	1,684.84
Other financial liabilities	5,113.34	4,523.34	580.68	318.27	5,422.29
Total undiscounted financial liabilities	**472,470.52**	**226,684.44**	**258,875.73**	**14,517.22**	**500,077.39**

Notes:

(1) The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amounts may change as market interest rates change.

(2) In respect of CCPS issued during the year, the Company has only considered a mandatory pay-out of preference dividend of 3% per annum for the purpose of liquidity risk, as such, CCPS are likely to be converted into the entity's own shares as estimated by the management as at March 31, 2024.

Contingent Liabilities and Commitments

The following table sets forth the principal components of our contingent liabilities:

Particulars	As at March 31, 2024
	(in ₹ million)
VAT matters under appeal	2.00
Income tax matters:	
Appeals/writs by us	1,126.17
Appeals by the Income tax department	3.30
Bank Guarantee(1)	5.00
Total	**1,136.47**

Notes:

(1) We have provided bank guarantee to the National Stock Exchange to comply with the requirement of recovery expense fund as per the SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

The Parliament has approved the Code on Social Security, 2020 ("**Code**") which may impact our contribution towards provident fund and gratuity. The effective date from which the Code and its provisions will be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. We are currently unable to ascertain the financial impact of the Code. We will complete our evaluation and will disclose the appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.

The following table sets forth our capital commitments:

Particulars	**As at March 31, 2024**
	(in ₹ million)
Estimated amount of contracts remaining to be executed on capital account and not provided for[(1)]	60.51
Undrawn committed credit lines	20,916.84
Total	**20,977.35**

Note:
(1) Net of advances paid of ₹15.34 million.

Cash Outflow for Capital Expenditures

Our historical capital expenditures primarily included purchase of property, plant and equipment and intangible assets, which amounted to ₹1,606.50 million, ₹509.80 million and ₹239.30 million in Fiscals 2024, 2023 and 2022, respectively.

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 445.

Capital Adequacy

We are subject to the CAR requirements as prescribed by the RBI. As at March 31, 2024, we were required to maintain a minimum CAR of 15.00%, based on the total capital to risk weighted assets. The following table sets forth certain information relating to our Company's CAR on a standalone basis as at March 31, 2024, 2023 and 2022:

Assets	**As at March 31,**		
	2024	**2023**	**2022**
	(in ₹ million unless otherwise indicated)		
Tier I Capital	71,476.29	64,525.84	37,830.11
Tier II Capital	9,572.95	10,531.11	7,203.81
Total capital	**81,049.24**	**75,056.95**	**45,033.92**
Total credit risk weighted assets	**497,819.68**	**364,823.53**	**288,592.15**
CAR			
Tier I Capital (as a percentage of credit risk weighted assets) (%)	14.36%	17.68%	13.10%
Tier II Capital (as a percentage of credit risk weighted assets) (%)	1.92%	2.89%	2.50%
Total Capital (as a percentage of total credit risk weighted assets) (%)	**16.28%**	**20.57%**	**15.60%**

The following table sets forth certain information relating to HHFL's CAR as at March 31, 2024, 2023 and 2022:

Assets	**As at March 31,**		
	2024	**2023**	**2022**
	(in ₹ million unless otherwise indicated)		
Tier I Capital	6,856.48	7,036.31	4,010.84
Tier II Capital	879.92	856.10	576.57
Total capital	**7,736.40**	**7,892.40**	**4,587.42**
Total credit risk weighted assets	**39,470.22**	**26,124.72**	**18,768.30**
CAR			
Tier I Capital (as a percentage of credit risk weighted assets) (%)	17.37%	26.93%	21.37%
Tier II Capital (as a percentage of credit risk weighted assets) (%)	2.23%	3.28%	3.07%
Total Capital (as a percentage of total credit risk weighted assets) (%)	**19.60%**	**30.21%**	**24.44%**

Quantitative and Qualitative Disclosures about Market Risks

Market risk is the risk that the fair value or future cash flow of financial instrument will fluctuate due to changes in market variables such as interest rates, foreign exchange rates (amongst others). The objective of market risk management is to manage and control market risk exposure within acceptable parameters while maximising the return. Cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, and other financial assets do not have any interest and market risk exposure due to the nature of balances.

Interest rate risk

A major portion of our assets and liabilities are interest bearing at either fixed or floating rates. Interest rate risk is managed by way of regular monitoring of all interest rate bearing assets and liabilities.

With all other variables held constant, our profit before tax will be impacted by a 1% change in interest rate as follows:

Movement in interest rate	Impact on profit before tax for Fiscal		
	2024	2023	2022
	(in ₹ million)		
Increase in interest rate by 1.00%	(1,321.26)	(1,051.66)	(861.03)
Decrease in interest rate by 1.00%	1,321.26	1,051.66	861.03

Foreign currency risk management

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Our foreign currency risk arises majorly on account of foreign currency borrowings. We presently manage this foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, we negotiate the terms of those derivatives to match with the terms of the underlying exposure. Our policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so until repayment.

We hold derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in marketplace.

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other comprehensive income arises from foreign forward exchange contracts and foreign exchange option contracts designated as cash flow hedges. We have considered a sensitivity of +/- 5.00% for increase and decrease in the rupee against relevant foreign currencies to calculate the net impact on our overseas credit lines for Fiscals 2024, 2023 and 2022 as shown in the table below:

Foreign currency exposure	Impact on profit after tax			Impact on other comprehensive income		
	Fiscal					
	2024	2023	2022	2024	2023	2022
	(in ₹ million unless otherwise indicated)					
USD						
Borrowings (other than debt securities) + 5.00%	-	-	-	33.92	(64.80)	(22.72)
Borrowings (other than debt securities) - 5.00%	-	-	-	(33.92)	64.80	22.72
SGD						
Borrowings (other than debt securities) + 5.00%	-	-	-	5.13	(20.06)	(0.94)
Borrowings (other than debt securities) - 5.00%	-	-	-	(5.13)	20.06	0.94
USD						
Trade payables + 5.00%	-	-	(0.20)	-	-	-
Trade payables - 5.00%	-	-	0.20	-	-	-

Significant Economic Changes

Other than as described above under the heading titled "*Our Business*" on page 237 of this Draft Red Herring Prospectus 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 of 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 "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on page 31. 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.

Significant Developments after March 31, 2024 that may affect our future results of operations

Except as discussed above and elsewhere in this Draft Red Herring Prospectus and except as set forth below, to our knowledge, no circumstances have arisen since the date of the Restated Consolidated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our liabilities within the next twelve months.

During the three months ended June 30, 2024, we expect to record a higher ratio of impairment loss allowance to gross loans assets and increased credit costs and a resulting negative impact on our profit before tax and Adjusted RoA during this quarter, in each case, as compared to the three months ended June 30, 2023, as a result of certain unforeseen factors not fully within the company's control. Such factors included, but were not limited to, disruptions caused by the recently concluded general elections in India, which impacted the deployment of collection agents by our collection agency partners due to which our collections were lower than anticipated. Since this impact was in part due to the general elections in India, which have since completed, we expect collections to improve and our ratios to gradually normalize during the rest of Fiscal 2025. However, there is no assurance that collections will improve as we expect. See "*Risk Factors - We rely on third party contractual staff, such as third-party distributors, in addition to service providers, such as direct selling agents, two-wheeler dealers, digital aggregators and collection agents, to undertake certain activities related to our business, including credit checks, sourcing and collection related services and certain back office services. Any disruption, negligence, fraud, deficiency or inefficiency in the services provided by such third parties could adversely affect our business, reputation, results of operations, financial condition and cash flows*" on page 44 of the DRHP.

Critical Accounting Policies

A full description of our critical accounting policies adopted in the preparation of our Restated Consolidated Financial Information is provided in Note 3 to our Restated Consolidated Financial Information. Please see "*Restated Consolidated Financial Information Notes forming part of the Restated Consolidated Financial Information – Annexure V: Basis of Preparation, Material Accounting Policies*" on page 375. The critical accounting policies that our management believes to be the most significant are summarised below.

Financial instruments

Initial recognition and measurement

Financial assets and liabilities are initially recognised at the trading date, i.e., which is the date on which we become a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets – Classification

On initial recognition, a financial asset is classified as measured at either of:

- Amortised cost
- Fair value through other comprehensive income ("**FVTOCI**")
- FVTPL

Financial assets are not reclassified after initial recognition, except if and during the period in which we change our financial asset's business model. A financial asset being 'debt instrument' is measured at the amortised cost, only if both of the following conditions are met and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

- The contractual terms of the financial assets gives rise on specified dates to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding.

The financial asset being a "debt instrument" is measured at the FVTOCI if both the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flow and selling the financial assets; and

- The contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, we may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("**OCI**") (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, we may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

We make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; how managers of the business are compensated – for example whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

If cash flows after initial recognition are realised in a way that is different from the original expectations, we do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with our continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, we consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, we consider:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit our claim to cash flows from specified assets (e.g., non- recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Restated Consolidated Statement of Profit and Loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Restated Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Restated Consolidated Statement of Profit and Loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Restated Consolidated Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Restated Consolidated Statement of Profit and Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in Restated Consolidated Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Restated Consolidated Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Restated Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Restated Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Restated Consolidated Statement of Profit and Loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Derecognition

Financial asset – Derecognition due to substantial modification of terms and conditions

We derecognise a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired ("**POCI**").

However, if the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, we record a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Financial asset – Derecognition other than due to modification of terms and conditions

A financial asset, such as a loan to a customer, is derecognised only when:

- We have transferred the rights to receive cash flows from the financial asset; or
- we retain the contractual rights to receive the cash flows of the financial asset, but assume a contractual obligation to pay the cash flows to one or more recipients.

Where we have transferred an asset, we evaluate whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where we have not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where we have neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if we have not retained control of the financial asset. Where we retain control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Collateral Repossession

We provide mortgage loans to individuals and corporates. To mitigate the credit risk on financial assets, we seek to use collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("**SARFAESI**").

In its normal course of business upon account becoming credit impaired, we physically repossess properties in its portfolio. Any surplus funds are returned to the customers/obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

Derecognition - Financial liability

We derecognise a financial liability when its contractual obligations are discharged or cancelled or expire. We also derecognise a financial liability when its terms are amended and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Restated Consolidated Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, we currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

We recognise loss allowances for ECL on financial assets measured at amortised cost and financial assets measured at FVOCI-debt investments. At each reporting date, we assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is an "impaired credit" where one or more events that adversely impact the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default or being past due;
- the restructuring of a loan by us on terms that we would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organisation.

We apply the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. For recognising impairment loss, we determine 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 used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is calculated on a collective basis for certain products, considering the retail nature of the underlying portfolio of financial assets.

The impairment methodology applied depends on whether there has been significant increase in credit risk. When determining whether the risk of default on the financial asset has increased significantly since initial recognition, we consider 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 a provision matrix which takes into account our historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The ECL is a product of exposure at default ("**EAD**"), probability of default ("**PD**") and loss given default ("**LGD**"). Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset. We categorise financial assets at the reporting date into stages based on the DPD status as under:

- Stage 1: Low credit risk, i.e., 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e., 31 to 90 days past due

- Stage 3: Impaired assets, i.e., more than 90 days past due

LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrower will default on their obligation in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 Loans are considered to have a 100% PD. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by us.

We incorporate forward-looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Our ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial information. We regularly review our models in the context of actual loss experience and make adjustments when such differences are significantly material.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

After initial recognition, trade receivables and other financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment. We follow the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables and other financial assets, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.

<u>Presentation of allowance for ECL in the balance sheet</u>

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

<u>Write-offs</u>

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when we determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

Intangible assets

<u>Initial recognition and measurement</u>

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use. Our other intangible assets mainly include the value of computer software.

<u>Amortisation methods, estimated useful lives and residual value</u>

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense of intangible assets with finite lives is presented as a separate line item in the Restated Consolidated Statement of Profit and Loss.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

- Computer software – 6 years

Subsequent expenditure is recognised as an increase in the carrying amount of the assets are carried when it is probable that future economic benefit deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Impairment of non–financial assets

Our non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit ("**CGU**") exceeds its estimated recoverable amount. Impairment losses are recognised in the Restated Consolidated Statement of Profit and Loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Revenue recognition

Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion bases taking into account the amount outstanding and the EIR. The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fee received and cost incurred approximates the effective interest rate for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortised cost of the financial asset before adjusting for any ECL allowance). For credit-impaired financial assets that are regarded as Stage 3 Loans, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for ECLs). If the financial asset is no longer credit impaired i.e., all the outstanding dues are recovered, the company reverts to calculating interest income on a gross basis.

Other financial charges

Penal interest or other overdue charges which are not included in EIR are recognised on receipt basis.

Income on derecognised (Assigned) loans

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread ("**EIS**"). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate is recorded upfront in the statement of profit and loss.

Other Income

We recognise 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'. We identify contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

Net gain on fair value changes

Financial assets are subsequently measured at FVTPL or FVOCI, as applicable. We recognise gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if we have 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. Benefits such as salaries, wages and bonuses, are recognised in the Restated Consolidated Statement of Profit and Loss in the period in which the employee provides the related service.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident Fund

Provident fund is a defined contribution plan. We expense its contributions towards provident fund which are being deposited with the Regional Provident Fund Commissioner.

Superannuation Fund

Contributions are made to a scheme administered by the Life Insurance Corporation of India to discharge superannuating liabilities to the employees, a defined contribution plan, and the same is expensed to the Restated Consolidated Statement of Profit and Loss. We have no liability other than our annual contribution.

Defined benefit plans

Our gratuity scheme is an unfunded defined benefit plan. We pay gratuity to employees who retire or resign after a minimum period of five years of continuous service. The present value of obligations under such defined benefit plans are based on actuarial valuation carried out by an independent actuary using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements. Changes due to service cost and net interest cost / income is recognised in the Restated Consolidated Statement of Profit and Loss. Re-measurements of net defined benefit liability/ (asset) which comprise of actuarial gains and losses are recognised in other comprehensive income.

Other long term employee benefits

Benefits under compensated absences constitute other employee benefits. Employee entitlements to annual leave are recognised when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services provided by the eligible employees up to the balance sheet date. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Expenses are recognised immediately in the Restated Consolidated Statement of Profit and Loss.

Share based payments

We recognise compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102 - Share-based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding amount.

Equity-settled share-based payments

The cost is recognised in employee benefits expenses together with a corresponding increase in employee stock option outstanding account in other equity, over the period in which the service conditions are fulfilled. 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 not expired and our best estimate of the number of equity instruments that will ultimately vest.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Non–market performance conditions are reflected within the grant date fair value.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions are not met.

Cash-settled share-based payments

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

Borrowing at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Restated Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs and amortised over the period of the facility to which it relates.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2024 derived from our Restated Consolidated Financial Information, 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 Financial Information*" beginning on pages 31, 446 and 361, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at March 31, 2024*	As adjusted for the proposed Offer#
Total Borrowings		
Debt Securities (A)	67,037.15	[●]
Borrowings (other than debt securities) (B)	358,403.90	[●]
Subordinated liabilities (C)	36,253.71	[●]
Total Borrowings (D = A+B+C)	**461,694.76**	[●]
Net Worth		
Equity share capital (E)^	1,273.06	[●]
Other equity (F)	56,386.64	[●]
Net Worth (G = E+F)	**57,659.70**	[●]
Total Capitalisation (H=D+G)	**519,354.46**	[●]
Ratio: Debt to Equity	**8.01**	[●]
Ratio: Adjusted Debt to Equity	**5.20**	[●]

Notes:

* *The amounts disclosed above are based on Restated Consolidated Financial Information of our Company.*

\# *The corresponding post offer capitalisation data for each of amounts mentioned in the above table is not determinable at this stage pending the completion of book building process and hence the same has not been provided in above table. To be updated upon finalization of the Offer Price.*

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of its business for the purposes of onward lending activities and to finance working capital requirements.

For details regarding the borrowing powers of our Company, please see "*Our Management – Borrowing Powers of our Board of Directors*" on page 311.

Set forth below is a table of the aggregate borrowings of our Company, as on June 30, 2024, on consolidated basis:

(₹ in million)

Category of borrowing	Sanctioned amount	Outstanding amount*
Term Loans from Banks	426,542.92	277,979.32
Foreign Currency Loans	1,000.00	500.00
Loans repayable on demand - Cash Credit/WCDL	44,350.00	15,643.57
Terms Loans from NHB	5,500.00	4,987.37
External Commercial Borrowings	58,078.38	58,078.37
Secured NCDs	28,990.00	28,990.00
Unsecured NCDs#	12,050.00	12,050.00
Commercial Paper	40,950.00	40,950.00
Total	**617,461.3**	**439,178.63**

Note:
* *As certified by B R Maheswari & Co LLP pursuant to the certificate dated July 31, 2024.*
\# *Unsecured contains Tier I NCD & Tier II NCDs.*
For Market Borrowing (NCD and CP) Face Value has been considered.

Principal terms of the subsisting borrowings availed by our Company and our Subsidiary:

1. ***Interest:*** The interest rates for the term loans availed by our Company and our Subsidiary typically ranges from 6.10% per annum to 9.34% per annum, which is linked to the marginal cost of fund-based lending rate or external benchmark rates.

   Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into debenture trust deeds ("**DTDs**") and, in terms of such DTDs, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company as of June 30, 2024 typically ranged from 6.25% to 9.81% per annum.

2. ***Tenor:*** The tenor of the term loans availed by our Company and our Subsidiary typically ranges approximately 2.25 to 10 years. Certain short-term loans availed by our Company have a tenor of up to one year.

   The maturity date of the NCDs issued by the Company is typically 16 months to 120 months.

3. ***Security:*** In terms of our borrowings, including NCDs, where security needs to be created, we are typically required to create security primarily by way of first ranking *pari passu* charge by way of hypothecation, on our Company's profits and receivables.

4. ***Pre-payment:*** We have the option to prepay the lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which typically ranges upto 2.00%. Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, such as if they prepayment is made from the Company and our Subsidiary's own sources and by providing prior notice to the lender.

5. ***Re-payment:*** The cash credit and working capital facilities are typically repayable on demand. The repayment period for the term loan facilities availed by us is typically in equal quarterly instalments.

   The NCDs issued by our Company are repayable on maturity.

6. ***Key Covenants:*** In terms of our facility agreements, sanction letters and the DTDs ("**Financing Documents**"), we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take prior consent from the lender or the trustee (acting on the instructions of the majority debenture holders) and/or intimate the respective lender or trustee (acting on the instructions of the majority debenture holders) before carrying out such actions, including, but not limited to the following:

   (a) to effect any change or alteration in the capital structure, including any dilution in the shareholding of our Promoter, Hero MotoCorp Limited;

   (b) to effect any adverse changes to or effect a major change in its capital structure;

(c) to effect any drastic change in management which would be detrimental to the Company and our Subsidiary's repayment capacity;

(d) to effect any change in the constitution of the Company;

(e) approach the capital market for mobilizing resources either in form of debt or equity; and

(f) to formulate or effect any scheme of amalgamation or merger or reconstruction.

7. ***Events of Default:*** In terms of our facility agreements, sanction letters and DTDs, the following, among others, constitute events of default:

a) failure to pay any sum payable under the facilities or debentures on the due dates;

b) failure to perform or comply with any obligations or terms and conditions under the facilities or debentures by our Company;

c) incorrect or misleading representation, warranty or statement under the facility or debenture documents; and

d) occurrence of a material adverse change that can affect the Company's ability to repay the loan.

8. ***Consequences of occurrence of events of default:***

In terms of our facility agreements, sanction letters and DTDs, the following, among others, are the consequences of occurrence of events of default, whereby our lenders or trustees (acting on the instructions of the majority debenture holders) may:

(i) declare all sums outstanding as immediately due and payable;

(ii) enforce their security over the hypothecated / mortgaged assets;

(iii) appoint nominee directors, which would require our Company to amend our AoA;

(iv) appoint an observer to attend all board meetings of our Company;

(v) require our Company to reconstitute its board;

(vi) convert the debt into equity in conformity with RBI guidelines; and

(vii) levy a default interest of up to 2% per annum on the overdue amounts.

Further, the trustee may accelerate the redemption of debentures in case of an event of default.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender or the trustee (acting on the instructions of the majority debenture holders) that may amount to an event of default under the various borrowing arrangements entered into by us. Further, none of the banks or financial institutions from whom our Company has availed borrowings have accelerated payment of the facility in full or in part on account of default in the repayment of any instalment or interest due or for violation of any other terms of the outstanding debt facilities.

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 and listed on the debt segment of the NSE, as of June 30, 2024:

Sr No	ISIN number	Stock Exchange	Face Value (in ₹)	Maturity date	Coupon rate (p.a.)	Amount outstanding (in ₹ million)	Scrip Code
1	INE957N08011	NSE	1,000,000	September 15, 2025	9.35%	1,000.00	N.A.
2	INE957N08029	NSE	1,000,000	August 3, 2026	8.98%	1,000.00	N.A.
3	INE957N08037	NSE	1,000,000	June 18, 2027	8.52%	1,000.00	N.A.
4	INE957N08045	NSE	1,000,000	November 24, 2028	9.81%	1,250.00	N.A.
5	INE957N07732	NSE	1,000,000	December 27, 2028	9.55%	2,500.00	N.A.

Sr No	ISIN number	Stock Exchange	Face Value (in ₹)	Maturity date	Coupon rate (p.a.)	Amount outstanding (in ₹ million)	Scrip Code
6	INE957N08052	NSE	1,000,000	February 5, 2030	8.85%	1,000.00	N.A.
7	INE957N08060	NSE	1,000,000	March 4, 2030	8.49%	250.00	N.A.
8	INE957N07500	NSE	1,000,000	July 24, 2025	7.55%	250.00	N.A.
9	INE957N07526	NSE	1,000,000	September 10, 2024	7.30%	1,500.00	N.A.
10	INE957N07542	NSE	1,000,000	November 3, 2025	6.95%	1,000.00	N.A.
11	INE957N08078	NSE	1,000,000	December 11, 2030	7.65%	450.00	N.A.
12	INE957N07567	NSE	1,000,000	January 19, 2026	6.90%	250.00	N.A.
13	INE957N07591	NSE	1,000,000	May 7, 2031	7.35%	250.00	N.A.
14	INE957N07617	NSE	1,000,000	April 15, 2025	6.57%	500.00	N.A.
15	INE957N07625	NSE	1,000,000	July 19, 2024	8.59%	2,150.00	N.A.
16	INE957N07633	NSE	1,000,000	August 2, 2024	6.25%	2,000.00	N.A.
17	INE957N07641	NSE	1,000,000	August 9, 2024	6.25%	1,500.00	N.A.
18	INE957N08086	NSE	1,000,000	July 16, 2032	8.65%	1,000.00	N.A.
19	INE957N07674	NSE	1,000,000	May 4, 2027	7.60%	3,000.00	N.A.
20	INE957N07682	NSE	1,000,000	July 29, 2025	7.99%	4,000.00	N.A.
21	INE957N08094	NSE	1,000,000	October 21, 2032	8.65%	550.00	N.A.
22	INE957N07716	NSE	1,000,000	November 22, 2024	8.44%	2,650.00	N.A.
23	INE957N07708	NSE	1,000,000	December 20, 2024	8.44%	200.00	N.A.
24	INE957N08102	NSE	1,000,000	December 1, 2032	8.65%	1,000.00	N.A.
25	INE957N07724	NSE	1,000,000	August 13, 2024	8.28%	1,390.00	N.A.
26	INE957N07740	NSE	1,000,000	December 30, 2024	8.25%	350.00	N.A.
27	INE957N07757	NSE	1,000,000	May 12, 2026	8.35%	500.00	N.A.
28	INE957N08110	NSE	1,000,000	January 5, 2034	9.00%	550.00	N.A.
29	INE957N07773	NSE	1,000,000	February 2, 2029	8.60%	250.00	N.A.
30	INE957N07781	NSE	1,000,000	September 10, 2025	8.94%	2,250.00	N.A.
31	INE957N08128	NSE	1,000,000	May 17, 2034	9.50%	1,500.00	N.A.
32	INE957N08136	NSE	1,000,000	June 4, 2034	9.60%	750.00	N.A.

Details of listed non-convertible debentures issued by our Material Subsidiary

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Material Subsidiary and listed on the debt segment of the NSE, as of June 30, 2024:

Sr No	ISIN number	Stock Exchange	Face Value (in ₹)	Maturity date	Coupon rate (p.a.)	Amount outstanding (in ₹ million)	Scrip Code
1.	INE800X07030	NSE	10,00,000.00	August 24, 2024	6.50%	750.00	N.A.

Sr No	ISIN number	Stock Exchange	Face Value (in ₹)	Maturity date	Coupon rate (p.a.)	Amount outstanding (in ₹ million)	Scrip Code
2.	INE800X07048	NSE	10,00,000.00	February 7, 2025	9.16%	1,500.00	N.A.
3.	INE800X07055	NSE	1,00,000.00	February 15, 2033	8.50%	250,.00	N.A.
4.	INE800X08012	NSE	10,00,000.00	December 28, 028	9.50%	250.00	N.A.
5.	INE800X08020	NSE	10,00,000.00	March 5, 2031	7.85%	250.00	N.A.
6.	INE800X08038	NSE	1,00,00,000.00	November 25, 2032	8.75%	250.00	N.A.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) litigation involving claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the Materiality Policy, in each case involving our Company, its Subsidiary, Promoters and Directors ("**Relevant Parties**").*

Further, except as stated in this section, (a) there are no disciplinary actions including penalty imposed by the SEBI or Stock Exchanges against our Promoters in the last five Financial Years including any outstanding action; and (b) pending litigation involving our Group Companies which may have a material impact on our Company.

For the purpose of identification of material litigation in (iv) above, our Board 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 pursuant to the Board resolution dated July 29, 2024. Accordingly, disclosures of the following types of litigation involving Relevant Parties have been included.

All outstanding litigation, involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary actions including any penalty imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding actions, and tax matters (direct or indirect), would be considered 'material' if:

(i) where such matters involves our Company, its Subsidiary, Directors and Promoters except Hero Motocorp Limited, the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 218.15 million, being the amount equivalent to 5% of Company's average of absolute value of the profit or loss after tax as per last three audited consolidated financial statements; or

(ii) where such matters involves Hero MotoCorp Limited, the monetary amount of claim by or against the entity in any such pending proceeding is in excess of ₹ 1,478.50 million, being the amount equivalent to 5% of the average of absolute value of profit or loss after tax as per last three audited consolidated financial statements of Hero MotoCorp Limited in accordance with the materiality policy adopted by Hero MotoCorp Limited in accordance with the SEBI Listing regulations;

(iii) With respect to where monetary liability is not quantifiable or any other outstanding litigation, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties (excluding notices issued by statutory or regulatory or taxation authorities), have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial/ arbitral forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors, by way of its resolution dated July 29, 2024. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having a monetary value which exceeds 5% of the total trade payables of our Company as per the Restated Consolidated Financial Information of our Company as of March 31, 2024, disclosed in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on March 31, 2024, any outstanding dues exceeding ₹ 219.50 million have been considered as material outstanding dues for the purposes of disclosure in this section.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

I. Litigation involving our Company

Litigation against our Company

Material Civil Litigation

1. Jayneer Infrapower & Multiventures Private Limited and other pledgors (collectively, the "**Claimants**") have initiated arbitration against our Company and appointed Madan Lokur as the sole arbitrator ("**Arbitrator**"). L&T Finance Limited had granted a loan of ₹ 3,250.00 million to Arrow Media ("**Borrower**") pursuant to an agreement dated February 3, 2017. Thereafter, through a deed of assignment dated June 11, 2018 ("**Assignment Deed**"), an amount of ₹ 433.30 million was assigned to our Company. Subsequently, our Company entered into a tripartite agreement dated August 21, 2018 ("**Pledge Agreement**") with the Borrower and seven pledgors, including the Claimants. On January

25, 2019, our Company communicated to the Borrower that due to a shortfall in security cover, our Company would be entitled to enforce the pledge and sell the pledged shares to recover the outstanding loan amount. Thereafter, the Claimants sent notices to our Company for the release of shares pledged by them, which, on refusal, resulted in a petition being filed by the Claimant under Section 11 of the Arbitration and Conciliation Act, 1996 ("**Act**") for appointing an arbitrator. Thereafter, the Arbitrator was appointed who, in their award dated July 18, 2022 ("**Award**"), concluded that the Claimants had breached the Pledge Agreement and consequently, awarded ₹ 10.17 million to our Company to be paid by the Claimants. The Claimant, in their application dated March 14, 2023, have challenged the Award before the High Court of Delhi ("**Delhi High Court**") under Section 34 of the Act, arguing that the Award is patently illegal and contrary to fundamental policy of India law. The matter is currently pending.

Criminal Litigation

1. Ayush Jain ("**Complainant**") has filed a first information report dated December 2, 2019 with the Vasant Vihar (South West) Police Station, Delhi, against our Company and one of the employees of our Company ("**Accused**") under Sections 420 and 468 of the IPC. The Complainant has alleged that he has been falsely implicated in a recovery proceeding initiated by us against Vigyan Chemicals Private Limited, one of our borrowers ("**Borrower**"). The Complainant has further alleged that he was not actively involved in the functioning of the Borrower, and that his signature was not present on the master facilities agreement in relation to facilities availed by the Borrower from our Company. Further, he alleged that an area sales manager of our Company has fraudulently forged his signature on a personal guarantee in relation to the facilities availed by the Borrower. The complaint is currently pending.

2. Sunil Sharma ("**Petitioner**") has filed a special leave petition ("**SLP**") dated January 25, 2022 before the Supreme Court of India ("**Supreme Court**") against our Company, challenging the order dated January 4, 2022 ("**Delhi HC Order**") passed by the High Court of Delhi ("**Delhi High Court**"). Our Company, pursuant to sanction letters dated October 24, 2014, February 6, 2015 and February 10, 2016 had sanctioned loans amounting to ₹ 122.50 million, ₹ 100.00 million ₹ 150.00 million, respectively, to the Petitioner, along with other directors of Benlon India Private Limited ("**Borrower**"). The Borrowers had paid the loans in instalments until May 2018. Thereafter, the Borrower went into liquidation. Our Company, on December 13, 2018, filed a complaint against the Petitioner and the Borrower before the Economic Offences Wing ("**EOW**"), alleging criminal conspiracy and wrongful loss to our Company amounting to ₹ 372.50 million. Further, our Company filed an application ("**Application**") under Section 156 (3) of the CrPC to register a first information report alleging cheating, forgery and criminal breach of trust of ₹ 73.52 million. The Chief Metropolitan Magistrate, as upheld by the Principal District and Session Judge, Patiala House Courts, New Delhi in its order dated January 22, 2021 ("**Revisionist Court Order**") dismissed the Application. Consequently, our Company challenged the Revisionist Court Order before the Delhi High Court. The Delhi HC Order held that a cognizable offence had been alleged which had to be investigated, and therefore, directed the EOW to register an FIR against the Petitioner. Aggrieved by the Delhi HC Order, the Petitioner filed the SLP dated January 25, 2022 before the Supreme Court under Article 136 of the Constitution of India, alleging that the Delhi HC Order was erroneous. The matters are currently pending.

3. Brijdeep Sharma (the "**Complainant**") has filed a first information report dated August 7, 2023 ("**FIR**") with the Kanchanpur Police Station, Dhaulpur, ("**Police Station**") against our Managing Director and Chief Executive Officer, and certain other employees of our Company ("**Accused**") under, *inter alia,* Sections 420, 467, 478 and 471 of the IPC. The Complainant alleged that he paid ₹ 0.02 million to one of the Accused as a security for getting employment with our Company. The Complainant also alleged that in order to achieve certain targets, the Accused induced him to issue fake receipts without collection of payment from customers on different dates and thereafter forced him to deposit the amount. The Complainant further alleged that our Company has not paid him salary, incentive and the amount he had deposited, aggregating to ₹ 0.35 million. Our Company contended that the Complainant had issued receipts post the collection of EMI payment from different customers. However, these receipts were not deposited with our Company and the same were embezzled, and consequently our Company had stopped paying the salary to the Complainant. The investigating officer ("**IO**") at the Police Station has conducted the investigation and concluded that there is no evidence proving the allegations against our Company and that the Complainant had indeed failed to deposit the receipts of the collection of payments. The IO has forwarded the final report in favour of our Company with the Additional Chief Judicial Magistrate, Dhaulpur for final disposal. The matter is currently pending.

4. Balram (the "**Complainant**") has filed a first information report dated December 8, 2022 with the Kanchanpur Police Station, Dhaulpur ("**Police Station**"), against our Company, one Pankaj Gupta and certain other persons (collectively, "**Accused**") under, *inter alia,* Sections 420, 467, 468 and 470 of the IPC. The Complainant alleged that Pankaj Gupta forged documents and fraudulently financed one motorcycle in the name of the Complainant from our Company. He alleged that two monthly EMIs for the motorcycle of ₹ 5,064.00 each were deducted from his bank account. Our Company has contended that the motorcycle was financed by the Complainant himself and that no fraud was involved. The investigating officer ("**IO**") at the Police Station has conducted the investigation and concluded that there is no evidence proving the allegations of forgery and fraudulent behaviour, and that the motorcycle was financed by the Complainant himself. The IO has forwarded the final report in favour of our Company with the Additional Chief Judicial Magistrate, Dhaulpur for disposal of the matter. The complaint is currently pending.

5. Bhavuk Jalan ("**Complainant**") has filed a first information report dated July 26, 2021 with the City Rajpura Police Station, Patiala, against our Company and certain others (collectively, "**Accused**") under, *inter alia,* Sections 420, 465, 467 and 468 of the IPC. The Complainant alleged that the Accused forged his signatures along with the signatures of his father and his mother to secure loan of ₹ 20.00 million from our company. Further, the Complainant alleged that his residence was fraudulently mortgaged to secure the said loan. The matter is currently pending.

6. Shamim Akhtar ("**Complainant**") has filed a first information report dated August 3, 2022 with the Araria Police Station, Araria, against our Company and J.M Motors, Forbisganj (Araria) (collectively, "**Accused**") under, *inter alia,* Sections 467, 468, 471 and 472 of the IPC. The Complainant alleged that despite making cash payment for purchasing vehicles, the Complainant and certain other persons have been receiving notices for EMI payment from our Company. The matter is currently pending.

7. Nabhiraj Y R ("**Complainant**") has filed a first information report dated March 3, 2018 with the Jayanagar Police Station, Bengaluru ("**Police Station**"), against our Company and certain others (collectively, "**Accused**") under, *inter alia,* Sections 34, 120-B, 419 and 465 of the IPC. The Complainant alleged that the Accused impersonated the Complainant's wife and obtained a loan from our Company. The Complainant further alleged that the Accused mortgaged a property owned by his wife in order to obtain the loan. The investigating officer ("**IO**") at the Police Station has conducted the investigation and *vide* the final report, concluded that the allegations are false and that the complaint is not suitable for inquiry or further action. The Additional Chief Metropolitan Magistrate – II, Bengaluru, on taking cognisance of this final report, has dismissed the complaint while allowing for any objections to be filed within a stipulated time. The matter is currently pending.

8. Sanjoy Haldar ("**Petitioner**") has filed a criminal writ petition dated May 10, 2024 ("**Writ Petition**") under Article 226 of the Constitution of India against our Company, among others. The Petitioner had purchased a mobile phone by availing a loan amount of ₹ 0.01 million from Zest Money ("**Creditor**"). The Petitioner alleged that three additional loans had been availed falsely under the name of the Petitioner from *inter alia*, our Company for an aggregate amount of ₹ 0.01 million. Anticipating criminal and civil action, the Petitioner filed the Writ Petition before the High Court of Calcutta ("**High Court**") request the High Court to direct the police to file a first information report. A first information report dated May 10, 2024 has been filed against the Creditor and our Company. The matters are currently pending.

9. Renu Kapoor ("**Complainant**") has filed a first information report dated December 1, 2023 with the Dwarka North Police Station, Delhi, against our Company, our Managing Director and Chief Executive Officer, and certain former employees of our Company, i.e. Sudha Gupta, Devender Gupta and Akash Gupta ("**Accused**") under, *inter alia,* Sections 420, 467 and 468 of the IPC. The Complainant who is the president of Florence Nightingale Educational Society, Dwarka ("**Society**") alleged that Sudha Gupta, Devender Gupta and Akash Gupta, the ex-management of the Society in connivance with certain employees of our Company availed loans in the name of the Society by fabricating documents and misappropriated the same. The Complainant further alleged that the manner in which the loan was granted to the Society was prohibited by the RBI. Our Company, Managing Director and Chief Executive Officer have filed a criminal writ petition dated December 19, 2023 under Article 226 of the Constitution of India and Section 482 of the CrPC for quashing of this first information report, on the grounds that the allegations are false and bad in law and are an attempt by the Accused to evade liabilities while avoiding the repayment of dues. The matters are currently pending.

10. Riyazuddin Ansari ("**Complainant**") has filed a first information report dated January 30, 2024 with the Katras Police Station, Dhanbad, against one employee of our Company and certain others ("**Accused**") under, *inter alia,* Sections 34, 419 and 420 of the IPC. The Complainant alleged that he paid ₹ 62,621.00 towards closure of loan availed by him for the purchase of motor cycle but the same was not deposited into his loan account but the Complainant received notice of payment of instalment despite repayment of the loan amount in lump sum. The Complainant further alleged that the Accused has misappropriated the funds paid in this regard. The matter is currently pending.

11. Paramesha B.V. ("**Complainant**") has filed a first information report dated December 16, 2023 with the Banavara Arasikere Rural Circle Police Station, Hassan against certain employees of our Company and our Company ("**Accused**") under, *inter alia,* Sections 419 and 420 of the IPC. The Complainant had applied for loan towards the balance amount for the purchase of a vehicle. Owing to the delay in processing of the loan amount, the Complainant requested to cancel the loan and paid the balance amount and got the vehicle registered in his name. The Complainant has alleged that despite the cancellation request for loan and payment of the full amount for the purchase, an amount of ₹ 29,460.00 got deducted from the Complainant's bank account towards the payment of EMI. The Complainant further alleged that there was no proper response from the Accused on the clarification sought by the Complainant in this regard. The matter is currently pending.

12. Saurabh Mishra (**"Complainant"**) has filed a criminal revision petition dated January 29, 2024 (**"Revision Petition"**) under, *inter alia,* Sections 379 and 399 of the CrPC against the order dated December 21, 2023 passed by Court of Judicial Magistrate III, Lucknow in Criminal Misc. Case No. 3267/2023. The Complainant has alleged that our Company ("**Accused**") had financed purchase of his motor vehicle, however due to delay in payment of some of the instalments of the vehicle financing loans, his motor vehicle was confiscated by our Company without any prior

information/notice. The Complainant further alleged that the Accused has auctioned his motor vehicle without any intimation causing irreparable damage to the Complainant. The matter is currently pending.

13. Kunal Sharma ("**Complainant**") has filed a first information report dated March 20, 2019 with the Police Commissionerate, Ludhiana against M/s N.V. Processors through its partners namely, Vijay Kumar Sharma, Nitin Sharma, Vandana Sharma and Aditi Korpal, as well as against the concerned Loan Approval Manager and Credit Manager of our the Company (collectively, "**Accused**") under, *inter alia,* Sections 120-B, 420, 467 and 417 of the IPC. The Complainant alleged that certain loans have been availed from the Company to the tune of ₹ 30.00 million under his name, but the loan agreements have been forged by the Accused who are partners of M/s N.V. Processors, being the guarantors to the loan. The Complainant alleged that his signatures were forged and fabricated and his property was wrongfully mortgaged with the Company without the Complainant's knowledge, and in collusion with the other Accused Persons. The matter is currently pending.

14. Saritha P. Chathukutty ("**Complainant**") has filed a first information report dated November 4, 2021 with the Nadakkavu Police Station, Kozhikode against Sajith Lal. P, Bajaj Finance Limited, Jibi Thomas and Kevin Mathew (the "**Accused Persons**") under, *inter alia,* Sections 34, 420, 468 and 471 of the IPC. The Complainant alleges that one of the Accused Persons, who is the Complainant's brother, availed two loans of ₹ 35.00 million and ₹ 15.00 million by pledging the properties of their father, mother and the Complainant herself, whereas the pledged properties are in their joint ownership. The Complainant alleges that her brother forged their family members' signatures in the loan application without their knowledge or consent, in collusion with the other Accused Persons, in order to avail the loan. The Complainant has also filed a criminal writ petition dated February 19, 2024 before the Kerala High Court under Article 226 of the Constitution of India, to seek issuance of writs for a proper investigation in the matter through another agency like Central Bureau of Investigation. The matters are currently pending.

Actions taken by Regulatory or Statutory Authorities

1. The Directorate of Enforcement, New Delhi ("**ED**") has filed an application for the retention of properties including folders and invoices in the name of foreign currency dealers, pen drives and moveable property such as foreign currency and jewellery, which were seized by the ED pursuant to searches conducted at the Corporate Office our Company; at certain branches of HMCL, one of our Corporate Promoters; at the residence of Abhimanyu Munjal, the Managing Director and one of our Individual Promoters; and at the residence of Dr. Pawan Munjal, our Chairman and one of our Individual Promoters, under Section 17(4) of the Prevention of Money Laundering Act, 2002 ("**PMLA**") in relation to the alleged illegal export of foreign currency amounting to ₹ 540.00 million ("**Offence**") by Dr. Pawan Munjal and others (collectively, "**Accused Persons**"). Thereafter, our Company and Abhimanyu Munjal, filed their replies dated October 9, 2023, each, before the Adjudicating Authority ("**AO**") under the PMLA, contending that they had no role or relevance to the said Offence. The AO, *vide* its order dated December 29, 2023 ("**Order**"), held that our Company and Abhimanyu Munjal were not in possession of the foreign currency. However, the Order confirmed the retention of seized documents and properties. Consequently, our Company and Abhimanyu Munjal filed appeals dated February 16, 2024, each ("**Appeal**") against the Order, stating that the AO had erroneously ordered the retention of the records that had been unjustifiably seized by the ED. The matter is currently pending.

2. The Labour Court, Jagdalpur, Bastar ("**Labour Court**") has issued a notice dated July 21, 2022 to our Company in relation to compensation payable to Vinay Gupta ("**Applicant**"). The son of the Applicant, Ankit Gupta who was an employee of our Company and was responsible for collecting instalments on behalf of our Company, passed away due to an accident on December 3, 2021 while he had gone to collect the instalments from a borrower of our Company. Thereafter, the Applicant filed an application under Section 22 of the Employees' Compensation Act, 1923, claiming a compensation of ₹ 1.38 million. Thereafter, the Labour Court issued a notice to our Company to appear before the Court on September 6, 2022. Our Company has filed a reply dated December 14, 2022 denying all liability and challenging the compensation claimed. The matter is currently pending.

Litigation by our Company

Material Civil Litigation

1. Our Company has filed a Form D dated January 27, 2021 claiming an amount of ₹ 224. 45 million under Regulation 18 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as a financial creditor in respect of the CIRP initiated against Kwality Limited ("**Borrower**"). Our Company had sanctioned a loan facility of ₹350.00 million to the Borrower who failed to repay its contractual dues under the loan facilities and despite repeated follow-up, the dues remained unpaid. The matter is currently pending.

2. Our Company has filed both a Form D as a financial creditor and Form C as an operational creditor dated August 27, 2022 and November 22, 2022 claiming an amount of ₹ 825.52 million and ₹ 203.10 under Regulation 18 and Regulation 17, respectively of the Insolvency and Bankruptcy Board of India (Liquidation Process), 2016 in respect of the CIRP initiated against Talwalkars Healthclubs Limited ("**Borrower**"). Our Company had sanctioned a loan

facility to Borrower who failed to repay its contractual dues under the loan facilities and despite repeated follow-up, the dues remained unpaid. The matter is currently pending.

3. Our Company has filed a Form C dated July 18, 2018 claiming an amount of ₹ 309.81 million under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as a financial creditor in respect of the CIRP initiated against Universal Buildwell Private Limited ("**Borrower**"). Our Company had sanctioned a loan facility to Borrower who failed to repay its contractual dues under the Loan Facilities and despite repeated follow-up, the dues remained unpaid. The matter is currently pending.

4. Our Company has filed a Form D dated May 11, 2023 claiming an amount of ₹ 607.57 million under Regulation 18 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as a financial creditor in respect of the CIRP initiated against Hema Automotive Private Limited ("**Borrower**"). Our Company had sanctioned a loan facility amounting to a total of ₹550.00 million to Borrower who failed to repay its contractual dues under the facility agreement and despite repeated follow-up, the dues remained unpaid. The matter is currently pending.

5. Our Company has filed Form D dated May 28, 2019 claiming an amount of ₹ 319.52 million under Regulation 18 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as a financial creditor in respect of the CIRP initiated against Shilpi Cable Technologies Limited ("**Borrower**"). Our Company had sanctioned a loan pursuant to a facility agreement dated September 22, 2017 ("**Facility Agreement**"). The matter is currently pending.

6. Our Company has filed a Form C dated March 7, 2019, claiming an amount of ₹ 214.75 million under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate persons) Regulations, 2016 as a financial creditor in respect of the CIRP initiated against Trimax IT Infrastructure and Services Limited ("**Borrower**"). Our Company had sanctioned a working capital demand loan of ₹ 250.00 million to Borrower who failed to repay its contractual dues under the loan facilities and despite repeated follow-up, the dues remained unpaid. The matter is currently pending.

7. Our Company has filed an application under Section 14 of SARFAESI Act against Hare Krishna Operating Lease Private Limited ("**Borrower**") and others (collectively, the "**Respondents**"). Our Company had granted a loan of ₹ 1,400.00 million ("**Loan Facilities**") to the Borrower by way of sanction letter dated June 29, 2019. Pursuant to an indenture of mortgage dated November 18, 2019, a mortgage was created over a property located at Mulund (West), Mumbai, Maharashtra, India ("**Mortgaged Property**") in favour of our Company by Future Markets Network Limited ("**Future Markets**"). The Borrower had defaulted in repaying the Loan Facilities and the account of the Borrower was classified as a non-performing asset on March 31, 2022. Our Company issued a demand notice on August 20, 2022 under Section 13(2) of the SARFAESI Act ("**Notice**"), seeking the outstanding dues. On not receiving any response, our Company filed an application dated January 17, 2023 under Section 14 ("**Section 14 Application**"), of the SARFAESI Act, requesting the court to authorize an officer to take possession of the secured assets. The Chief Metropolitan Magistrate at Esplanade, Mumbai ("**CMM**"), in its order dated September 7, 2023 ("**CMM Order**") allowed the Section 14 Application and authorized an officer to take possession of the secured assets. Prior to the Section 14 Application, Company had also sent a letter dated June 15, 2022 ("**June 15 Letter**") to Future Markets stating that the Future Markets was jointly and severally liable to discharge the full liability towards the outstanding amount. Future Markets, *vide* its application dated December 20, 2022 ("**Securitisation Application**"), had challenged the Notice and the June 15 Letter before the Debt Recovery Tribunal, Mumbai ("**DRT**"). The DRT, in its order March 1, 2024, has held that Future Markets had no cause of action under the **S**ecuritisation Application and noted that Future Markets had the liberty to challenge the sale of the Mortgaged Property. The matters are currently pending.

8. Our Company has filed an application under Section 14 of the SARFAESI Act against Cosmic Motors India Private Limited ("**Borrower**"). Our Company had granted a loan of ₹ 1,000.00 million ("**Loan Facility**") by way of the sanction letter and master facility agreement each dated November 28, 2017. The Borrower's properties located at Nagpur were mortgaged in favour of our Company in relation to the Loan Facility. Due to non-repayment of the Loan Facility, the Borrower's account was declared as a non-performing asset on October 1, 2020. Thereafter, our Company issued a notice under Section 13 of the SARFAESI Act ("**Notice**"), calling upon the Borrower to repay the outstanding amount of ₹ 1,066.63 million. On not receiving any response to the Notice, our Company filed an application dated September 2, 2020 under Section of the SARFAESI Act before the District Magistrate, Nagpur ("**Court**"), requesting the Court to authorize an officer to take possession of the secured assets. The Court, in its order dated February 16, 2021 ("**Order**") allowed the Application and authorized an officer to take possession of the secured assets. The Borrower challenged the Order before the Debt Recovery Tribunal ("**DRT**") in its application dated December 23, 2021, which was dismissed by the DRT ("**DRT Order**"). The DRT Order has been challenged by the Borrower before the Debt Recovery Appellate Tribunal. The matters are currently pending.

9. Our Company had issued a notice under Section 13 (2) of the SARFAESI Act against Florence Nightingale Educations Society ("**Borrower**") for defaulting on loan repayments. Our Company had granted a loan of ₹ 120.00 million ("**Loan Amount**") pursuant to a loan agreement dated January 19, 2015 for which the properties of the Borrower located at Delhi were mortgaged in favour of our Company ("**Secured Properties**"). Thereafter, pursuant to a letter dated

September 1, 2020, the Loan Amount was restructured amounting to ₹ 204.27 million ("**Restructured Facility Amount**"). Due to non-repayment of the Restructured Facility Amount, the account of the Borrower was classified as a non-performing asset on June 1, 2023. Thereafter, our Company issued a demand notice dated September 19, 2023 under Section 13 of the SARFAESI Act ("**Notice**"), seeking to recover the outstanding dues of ₹ 221.68 million. Further, on January 8, 2024, our Company issued a notice for possession ("**Possession Notice**") to take constructive possession of the Secured Properties. Thereafter, the Borrower and Delhi Development Authority ("**DDA**") have filed separate proceedings against our Company before the DRT, arguing that Section 13 of the SARFAESI Act had been invoked wrongfully and praying that the Notice and Possession Notice should be quashed. The matter is currently pending.

10. Our Company had granted a loan of ₹ 1,000.00 million to Cosmic Motors India Private Limited ("**Borrower**") by way of the sanction letter and master facility agreement ("**Loan Agreement**" and with the sanction letter "**Loan Documents**"), both dated November 28, 2017. The Borrower's properties ("**Secured Properties**") located at Nagpur, Gurugram and Delhi were mortgaged in favour of our Company in relation to the Loan Facility. Due to non-repayment of the Loan Facility, the Borrower's account was declared as a non-performing asset on October 1, 2020. Pursuant to the arbitration clause in the Loan Agreement, our Company initiated arbitration proceedings against the Borrower. Our Company had simultaneously filed a petition dated April 2, 2021 under Section 9 of the Arbitration and Conciliation Act, 1996 ("**Section 9 Petition**"), to restrain the borrower from transferring, alienating or disposing off any of the Secured Assets. The Section 9 Petition was considered by the Court in its order dated March 3, 2021. Thereafter, by way of a settlement agreement dated Mach 31, 2021, the Borrower agreed to pay and settle the outstanding amount of ₹ 650.00 million in instalments by September 30, 2021, and on payment of the first instalment, our Company would withdraw the Section 9 Petition. On payment of the first instalment, the Section 9 Petition was withdrawn by our Company on May 10, 2021. Thereafter, when the Borrower failed to pay the remaining instalments, our Company filed an application dated September 27, 2021 ("**Application**") before the Delhi High Court, requesting the Delhi High Court to *inter alia*, restrain the Borrower from disposing of, selling or alienating the Secured Properties. Our Company also filed a petition dated March 2, 2022 under Section 11 of the Arbitration and Conciliation Act, 1996, requesting the Court to appoint an arbitrator. The matters are currently pending.

11. Our Company has filed an application as a financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016, praying for initiation of CIRP against DCP India Private Limited ("**Borrower**"). Our Company had sanctioned a loan of ₹ 150.00 million pursuant to the sanction letter dated June 19, 2017 and agreement dated June 20, 2017 ("**Facility Agreement**"). Due to non-repayment of the loan, our Company filed an application before the National Company Law Tribunal, New Delhi, Court -II ("**NCLT**") under Section 7 of the Insolvency and Bankruptcy Code, 2016, praying for initiation of CIRP. The NCLT, in its order September 27, 2022, initiated the CIRP and appointed Romesh Chander Sawnhey as the interim resolution professional. Thereafter, our Company filed Form C dated November 11, 2022, claiming an amount of ₹ 2,257.20 million under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as a financial creditor in. The matter is currently pending.

12. In an arbitration dispute with Future Corporate Resources Private Limited ("**Respondent Borrower**") and others ("**Guarantors**" and collectively with the Respondent Borrower, the "**Respondents**"), our Company has claimed an amount of ₹ 822.27 million ("**Claim Amount**"). Our Company sanctioned loans of ₹ 600.00 million and ₹ 150.00 million, pursuant to two loan agreements dated January 31, 2019. The said loans were secured by way of a personal guarantee and a deed of pledge entered into by the Respondent Borrower and the Guarantors. The Respondent Borrower did not adhere to the repayment schedule. Thereafter, our Company filed a petition under Section 9 ("**Section 9 Petition**") of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi ("**High Court**") to restrain the Respondents from disposing of or alienating their assets or siphoning the interest in their assets to their associate entities. Under the Section 9 Petition, our Company has also requested the High Court to direct the Respondents to furnish a security to cover the Claim Amount. The High Court, *vide* its order dated May 7, 2024, invoked arbitration proceedings between our Company and the Respondents, deferring the contentions and the interim relief to be decided by the arbitrator appointed under the Delhi International Arbitration Centre. The matter is currently pending.

13. Our Company has filed a Form D dated June 8, 2022, claiming an amount of ₹ 2,699.76 million under Regulation 18 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as a financial creditor in respect of the CIRP initiated against Hema Engineering Industries Limited ("**Borrower**"). Our Company had sanctioned a loan facility to the Borrower who failed to repay its contractual dues under the loan facilities and despite repeated follow-up, the dues remained unpaid. The matter is currently pending.

14. In an arbitration dispute with Ess Dee Aluminium Private Limited & others (collectively "**Respondent**"). Our Company sanctioned a loan of ₹ 250.00 million disbursed in two tranches, The Respondent defaulted on the monthly instalments after the second tranche was disbursed. Our Company started an arbitration petition as per the clauses laid down in the master facility agreement for the repayment of the claim amount of ₹ 254.68 million with an interest rate of 13.25% along with a penal interest of 2% per month. The arbitral tribunal passed an award in favour of our Company for the same amount and held that the interest would be at 13.25% with a penal interest of 2% per month.

Criminal Litigation

1. Our Company has filed a first information report dated June 24, 2022 with the Kuchinda Police Station, Sambalpur, against Tapan Khanda ("**Accused**") under Section 408 of the IPC in relation to the offence of criminal breach of trust. Our Company has stated that the Accused was an outsourced employee of our Company, who was working as a collection executive and alleged that he collected an amount of ₹ 0.09 million from thirty-three customers, as EMI on behalf of our Company and did not deposit the amount with our Company. The Accused has currently deposited the aforesaid amount with our Company. The matter is currently pending.

2. Our Company has filed a first information report dated November 27, 2019 with the Economic Offences Wing- Delhi, against the directors of Petrolube India Limited and others (collectively, the "**Accused Persons**") under, *inter alia,* Sections 120-B, 406 and 420 of the IPC. Our Company has alleged that the Accused Persons conspired and connived together to defraud, cheat and cause wrongful loss to our Company by forging payment receipts and invoices for machineries and thereafter illegally siphoning off the proceeds of the loan. Owing to the foregoing, the Accused Persons induced our Company to disburse an amount of approximately ₹ 22.88 million. The matter is currently pending.

3. Our Company has filed a first information report dated December 8, 2020 with the Economic Offences Wing – Delhi, against Vigyaan Chemicals Private Limited, Delcray Machines, Alcon Wires and Cables Industries and others (collectively, the "**Accused Persons**") under, *inter alia,* Sections 120-B, 406 and 420 of the IPC. Our Company has alleged that the Accused Persons conspired and connived together to defraud, cheat and cause wrongful loss to our Company by forging payment receipts and invoices for machineries and thereafter illegally siphoning off the proceeds of the loan. Owing to the foregoing, the Accused Persons induced our Company to disburse an amount of ₹ 73.52 million. The matter is currently pending.

4. Our Company has filed a first information report dated September 3, 2022 with the Economic Offences Wing – Delhi, against RM Automobiles and certain other persons (collectively, the "**Accused Persons**") under, *inter alia,* Sections 120-B, 406 and 420 of the IPC. Our Company has alleged that the Accused Persons criminally conspired together with the intent of cheating, forgery and criminal breach of trust. The Accused Persons had entered into an agreement with our Company as direct selling agents and had undertaken the responsibility of making payment to a borrower and closing the loan of an earlier financer. Our Company has alleged that the Accused Persons submitted fraudulent documents related to loan closure and diverted the funds amounting to approximately ₹ 118.35 million for their personal use. The matter is currently pending.

5. Our Company has filed an application under Section 156 (3) of the CrPC against P.D. Memorial Religious and Educational Association and its members (the "**Accused**"). The Accused had taken a loan against property for an amount of ₹ 50.00 million from our Company. The Borrower's properties located at Aurangabad was mortgaged in favour of our Company in order to the secure the Loan Facilities ("**Secured Properties**"). The Accused issued a cheque for ₹ 50.47 million for payment of the loan amount, which was dishonoured. Subsequently, our Company filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 ("**Complaint**"). The loan account was also declared a non-performing asset on April 6, 2016 and a notice under Section 13 of SARFAESI Act was issued. Our Company and the Accused entered into a settlement agreement dated May 1, 2017 through arbitration proceeding which split the loan into two loans with principle amounts of ₹ 44.56 million and ₹ 10.72 million along with additional security of six flats worth ₹ 36.70 million. The Accused induced our Company by stating that they will make the payment of instalments of the restructured loans subject to withdrawal of the Complaint as well as proceedings under SARFAESI Act. However, the Accused did not provide the title documents of the six flats, despite specific demands and therefore, a compliant for offence of criminal breach of trust was filed. The Chief Metropolitan Magistrate, New Delhi heard the matter and issued an order for investigation under Section 156 (3) of the CrPC. The matters are currently pending.

6. Our Company has filed a first information report dated March 15, 2018 with the Powai Police Station, Mumbai, against Leeway Logistics and its directors (collectively, the "**Accused**") under, *inter alia,* Sections 420, 465, 467 and 471 of the IPC. Our Company alleged that the Accused by forging documents and showing existence of certain construction equipment and obtained a loan for ₹ 200.00 million from our Company. The Accused has not repaid an amount of ₹ 184.70 million to our Company. The matter is currently pending.

7. Our Company has filed a first information report dated August 30, 2022 with the Patan Police Station, Jabalpur, against Mohit Paigbar, the proprietor of the Shri Sai Automobiles, and other persons (collectively, the "**Accused Persons**") under, *inter alia,* Sections 34, 420, 467 and 468 of the IPC. Our Company has alleged that Accused Persons colluded with certain employees of various financing institutions and has forged KYC documents of customers and received financing of vehicle in their name without the knowledge of our Company. The matter is currently pending.

8. Our Company has filed a first information report dated June 24, 2016 with the Powai Police Station, Mumbai, against Mangolia Limited and certain others in employment of Mangolia Limited (collectively, the "**Accused Persons**") under, *inter alia,* Sections 419, 420, 465 and 467 of the IPC. Our Company has alleged that the Accused Persons colluded to

forge invoices from Hetro Labs Limited, in order to secure loan amounting to ₹ 42.39 million from our Company. The matter is currently pending.

9. Our Company has filed a first information report dated April 8, 2019 with the superintendent of police, Allahabad, against Chhaya Pandey and Praveen Pandey (collectively, the "**Accused Persons**") under, *inter alia,* Sections 406, 420, 467 and 468 of the IPC. Our Company has alleged that the Accused Persons entered into a service agreement with our Company for collection of EMI payment from various borrowers of our Company and depositing the same with our Company. However, the Accused Persons collected an amount of approximately ₹ 3.96 million from 1,268 borrowers against e-receipts/manual receipts and did not deposit it with our Company. The matter is currently pending.

10. Our Company has filed a first information report dated December 28, 2022 with the Ramanthapuram Town Police Station, Ramanthapuram P.S., against Rajkumar, who was working as a collection agent of our Company ("**Accused**") under Sections 408 and 420 of the IPC. Our Company has alleged that the Accused collected an amount of ₹ 0.30 million from various borrowers of our Company and an amount of ₹ 0.16 million for another collection agent of our Company and did not deposit the amounts with our Company. The matter is currently pending.

11. Our Company has filed a first information report dated July 22, 2023 with the Forbesganj Police Station, Forbesganj, against Salman, Jay Prakash Bhagat, Prem Prakash Bhagat, Shamim Akhtar (collectively, the "**Accused Persons**") under, *inter alia,* Sections 420, 467 and 468 of the IPC. Our Company alleged that the Accused Persons colluded with each other and have forged KYC documents of certain customers of J.M. Motors ("**Customers**") and received financing of vehicle in their name without the knowledge of our Company and the Customers. The matter is currently pending.

12. Our Company has filed a first information report dated May 25, 2023 with the Nihalganj Police Station, Dholpur, against Ravindr Gurgar, Sorabh Gurjar and Sachin Sharma (collectively, the "**Accused Persons**") under Sections 406, 420 and 506 of the IPC. Our Company has alleged that the Accused Persons are ex-employees of our Company tasked with collection of EMI payment from various borrowers of our Company and depositing the same with our Company. However, the Accused Persons have not deposited an amount of ₹ 79,000. The matter is currently pending.

13. Our Company has filed a first information report dated January 1, 2024 with the Jamtara Police Station, Jamtara, against Shubham Kumar (the "**Accused**") under, *inter alia,* Sections 406, 420 and 467 of the IPC. Our Company has alleged that the Accused collected an amount of ₹ 0.56 million from various borrowers of our Company and did not deposit the amount with our Company. The matter is currently pending.

14. Our Company has filed a first information report dated January 4, 2023 with the Dhaulpur Police Station, Kachanpur, against Brijdeep Sharma (the "**Accused**") under, *inter alia,* Sections 406, 409, 418 and 420 of the IPC. Our Company has alleged that the Accused was tasked with collection of EMI payment and arrears from various borrowers of our Company and depositing the same with our Company. However, the Accused collected an amount of ₹ 0.55 million and did not deposit it with our Company. Our company, due to inaction by the authorities to act on the first information report, has filed an application with the Additional Chief Judicial Magistrate, Bari Dhaulpur against the Accused under Section 156 (3) of the CrPC seeking initiation of criminal proceedings. The matters are currently pending.

Recovery proceeding initiated by our Company under Section 138 of the Negotiable Instrument Act, 1881

Our Company, in the ordinary course of business, has initiated 54,218 recovery proceedings against our borrowers, for the dishonour of cheques under Section 138 of the Negotiable Instruments Act, 1881. These proceedings are pending at various stages of adjudication before various courts. The aggregate amount involved in these proceedings is ₹ 15,038.12 million, to the extent ascertainable. In two of the matters, the respondents have filed petitions before the Delhi High Court, against the summoning order issued against them.

Recovery proceeding initiated by our Company under Section 25 of the Payment and Settlement Systems Act, 2007

Our Company, in the ordinary course of business, has initiated 2,969 recovery proceedings against our borrowers, for the dishonour of payment under Section 25 of the Payment and Settlement Systems Act, 2007. These proceedings are pending at various stages of adjudication before various courts. The aggregate amount involved in these proceedings is ₹ 373.88 million, to the extent ascertainable.

II. Litigation involving our Promoters

Litigation against our Promoters

Material Civil Litigation

Nil

Criminal Litigation

Dr. Pawan Munjal

1. Sanjay Kumar Prajapati ("**Complainant**") has filed a complaint dated July 7, 2023 ("**Complaint**") with the Chief Judicial Magistrate, Haridwar ("**Court**") against Dr. Pawan Munjal, several employees of HMCL and others ("**Accused**") under, *inter alia,* Sections 34, 149, 342, 419, 420, 467, 468 and 471 of the IPC. It is alleged that that the Accused had attempted to maliciously prosecute him for forgery. The Court, *vide* order dated December 14, 2023 ("**Order**") dismissed the Complaint. Consequently, the Complainant has filed a revision petition dated December 21, 2023 with the District and Sessions Court, Haridwar, challenging the Order. The matter is currently pending.

2. Roopdarshan Pandey ("**Petitioner**") has filed a contempt petition dated March 18, 2021 with the High Court of Punjab and Haryana against Dr. Pawan Munjal ("**Respondent**") under Section 2 (b) of the Contempt of Courts Act, 1971. The Petitioner has alleged wilful violation and disobedience of the order dated September 27, 2018 ("**Order**") passed by the High Court of Punjab and Haryana ("**Court**") in relation to renewal of a bank guarantee where the Respondent had allegedly failed to make the payment of the interest on the amount that was awarded by the Court. The matter is currently pending.

Hero MotoCorp Limited

1. Roopdarshan Pandey ("**Complainant**") has filed a petition dated December 14, 2020 with the District and Sessions Court, Gurgaon ("**Court**") against HMCL and its directors (collectively, "**Accused**") under Section 340 of the CrPC. The Complainant has alleged that the Accused have submitted documents with fabricated dates while representing themselves before the Court. Consequently, the Accused have filed a petition with the High Court of Punjab and Haryana Court dated January 24, 2021 for quashing of this proceeding, on the grounds that the allegations are false and bad in law. The Court, *vide* its order dated January 29, 2021 has granted a stay on the proceedings in the Court in favour of the Accused. The matters are currently pending.

2. Roopdarshan Pandey ("**Complainant**") has filed a contempt petition dated November 21, 2019 ("**Contempt Petition**") with the District and Sessions Court, Gurugram ("**Court**") against HMCL, its employees and some of its directors (collectively, "**Accused**") under Section 2 (c) of the Contempt of the Courts Act, 1971. The Complainant has alleged that HMCL had directed its employee to impersonate an advocate and make misleading submissions before another proceeding in the District and Sessions Court, Gurugram ("**Trial Court**") pertaining to the execution of an award. Consequently, the Accused have filed a civil revision petition with the High Court of Punjab and Haryana ("**Court**") dated December 3, 2019 for quashing of the notice issued in Contempt Petition, on the grounds that the Court does not have jurisdiction over the subject matter of the Contempt Petition. The matters are currently pending.

3. Roopdarshan Pandey ("**Applicant**") has filed an application dated November 16, 2019 ("**Application**") with the District and Sessions Court, Gurugram ("**Trial Court**") against HMCL, through its director Dr. Pawan Munjal ("**Respondent**") under, *inter alia,* Sections 34, 120-B, 177, 416 and 419 of the IPC. The Applicant has alleged that HMCL had directed its employee to impersonate an advocate and make misleading submissions before another proceeding in the District and Sessions Court, Gurgaon pertaining to the execution of an award. Consequently, the Respondent has filed a petition dated January 22, 2020 with the High Court of Punjab and Haryana ("**Court**") for quashing of the Application, on the grounds that the allegations are false. The Court, *vide* its order dated January 28, 2020 has granted a stay on the proceedings in the Trial Court in favour of the Respondent. The matters are currently pending.

4. Roopdarshan Pandey ("**Petitioner**") has filed a criminal petition dated January 5, 2018 ("**Petition**") with the Chief Judicial Magistrate, Gurugram against HMCL ("**Respondent**") under Section 340 of the CrPC. The Petitioner has alleged that the Respondent have tampered with judicial records under, *inter alia,* Sections 191, 192, 193, 196, 200, 469, 470 and 471 of the IPC by removing judicial papers from records during the proceedings against the Respondent. The matter is currently pending.

5. Brains Logistics Private Limited, through its authorized representative Roopdarshan Pandey ("**Complainant**") had filed a first information report ("**FIR**") dated January 4, 2013 with the Shakarpur Police Station, Delhi ("**Police Station**") against HMCL and its directors (collectively, "**Accused**") under, *inter alia,* Sections 120B, 406, 420, 467 and 471 of the IPC. The Complainant had alleged that the Accused has falsified documents, amounting to criminal misappropriation. The investigation regarding the FIR was conducted, and the closure report dated March 27, 2018 was filed by Police Station concluding that no offence had been committed by the Accused. Consequently, the Complainant filed a protest petition dated May 16, 2018 with the Chief Metropolitan Magistrate, Karkardooma Court ("**Court**") against the closure report seeking further investigation. The Court allowed the petition, and the Police Station, on further investigation, concluded that no offence has been committed by the Accused. A second closure report has been filed and the matter is pending before the Court for final disposal.

6. Roopdarshan Pandey ("**Complainant**") has filed an application ("**Application**") with the District Court, Noida

("**Court**") against HMCL ("**Accused**") under Section 156 (3) of the CrPC, alleging that the Accused had forged bank statements of a company named Brains Logistics Private Limited. The Court, *vide* its order dated March 23, 2022 ("**Order**") had dismissed the Application on the grounds that no offence has been committed by the Accused. Consequently, the Complainant has filed a revision petition dated May 4, 2022 with the Court, challenging the Order. The matter is currently pending.

7. Manjushree Pandey ("**Complainant**") has filed a contempt petition dated May 1, 2024 ("**Contempt Petition**") with the District and Sessions Court, Gurugram ("**Trial Court**") against HMCL, its official and directors (collectively, "**Accused**") under Section 2 (c) of the Contempt of Courts Act, 1971. The Complainant has alleged that the Accused had acquired certified copies of certain documents bearing the stamps and seals of HMCL and the Gurugram plant of HMCL from the Trial Court. Further, the Accused manipulated these documents by removing the stamps and seals and certified them as 'true copies' to be submitted before a proceeding in the High Court of Delhi for quashing of first information report no. 303/2023 involving HMCL. Consequently, the Accused have filed a petition dated May 30, 2024 in the High Court of Punjab and Haryana ("**Court**") against the Contempt Petition stating that the allegations are false. The Court, *vide* order dated July 3, 2024 has granted a stay on the proceedings in the Trial Court. The matters are currently pending.

8. Roopdarshan Pandey ("**Complainant**") has filed an application dated December 11, 2021 with the Chief Judicial Magistrate, Patiala House Court, New Delhi ("**Trial Court**") under Section 156 (3) of the CrPC for registration of a first information report against HMCL and its directors (collectively, the "**Accused**"). The Trial Court allowed the application and consequently, a first information report dated October 5, 2023 ("**FIR**") was filed with the Vasant Kunj Police Station, Delhi against the Accused under, *inter alia*, Sections 463, 467, 468, 471, 34, 477A, 120B and 406 of the IPC. The Complainant has alleged that the Accused have committed the offence of forgery in relation to falsification of books of accounts which contained the stamp and seal of HMCL. Pursuant to the FIR, the Accused has filed a petition dated October 11, 2023 with the High Court of Punjab and Haryana ("**Court**") for quashing of the FIR on the ground that the allegations are false and misleading. The Court, *vide* an order dated October 12, 2023 has granted stay on the proceedings in the Trial Court and the proceedings under the FIR. The matters are currently pending.

9. Brains Logistics Private Limited ("**Complainant**") has filed an application dated February 20, 2024 with the Chief Metropolitan Magistrate, Karkardooma Court, New Delhi ("**Trial Court**") under Section 156 (3) of the CrPC for registration of a first information report against HMCL, its officials and its directors (collectively, "**Accused**") seeking registration of a first information report. The Trial Court, *vide* its order dated July 19, 2024 ("**Order**") allowed the application and consequently, directed the police to register the first information report. The Complainant has alleged that the Accused has falsified of the challans pertaining to provident fund in the course of their business. Consequently, the Accused have filed a petition dated July 22, 2023 with the High Court of Delhi ("**Court**") for quashing of the Order stating that the allegations are false and misleading. The Court, *vide* order dated July 22, 2024 has granted stay on the proceedings in the Trial Court. The matters are currently pending.

Abhimanyu Munjal

1. Renu Kapoor ("**Complainant**") has filed a first information report dated December 1, 2023 with the Dwarka North Police Station, Delhi, against our Company, Abhimanyu Munjal, Sudha Gupta, Devender Gupta, Akash Gupta and certain others (collectively, "**Accused**") under, *inter alia,* Sections 420, 467 and 468 of the IPC. For details, see "*- Litigation involving our Company – Litigation against our Company – Criminal Litigation - No. 9*" on page 481.

2. Brijdeep Sharma ("**Complainant**") has filed a first information report with the Kanchanpur Police Station, Dhaulpur on August 7, 2023, against our Managing Director and Chief Executive Officer, and certain other employees of our Company (collectively, "**Accused**") under, *inter alia,* Sections 420, 467, 478 and 471 of the IPC. For details, see *"- Litigation involving our Company – Litigation against our Company – Criminal Litigation - No. 3* " on page 480.

3. Pankaj Mishra ("**Complainant**") has filed a complaint dated October 5, 2020 with the Chief Judicial Magistrate, Deoria, against Abhimanyu Munjal ("**Accused**") under, *inter alia,* Sections 420 and 506 of the IPC. The Complainant has alleged that an amount of ₹ 89,744 had been withdrawn fraudulently from his account in addition to the regular instalments, as agreed between the Complainant and our Company. The matter is currently pending.

Outstanding actions by statutory or regulatory authorities against our Promoters

Hero MotoCorp Limited

1. The Directorate of Enforcement ("**ED**"), New Delhi has initiated proceedings against our Company, Dr. Pawan Munjal, Abhimanyu Munjal and HMCL and others under Section 17(4) of the Prevention of Money Laundering Act, 2002 ("**PMLA**") for the alleged illegal export of foreign currency amounting to ₹ 540.00 million ("**Alleged Offence**") by Dr. Pawan Munjal and others (collectively, "**Accused Persons**"). For details, see " *- Litigation involving our Company – Litigation against our Company – Actions taken by Regulatory or Statutory Authorities- No. 1*" on page 482. HMCL filed an appeal dated February 12, 2024 with the Appellate Authority under PMLA against the order of

the Adjudicating Authority ("**AO**"), stating that the AO had erroneously ordered the retention of the records that had been unjustifiably seized by the ED. The matter is currently pending. The matters are currently pending.

Dr. Pawan Munjal

1. The Directorate of Enforcement ("**ED**"), New Delhi has initiated proceedings against our Company, Dr. Pawan Munjal, Abhimanyu Munjal and HMCL and others under Section 17(4) of the Prevention of Money Laundering Act, 2002 ("**PMLA**") for the alleged illegal export of foreign currency amounting to ₹ 540.00 million ("**Alleged Offence**") by Dr. Pawan Munjal and others (collectively, "**Accused Persons**"). For details, see *" - Litigation involving our Company – Litigation against our Company – Actions taken by Regulatory or Statutory Authorities- No. 1*" on page 482. Dr. Pawan Munjal has filed a writ petition dated November 15, 2023 with the High Court of Delhi ("**Court**") against the proceedings initiated by the ED. The Court, *vide* an order dated November 17, 2023 has granted a stay on the proceedings. The matters are currently pending.

Abhimanyu Munjal

1. The Directorate of Enforcement ("**ED**"), New Delhi has initiated proceedings against our Company, Dr. Pawan Munjal, Abhimanyu Munjal and HMCL and others under Section 17(4) of the Prevention of Money Laundering Act, 2002 ("**PMLA**") for the alleged illegal export of foreign currency amounting to ₹ 540.00 million ("**Alleged Offence**") by Dr. Pawan Munjal and others (collectively, "**Accused Persons**"). For details, see " - *Litigation involving our Company – Litigation against our Company – Actions taken by Regulatory or Statutory Authorities- No. 1*" on page 482.

Litigation by our Promoters

Material Civil Litigation

Nil

Criminal Litigation

Hero MotoCorp Limited

1. HMCL ("**Complainant**") has filed a first information report dated December 17, 2013 ("**FIR**") with the Sadar Police Station, Gurugram ("**Police Station**") against Brains Logistics Private Limited and its directors, namely Roopdarshan Pandey and Manjushree Pandey (collectively, "**Accused**"). The Complainant has alleged that the Accused have forged challans pertaining to provident fund, causing wrongful loss to the Complainant. Consequently, the Police Station has filed a chargesheet against the Accused under Sections 120-B, 418, 420, 467, 468 and 471 of the IPC and the District and Sessions Court, Gurugram ("**Court**"), *vide* order dated March 27, 2021 ("**Order**") has framed charges against the Accused. Pursuant to the Order, Manjushree Pandey has filed a petition dated February 18, 2017 before the Punjab and Haryana High Court for quashing of the FIR. Further, Roopdarshan Pandey had filed a quashing petition with the High Court of Punjab and Haryana which was dismissed *vide* order dated December 3, 2021. The Accused, Roopdarshan Pandey, subsequently filed a special leave petition before the Supreme Court of India which was dismissed *vide* order dated February 7, 2022. Consequently, Roopdarshan Pandey has filed a criminal revision petition dated September 12, 2022 with the District and Sessions Court against the Order. The matters are currently pending.

Renuka Munjal

1. Renuka Munjal ("**Complainant**") has filed a first information report dated June 17, 2016 with the Economic Offences Wing, Delhi ("**EOW**") against Dinesh Sehgal ("**Accused**") under Sections 120-B, 418, 420, 468 and 471 of the IPC. The Complainant has alleged that the Accused had dishonestly induced her into taking possession of a property upon payment of certain consideration. The EOW has filed a chargesheet with the Chief Metropolitan Magistrate, South District, Saket Court against the Accused. The matter is currently pending.

Other Matters

Hero MotoCorp Limited

In the ordinary course of business, HMCL has been made party to certain proceedings before various consumer dispute redressal commissions by its customers alleging *inter alia* (i) defects in documents relating to the vehicles; (ii) delivery of vehicles that are defective; (iii) improper servicing and (iv) deficiency of services. As on the date of this Draft Red Herring Prospectus, there are 619 such matters against HMCL involving an aggregate amount of ₹ 31.00 million, to the extent quantifiable. These matters are presently pending at various stages of adjudication at various levels of forums.

III. Litigation involving our Directors

Litigation against our Directors

Material Civil Litigation

Kaushik Dutta

1. Satyam Computers Services Ltd. ("**Plaintiff**") has filed a civil suit for damages with the City Civil Court, Hyderabad ("**Court**") against 127 people, including Kaushik Dutta who has been arrayed as a defendant (collectively, the "**Defendants**"). The civil suit has been filed against the erstwhile management of the Plaintiff, certain chartered accountancy firms and the partners and directors of such chartered accountancy firms, including the Kaushik Futta alleging, *inter alia*, breach of fiduciary, statutory and contractual obligations by the chartered accountancy firms in carrying out the audit of the Plaintiff. The Plaintiff has prayed to the Court to direct the Defendants to pay ₹ 2,758.48 million, interest at the rate of 18% per annum on this amount, along with exemplary and punitive damages to the Plaintiff. Consequently, Kaushik Dutta has filed a written statement denying the allegations of the Plaintiff. The matter is currently pending.

Criminal Litigation

Dr. Pawan Munjal

For litigation involving the Chairman and Non-Executive Director of our Company, who is also our Promoter, please see *" – Litigation involving our Promoters – Litigation against our Promoters – Dr. Pawan Munjal"* on page 487.

Abhimanyu Munjal

For litigation involving the Managing Director and Chief Executive Officer of our Company, who is also our Promoter, please see *" – Litigation involving our Promoters – Litigation against our Promoters – Abhimanyu Munjal"* on page 488.

Pradeep Dinodia

1. Roopdarshan Pandey ("**Complainant**") has filed a petition dated December 14, 2020 with the District and Sessions Court, Gurgaon ("**Court**") against HMCL and its directors (collectively, "**Accused**") under Section 340 of the CrPC. For details, see *"- Litigation involving our Promoters – Litigation against our Promoters – Criminal Litigation – Hero MotoCorp Limited – No. 1*" on page 487.

2. Roopdarshan Pandey ("**Complainant**") has filed a contempt petition dated November 21, 2019 ("**Contempt Petition**") with the District and Sessions Court, Gurugram ("**Court**") against HMCL, its associates and some of its directors (collectively, "**Accused**") under Section 2 (c) of the Contempt of the Courts Act, 1971. For details, see *"- Litigation involving our Promoters – Litigation against our Promoters – Criminal Litigation – Hero MotoCorp Limited – No. 2*" on page 487.

Sanjay Kukreja

1. State of Bihar through Hemant Kumar ("**Complainant**") had filed a suit dated January 15, 2022 with the District Court, Muzaffarpur, against Intas Pharmaceuticals Limited and its directors, including Sanjay Kukreja ("**Accused**") under, inter alia, Sections 18 (a), 18 (b), 27 (d) and 28 (a) of the Drugs and Cosmetics Act, 1940. The Complainant has alleged that a drug was manufactured by Intas Pharmaceuticals Limited without the approval of the Drugs Controller General of India. Intas Pharmaceuticals Limited has contended that prior approval from the state or local food and drug inspector was taken for the manufacturing of the drug. The matter is currently pending.

Litigation by our Directors

Nil

IV. Litigation involving our Subsidiary

Litigation against our Subsidiary

Material Civil Litigation

Nil

Criminal Litigation

1. Rashida Saifi ("**Complainant**") has filed a first information report dated January 8, 2024 with the Ankur Vihar Police Station, Ghaziabad ("**Police Station**") against our Subsidiary, Tata AIG General Insurance Company Limited, and other persons ("**Accused Persons**"), under, *inter alia,* Sections 406, 420, 447 and 120-B of the IPC. The Complainant has alleged that her husband, had availed a loan of ₹ 1.50 million from our Subsidiary in 2019 but subsequently upon his death, officials of our Subsidiary forced the Complainant and her children to vacate the house and obtained illegal possession of her property, using criminal force. Our Subsidiary received a notice under Section 91 of the CrPC in the course of investigation from the Ankur Vihar Police Station for production of documents and evidence related to the case. Consequently, our Subsidiary has filed their reply with the Police Station. The matter is currently pending.

2. Dhaulal Bhati ("**Complainant**") has filed a first information report dated February 5, 2024 ("**FIR**") with the Sardarpura Police Station, Jodhpur against Ajay Sharma of Singhvi & Mehta Associates, Lokendra Singh, an employee of our Subsidiary, and our Subsidiary ("**Accused Persons**"), under Sections 120-B, 406 and 420 of IPC. The Complainant has alleged that he and his wife had availed a home loan of ₹ 2.59 million and corresponding life insurance policies having cover amounts aggregating to ₹ 3.00 million from Lokendra Singh, through the Complainant's agent. The Complainant has stated that the life insurance policies were given to him and his wife on the condition that in case of the death of either of them, the remaining payments towards the loan would be covered by the life insurance policy. The Complainant alleges that he has not received the original insurance policies and upon the death of his wife. The Complainant further alleges that the Accused Persons informed him that the insurance policy had been made under the Complainant's name and not his wife's, thus depriving him of the benefit under the policy. Consequently, our Subsidiary has filed a criminal writ petition with the High Court of Rajasthan ("**Court**") against the FIR on the grounds that our Subsidiary is engaged in the business of finance and is neither authorised nor does any activity in the insurance business. Further, that the policy issued to the Complainant was a loan protection policy under which the insurance claims were not applicable upon the death of his wife, because the insurance holder is the Complainant himself. The Court, *vide* order dated May 14, 2024 has granted stay on the proceedings in the matter in favour of our Subsidiary. The matter is currently pending.

3. Pinkiben Mandani ("**Complainant**") has filed a first information report dated April 29, 2024 ("**FIR**") with the Naroda Police Station, Ahmedabad against our Subsidiary through its employees ("**Accused**") under Sections 114, 294 (b) and 560 of the IPC. The Complainant had obtained a loan of ₹ 3.00 million from the Accused but subsequently defaulted on making repayments. The Complainant, in the FIR, has alleged that in consequence to this default, the Accused sent its employees to threaten and coerce her into making the loan payments. Consequently, the Accused filed a criminal miscellaneous application dated June 21, 2024 with the High Court of Gujarat for quashing of the FIR on the grounds that the allegations are false and untrue. The matter is currently pending.

4. Prem Shankar Sharma ("**Complainant**") has filed an application under Section 156 (3) of the CrPC against our Subsidiary with the Chief Metropolitan Magistrate, Patiala House Court, New Delhi ("**Court**"). Our Subsidiary has received a notice on July 29, 2024 under Section 94 of Bharatiya Nagarik Suraksha Sanhita, 2023 from the Sagarpur Police Station, Delhi inquiring, *inter alia,* details regarding the loan obtained by the Complainant from our Subsidiary, previous and new rate of interests and tenure of the loan. The matter is currently pending.

Litigation by our Subsidiary

Material Civil Litigation

Nil

Criminal Litigation

1. Our Subsidiary has filed an application under Section 156 (3) of the CrPC against Rohit Nagpal, Kamlesh Nagpal, and Asha Devi (collectively, "**Accused Persons**") before the Chief Metropolitan Magistrate, Patiala House Court, New Delhi ("**Court**"). Rohit Nagpal and Kamlesh Nagpal, had taken a home loan from our Subsidiary for an amount of ₹ 8.22 million, to purchase a property purportedly belonging to Asha Devi. A mortgage was created over the said property in favour of our Subsidiary, and a copy of the sale deed entered into between the Accused Persons was furnished to our Subsidiary. The Accused Persons who availed the loan subsequently defaulted on making repayments. The Accused Persons induced our Subsidiary to provide the loan, by fabricating documents and impersonating the seller, causing wrongful loss to our Subsidiary. The matter is currently pending.

V. Litigation involving our Group Companies

Nil

Tax Claims

Except as disclosed below, there are no outstanding litigations involving claims related to direct and indirect taxes involving our Company, Subsidiary, Directors and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)#*
Litigation involving our Company		
Direct Tax	9	3,540.40
Indirect Tax	2	82.60
Litigation involving our Subsidiary		
Direct Tax	1	0.17
Indirect Tax	Nil	N.A.
Litigation involving our Promoters		
Direct Tax	30	101,219.46
Indirect Tax	36	3,765.20
Litigation involving our Directors		
Direct Tax	7	2,245.28
Indirect Tax	Nil	N.A.

To the extent quantifiable.

* *Excluding interest.*

Material tax matters

Litigation involving our Company

Direct tax litigation

1. In relation to assessment year 2017-18, our Company has filed an appeal before the Commissioner of Income Tax ("**CIT**"), for a disallowance of ₹ 5.70 million under Section 14A of the Income Tax Act, 1961. The assessing officer ("**AO**") in its order dated December 29, 2019 ("**Assessment Order**"), had Assessed an income of ₹ 7,152.73 million for the financial year 2016-2017. The AO had also disallowed certain amount under Section 14A of the ITA in relation to, among others, expenses in respect of lease rent, depreciation on a motor vehicle and depreciation of computer software. Our Company, pursuant to the application dated January 28, 2020, filed an appeal before the Commissioner of Income Tax ("**CIT**"), stating that the additions and disallowances in Assessment Order were erroneous in nature. The CIT, while allowing the Company's appeal for some grounds, upheld the Assessment Order for the disallowance for, among others, for excess depreciation on intangible assets, depreciation on a motor vehicle and depreciation on a car. The matter is currently pending.

2. The Assessment Unit, Income Tax Department ("**IT Department**") had completed assessment under Section 143(3) of the Income Tax Act, 1961 on April 26, 2021, ₹ 1,870.73 million to the returned income of our Company. Our Company filed a writ petition against this assessment order before Hon'ble High Court Delhi which set aside the order because no show cause notice was given to the Company. After this, a show cause notice dated December 17, 2022 was issued followed by an assessment order dated December 27, 2022 ("**Assessment Order**"), against our Company by the IT Department alleging that there has been an under-reporting of the income for the assessment year 2018-19. The Assessment Order held that there has been a variation of 42% between the projected figure and the actual figure of the turnover of our Company. Aggrieved by the Assessment Order, our Company filed Form 35 on January 25, 2023, stating that the IT Department's decision was erroneous. The matter is currently pending.

3. In relation to assessment year 2022-23, our Company has received a demand notice dated March 26, 2024 ("**Demand Notice**") under Section 156 of the Income Tax Act, 1961 for an amount of ₹ 468.87 million. Our Company had filed the income tax return for financial year 2021-22 on October 28, 2022, claiming a refund of ₹ 1,025.81 million. Thereafter, our Company filed a revised income tax on December 27, 2022, claiming a refund of ₹ 828.87 million. Thereafter, the Demand Notice was sent to our Company, in relation to which, our Company made submissions on November 2, 2023, February 2, 2024 and February 12, 2024 (collectively "**Submissions**"). The Assessment Officer, in its order dated March 26, 2024 ("**Order**"), considered the Submissions and noted that the case had been selected for scrutiny due to, inter alia, a mismatch in expenditure of personal nature in the audit report vis-à-vis the income tax return, large short-term capital gains declared by the Company and non-compliance to the Income Computation and Disclosure Standards Rules, 2015. The Assessment Officer completed the assessment and accepted the returned income that had been submitted by our Company. Our Company has filed an application dated April 4, 2024, stating that the Order had some errors in computation, and has requested for the rectification of such errors. The matter is currently pending.

Litigation involving our Promoters

Direct tax litigation

Hero MotoCorp Limited

1. For assessment year 2007-2008 ("**AY 07-08**"), the Income Tax Department ("**Department**") made certain disallowances resulting in tax demand (excluding interest) of ₹ 11,340.00 million. The disallowances were made on account of, *inter alia,* non-deduction of TDS, treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL has filed an appeal before Income Tax Appellate Tribunal, Delhi ("**ITAT**") against the assessment orders wherein the issue was decided in favour of HMCL, *vide* order dated June 11, 2013, disposing-off income tax demands (excluding interest) of ₹ 11,100.00 million for the AY 07-08. The Department has filed an appeal before High Court of Delhi against the ITAT order. The matter is currently pending.

2. For assessment year 2010-2011 ("**AY 10-11**"), the Income Tax Department ("**Department**") made certain disallowances resulting in tax demand (excluding interest) of ₹ 19,400.00 million. The disallowances were made on account of, *inter alia*, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961 treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL has filed an appeal before the Income Tax Appellate Tribunal, Delhi ("**ITAT**") against the assessment orders. The ITAT, *vide* order dated October 24, 2016 ruled in favour of HMCL, disposing-off income tax demands for the AY 10-11. The Department has filed an appeal before High Court of Delhi against the ITAT order. The matter is currently pending.

3. For assessment year 2011-12 ("**AY 11-12**"), the Income Tax Department ("**Department**") made certain disallowances resulting in tax demand (excluding interest) of ₹ 19,750.00 million. The disallowances were made on account of, *inter alia*, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961, treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL has filed an appeal before Income Tax Appellate Tribunal, Delhi ("**ITAT**") against the assessment orders. The ITAT, *vide* order dated October 24, 2016 ruled in favour of HMCL, disposing-off income tax demands for the AY 11-12. The Department has filed an appeal before High Court of Delhi against the ITAT order. The matter is currently pending.

4. For assessment year 2012-13 ("**AY 12-13**"), the Income Tax Department ("**Department**") made certain disallowances resulting in tax demand (excluding interest) of ₹ 20,890.00 million. The disallowances were made on account of, *inter alia*, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961, treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL has filed an appeal before Income Tax Appellate Tribunal, Delhi ("**ITAT**") against the assessment orders. The ITAT, *vide* order dated June 13, 2018 ruled in favour of HMCL, disposing-off income tax demands for the AY 12-13. The Department has filed an appeal before High Court of Delhi against the ITAT order. The matter is currently pending.

5. For assessment year 2013-14 ("**AY 13-14**"), the Income Tax Department ("**Department**") made certain disallowances resulting in tax demand (excluding interest) of ₹ 5,600.00 million. The disallowances were made on account of, inter alia, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961, treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL has filed an appeal before Income Tax Appellate Tribunal, Delhi ("**ITAT**") against the assessment orders. The ITAT, *vide* order dated June 20, 2018 ruled in favour of HMCL, disposing-off income tax demands for the AY 13-14. The Department has filed an appeal before High Court of Delhi against the ITAT order. The matter is currently pending.

6. The Income tax Department ("**Department**") had raised a tax demand of ₹ 23,370.00 million against Hero Investment Private Limited ("**HIPL**") for the assessment year 2011-12 ("**AY 2011-12**") in respect of valuation of stake bought by it from Honda Motors, Japan in HMCL. HMCL being the successor of HIPL (pursuant to the amalgamation of HIPL with HMCL w.e.f. January 1, 2013), preferred an appeal against the said demand before Income Tax Appellate Tribunal, Delhi which has been held in favor of HMCL. The matter is currently appealable by the Income Tax Department, the eventual outcome of tax liability, if any, would be dealt with in accordance with the scheme of amalgamation.

Dr. Pawan Munjal

1. In the assessment year 2015-16, Dr. Pawan Munjal ("**Assesseee**") filed his return of income under Section 139 (1) of the Income Tax Act, 1961 ("**Act**") on August 27, 2015 which was revised subsequently under Section 139 (5) of the Act on July 6, 2016. The Deputy Commissioner of Income tax, Central Circle 27, Delhi initiated re-assessment proceedings *vide* notice dated March 2, 2023 under Section 148 of the Act. These re-assessment proceedings were concluded *vide* re-assessment order dated March 31, 2024 ("**Order**") by making addition of ₹ 29.90 million on account of alleged unexplained investment and ₹ 956.70 million as taxable perquisite on account of expenses disallowed in the hands of HMCL. Consequently, the Assessee has filed an appeal dated April 26, 2024 with the Commissioner of Income tax (Appeals) - 29, New Delhi against the Order. The matter is currently pending.

2. In the assessment year 2016-17, Dr. Pawan Munjal ("**Assesseee**") filed his return of income under Section139 (1) of the Income Tax Act ("**Act**") on July 30, 2016. The Deputy Commissioner of Income tax, Central Circle 27, Delhi initiated re-assessment proceedings *vide* notice dated March 2, 2023 under Section 148 of the Act. These re-assessment proceedings were concluded *vide* re-assessment order dated March 31, 2024 ("**Order**") by making addition of ₹ 200.40 million on account of alleged unexplained investment and ₹ 1486.40 million as taxable perquisite on account of expenses disallowed in the hands of HMCL. Consequently, the Assessee has filed an appeal dated April 26, 2024 with the Commissioner of Income tax (Appeals) - 29, New Delhi against the Order. The matter is currently pending.

3. In the assessment year 2017-18, Dr. Pawan Munjal ("**Assesseee**") filed his return of income under Section139 (1) of the Income Tax Act ("**Act**") on July 30, 2017. The Deputy Commissioner of Income tax, Central Circle 27, Delhi initiated re-assessment proceedings *vide* notice dated March 2, 2023 under Section 148 of the Act. These re-assessment proceedings were concluded *vide* re-assessment order dated March 31, 2024 ("**Order**") by making addition of ₹ 352.90 million on account of alleged unexplained investment and ₹ 1054.10 million as taxable perquisite on account of expenses disallowed in the hands of HMCL. Consequently, the Assessee has filed an appeal dated April 26, 2024 before Commissioner of Income tax (Appeals) - 29, New Delhi against the Order. The matter is currently pending.

4. In the assessment year 2018-19, Dr. Pawan Munjal ("**Assesseee**") filed his return of income under Section 139 (1) of the Income Tax Act ("**Act**") on July 30, 2018. The Deputy Commissioner of Income tax, Central Circle 27, Delhi initiated re-assessment proceedings *vide* notice dated March 2, 2023 under Section 148 of the Act. These re-assessment proceedings were concluded *vide* re-assessment order dated March 31, 2024 ("**Order**") by making addition of ₹ 93.90 million on account of alleged unexplained investment and ₹ 869.60 million as taxable perquisite on account of expenses disallowed in the hands of HMCL. Consequently, the Assessee has filed an appeal dated April 26, 2024 before Commissioner of Income tax (Appeals) – 29, New Delhi against the Order. The matter is currently pending.

5. In the assessment year 2019-20, Dr. Pawan Munjal ("**Assesseee**") filed his return of income under Section 139 (1) of the Income Tax Act ("**Act**") on July 19, 2019. The Deputy Commissioner of Income tax, Central Circle 27, Delhi initiated re-assessment proceedings *vide* notice dated August 18, 2022 under Section 148 of the Act. These re-assessment proceedings were concluded *vide* re-assessment order dated March 31, 2024 ("**Order**") by making addition of ₹ 817.10 million as taxable perquisite on account of expenses disallowed in the hands of HMCL. Consequently, the Assessee has filed an appeal dated April 26, 2024 before Commissioner of Income tax (Appeals) – 29, New Delhi against the Order. The matter is currently pending.

Outstanding dues to Creditors

As of March 31, 2024, our Company has 2,158 creditors, and the aggregate outstanding dues to these creditors by our Company are ₹ 4,390.03 million. Further, our Company owes an amount of ₹ 7.31 million to 12 micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Details of outstanding dues owed to material creditors, micro, small and medium enterprises and other creditors as of March 31, 2024, are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises*	12	7.31
Material Creditors	-	-
Other Creditors**	2,145	328.71
Total	**2,157**	**336.02**

As certified by B R Maheshwari & Co LLP, pursuant to their certificate dated July 31, 2024.
**MSMEs refer to micro, small and medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended.*
***Other creditors refer to creditors other than MSMEs and Material Creditors. This does not include an amount aggregating to ₹ 4,054.00 million due to unbilled creditors. Unbilled creditors comprise provisions on trade payables.*

As per the materiality policy, creditors of our Company to whom our Company owes an amount having a monetary value exceeding 5% of the total trade payables of our Company as of March 31, 2024 (i.e., to whom our Company owes an amount having a monetary value exceeding an amount of ₹ 219.50 million as of March 31, 2024 have been considered as 'material' creditor.

As on July 30, 2024, our Company does not have any Material Creditors in accordance with the policy for identification of material outstanding dues to creditors.

Material Developments

Other than as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 446, 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, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities required to be obtained by our Company and our Material Subsidiary, which are considered material and necessary for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company and our Material Subsidiary can undertake this Offer and its business activities, as applicable. In addition, certain of Material Approvals of our Company and our Material Subsidiary may have lapsed or expired or may lapse in their normal course and our Company has either already made applications to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications in accordance with applicable requirements and procedures. We have also disclosed below the material approvals (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 details of risk associated with not obtaining or delay in obtaining requisite approvals, see "Risk Factors-Our inability to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business may adversely impact our business, results of operation and cash flows.Unless otherwise stated, Material Approvals as set out below, are valid as on date of this Draft Red Herring Prospectus.*

For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 278.

I. Incorporation details

Our Company

1. Certificate of incorporation dated December 16, 1991, issued to our Company, under the name '*Hero Honda Finlease Limited*' by the RoC.

2. Certificate of commencement of business dated January 13, 1992 issued to our Company by the RoC.

3. Fresh certificate of incorporation dated July 26, 2011 issued by the RoC consequent upon the change of name of our Company from '*Hero Honda Finlease Limited*' to '*Hero FinCorp Limited*'.

4. Our Company has been allotted the corporate identity number U74899DL1991PLC046774.

Our Material Subsidiary

1. Certificate of incorporation dated June 16, 2016 issued to our Material Subsidiary.

2. Our Material Subsidiary has been allotted the corporate identity number U65192DL2016PLC301481.

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 Offer*" on page 501.

III. Material Approvals in relation to business and operations

Our Company

1. Certificate of registration dated April 9, 1996, granted by the RBI, to our Company under the former name '*Hero Honda Finlease Limited*' to carry on the business of a non-banking financial institution without accepting public deposits.

2. Fresh certificate of registration dated September 1, 2011, granted by the RBI, pursuant to change of name of our Company from '*Hero Honda Finlease Limited*' to '*Hero FinCorp Limited*'.

3. Registration with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**") for registration of security interest bearing registration number JA359.

4. Registration for information utility services, through agreement dated October 14, 2019 entered into with National e-Governance Services Limited.

5. Company is registered with the CERSAI Central KYC Registry bearing registration code IN3245.

6. The LEI code number 335800V4STZQVYOMAB47 granted by the Legal Entity Identifier India Limited.

7. The Financial Intelligence Unit, India under the Government of India has granted our Company registration as a reporting entity.

8. Registration as a corporate agent under the IRDAI (Registration of Corporate Agents) Regulations, 2015 and the Insurance Regulatory and Development Authority Act, 1999, pursuant to a certificate of renewal registration dated March 17, 2023 issued by the IRDAI bearing registration number CA0474.

Our Material Subsidiary

1. Certificate of registration dated August 21, 2017 granted by the National Housing Board bearing registration number 07.0159.17 pursuant to which our Material Subsidiary is allowed to commence / carry on the business of a housing finance institution with permission to accept public deposits.

2. The LEI code number LEI 335800TGLGM6HN6D8H07 granted by the Legal Entity Identifier India Limited.

3. Registration with the CERSAI for registration of security interest bearing registration number 0a238ec5f501.

4. Our Material Subsidiary is registered with the CERSAI Central KYC Registry bearing registration code 7e954f09673f.

5. Registration for information utility services, bearing registration number 9160743937432474249 with National e-Governance Services Limited.

IV. Tax related approvals

Our Company

1. The permanent account number of our Company is AAACH0157J.

2. The tax deduction account number of our Company is DELH01662D.

3. Our Company has obtained goods and services tax registrations under the Central Goods and Service Tax Act, 2017, in relation to certain of our office premises for our business operations in the following states.

Sr. No	State	GSTIN
1.	Delhi	07AAACH0157J1ZS
2.	Gujarat	24AAACH0157J1ZW
3.	Haryana	06AAACH0157J1ZU
4.	Karnataka	29AAACH0157J1ZM
5.	Madhya Pradesh	23AAACH0157J1ZY
6.	Maharashtra	27AAACH0157J1ZQ
7.	Rajasthan	08AAACH0157J1ZQ
8.	Tamil Nadu	33AAACH0157J1ZX
9.	Telangana	36AAACH0157J1ZR
10.	Uttar Pradesh	09AAACH0157J2ZN
11.	West Bengal	19AAACH0157J1ZN
12.	Punjab	03AAACH0157J2ZZ

Our Material Subsidiary

1. The permanent account number of our Material Subsidiary is AADCH9153R.

2. The tax deduction account number of our Material Subsidiary is DELH10728E.

3. Our Material Subsidiary has obtained goods and services tax registrations under the Central Goods and Service Tax Act, 2017, in relation to certain of their office premises for their business operations in the following states.

Sr. No	State	GSTIN
1.	Delhi	07AADCH9153R1ZV
2.	Gujarat	24AADCH9153R1ZZ
3.	Rajasthan	08AADCH9153R1ZT
4.	Maharashtra	27AADCH9153R1ZT

Sr. No	State	GSTIN
5.	Uttar Pradesh	09AADCH9153R1ZR
6.	Haryana	06AADCH9153R1ZX
7.	Puducherry	34AADCH9153R1ZY
8.	Tamil Nadu	33AADCH9153R1Z0
9.	Punjab	03AADCH9153R1Z3
10.	Uttarakhand	05AADCH9153R1ZZ
11.	Telangana	36AADCH9153R1ZU
12.	Andhra Pradesh	37AADCH9153R1ZS
13.	Karnataka	29AADCH9153R1ZP

V. Material approvals for office premises

Our Company and our Material Subsidiary have obtained registrations in the ordinary course of business for our regional offices across various states and union territories in India including trade licenses and licenses for location of business issued by relevant municipal authorities under applicable laws, registrations under Professional tax registrations, the Employees' State Insurance Act, 1948, and shops and establishment registrations issued under the relevant state legislations, as well as registrations from the state labour welfare boards, to the extent applicable. Certain licences may have lapsed in their normal course and our Company has either made an application to the appropriate authorities for fresh registrations or for renewal of existing registrations or is in the process of making such applications.

VI. Material approvals applied for but not received

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company and our Material Subsidiary have applied for, but which have not been received.

VII. Material approvals expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals of our Company and our Material Subsidiary that have expired, and for which renewal is to be applied for.

VIII. Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company and our Material Subsidiary were required to obtain but which has not been obtained or been applied for.

IX. Intellectual Property

For details, see "*Our Business –Intellectual Property*" on page 274 and for risks associated with our intellectual property, see "*Risk Factors—Internal Risks—We may not be able to prevent others from unauthorised use of our intellectual property and may in the future become subject to patent, trademark and/or other intellectual property infringement claims.*"on page 64.

SECTION VII: GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards, 'group companies' of our Company shall include (i) the companies (other than our subsidiaries and corporate promoters, as applicable) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Consolidated Financial Information ("**Relevant Period**"), including any additions or deletions in such companies, after the Relevant Period and until the date of the respective Offer documents; and (ii) such other companies as considered material by the Board.

With respect to (ii) above, our Board in its meeting held on July 29, 2024 has considered that such companies (other than our Subsidiary and Corporate Promoter that are a part of the Promoter Group with which there were transactions in the most recent financial year and stub period, if any, to be included in the Offer documents ("**Test Period**"), and which individually or in the aggregate, exceed 10% of the total restated consolidated revenue of our Company for the Test Period, shall also be classified as Group Companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies:

1. Ather Energy Private Limited;
2. Cosmic Kitchen Private Limited;
3. Elvy Lifestyle Private Limited
4. Hamari Asha Foundation;
5. Hero Mindmine Institute Private Limited;
6. Hero Solar Energy Private Limited;
7. Hero Wind Energy Private Limited;
8. Motherson Auto Limited;
9. Motherson Lease Solution Limited; and
10. Munjal Acme Packaging Systems Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are hosted on the websites of the respective Group Companies, as indicated below.

Details of our top five Group Companies

Our top five Group companies in accordance with the SEBI ICDR Regulations comprise of Ather Energy Private Limited, Hero Solar Energy Private Limited, Hero Wind Energy Private Limited, Motherson Lease Solution Limited and Motherson Auto Limited. In accordance with the SEBI ICDR Regulations, the details of our top five Group Companies have been set out below and certain financial information in relation to these entities for the previous three financial years, extracted from their respective audited financial statements is available at the websites indicated below.

Our Company is providing link to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Companies and other information provided on the websites given below does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision. Our Company, the BRLMs or any of the Company's or the BRLMs' respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

1. *Ather Energy Private Limited*

Registered Office

The registered office of Ather Energy Private Limited is situated at 3rd floor, Tower D, IBC Knowledge Park, #4/1, Bannerghatta Main Road, Bengaluru 560 029, Karnataka, India.

Financial information

Certain financial information derived from the audited financial statements of Ather Energy Private Limited for Fiscals 2024, 2023 and 2022, as required by the SEBI ICDR Regulations, is available on the website of our Company at https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance.

2. *Hero Solar Energy Private Limited*

Registered Office

The registered office of Hero Solar Energy Private Limited is situated at Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, Okhla Industrial Estate, South Delhi, New Delhi 110 020, Delhi, India.

Financial information

Certain financial information derived from the audited financial statements of Hero Solar Energy Private Limited for Fiscals 2024, 2023 and 2022, as required by the SEBI ICDR Regulations, is available on the website of our Company at https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance .

3. *Hero Wind Energy Private Limited*

Registered Office

The registered office of Hero Wind Energy Private Limited is situated at Plot No. 201, Ground Floor, Okhla Industrial Estate, Phase-III, Okhla Industrial Estate, South Delhi, New Delhi 110 020, Delhi, India.

Financial information

Certain financial information derived from the audited financial statements of Hero Wind Energy Private Limited for Fiscals 2024, 2023 and 2022, as required by the SEBI ICDR Regulations, is available on the website of our Company at https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance .

4. Motherson Lease Solution Limited

Registered Office

The registered office of Motherson Lease Solution Limited is situated at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, South Delhi, Mathura Road, New Delhi 110 044, Delhi, India.

Financial information

Certain financial information derived from the audited financial statements of Motherson Lease Solution Limited for Fiscals 2024, 2023 and 2022, as required by the SEBI ICDR Regulations, is available on the website of our Company at https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance .

5. Motherson Auto Limited

Registered Office

The registered office of Motherson Auto Limited is situated at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, South Delhi, Mathura Road, Delhi 110 044, India.

Financial information

Certain financial information derived from the audited financial statements of Motherson Auto Limited for Fiscals 2024, 2023 and 2022, as required by the SEBI ICDR Regulations, is available on the website of our Company at https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance .

Details of other Group Companies

1. Cosmic Kitchen Private Limited

The registered office of Cosmic Kitchen Private Limited is situated at Shop no. 67-A, Ground Floor, Khan Market New Delhi, South Delhi, New Delhi 110 003, Delhi, India .

2. Elvy Lifestyle Private Limited

The registered office of Elvy Lifestyle Private Limited is situated at 1 Khosla Farms, Sultanpur, Mehrauli Gurgaon Road, New Delhi 100 031, Delhi, India.

3. Hamari Asha Foundation

The registered office of Hamari Asha Foundation is situated at 67 KM stone, Delhi Jaipur Highway VPO Sidhhrawali, Gurgaon 122 413, Haryana, India.

4. Hero Mindmine Institute Private Limited

The registered office of Hero Mindmine Institute Private Limited is situated at 264, Okhla Industrial Estate, Phase-III, South Delhi, New Delhi 110 020, Delhi, India.

5. Munjal Acme Packaging Systems Private Limited

The registered office of Munjal Acme Packaging Systems Private Limited is situated at The Grand Plaza, Plot No. 2, Nelson Mandela Road Vasant Kunj, Phase – II, New Delhi, Delhi 110 070, India.

Nature and extent of interest of our Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among our Group Companies and our Company or its Subsidiary

There are no common pursuits amongst our Group Companies and our Company or its Subsidiary.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in "*Restated Consolidated Financial Information – Annexure VI - Note 39: Related Party Transactions*" on page 421, there are no other related business transactions with our Group Companies.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of our Group Companies

Except in the ordinary course of business and as stated in "*Restated Consolidated Financial Information – Annexure VI - Note 39: Related Party Transactions*" on page 421, none of our Group Companies have any business interest in our Company.

Other confirmations

None of our Group Companies have any securities listed on any stock exchange. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

SECTION VIII: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on May 29, 2024, and our Shareholders have authorised the Fresh Issue pursuant to postal ballot declared on June 30, 2024. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated July 29, 2024

Our Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated July 29, 2024.

Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under the 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 RHP and the Prospectus.

Each of the Selling Shareholders have, severally and not jointly, authorised and confirmed inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Selling Shareholders	Aggregate amount of Offer for Sale (₹ million)	Date of board resolution/ authorisation	Date of consent letter
AHVF II Holdings Singapore II Pte. Ltd	Up to 10,000.00	July 30, 2024	July 30,2024
Apis Growth II (Hibiscus) Pte. Ltd.	Up to 2,500.00	July 30, 2024	July 30, 2024
Link Investment Trust	Up to 47.72	June 12, 2024	July 30, 2024
Otter Limited	Up to 3,133.62	June 12, 2024	July 30,2024

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

In terms of the NBFC Scale Based Regulations, our Company is required to seek the RBI approval for change in the shareholding of our Company beyond 26% or more of the paid-up equity share capital of the Company pursuant to the Issue. However, since there is no change in shareholding of the threshold limit of 26%, no approval is sought from RBI.

Each of the Selling Shareholders, severally and not jointly, confirms that their respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Prohibition by SEBI, RBI or other governmental authorities

Our Company, Promoters, each of the Selling Shareholders, Directors, members of our Promoter Group, the persons in control of our Promoters or our Company, as applicable, 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 by SEBI.

Our Company, Promoters and 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.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

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.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, each of the Selling Shareholders and members of our Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1)(b) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

We are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Provided that in accordance with Regulation 40(3) of the SEBI ICDR Regulations, the QIB Portion will not be underwritten by the Underwriters, pursuant to the Underwriting Agreement. Further, not more than 15% of the Offer shall be available for allocation to NIBs of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1,000,000 provided that under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the 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. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital market by SEBI;

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital market by SEBI;

(c) None of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower; and

(d) None of our Promoters or Directors has been declared a Fugitive Economic Offender.

(e) Except employee stock options granted pursuant to ESOP 2017, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, 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 THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE

DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE 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, JM FINANCIAL LIMITED, AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, HDFC BANK LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, ICICI SECURITIES LIMITED, JEFFERIES INDIA PRIVATE LIMITED AND SBI CAPITAL MARKETS INDIA, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR 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 WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 31, 2024, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the RoC in terms of the Companies Act.

Disclaimer from our Company, the Directors, the Selling Shareholders, the Book Running Lead Managers

Our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers accept no responsibility for statements made in relation to the Company or the Offer other than those confirmed by itself or its Offered Shares in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.herofincorp.com, or the respective websites of the members of our Promoter, Promoter Group or our Subsidiary, or any of the Group Companies, or the Selling Shareholders would be doing so at his or her own risk.

Each of the Selling Shareholders, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to themself as a selling shareholder and their respective portion of the Offered Shares, and each of the Selling Shareholders, including their directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a selling shareholder and its respective portion of the Offered Shares in this Draft Red Herring Prospectus.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, each of the Selling Shareholders (to the extent that the information pertains to themself and its respective portion of the Offered Shares) and the Book Running Lead Managers to the public and investors 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 Selling Shareholders, Underwriters and their respective directors, partners, 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, allot, 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 Selling Shareholders, Underwriters and their respective directors, partners, 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 Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents, may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

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 equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trusts law and who are authorised under their respective constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, provident funds with minimum corpus of ₹250 million (subject to applicable law) and pension funds with minimum corpus of ₹250 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) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs (under Schedule I of the FEMA Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus 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 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. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered 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 the Selling Shareholders and their respective affiliates since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") in transaction exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Eligible Investors

The Equity Shares are being offered:

(i) in the United States to investors that are U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and

(ii) 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 jurisdiction where those offers and sales occur.

Equity Shares Offered Pursuant to the Offer Within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the Book Running Lead Managers that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly, 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;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred, only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act, or (ii) in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the state securities laws in the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any "directed selling efforts" (as that term is defined in Regulation S under the U.S. Securities Act) in the United States with respect to the Equity Shares or any form of "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in connection with any offer or sale of the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   "THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND 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 ACCORDINGLY, THE EQUITY SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE

TRANSFERRED (1) WITHIN THE UNITED STATES, SOLELY TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (2) OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" AS DEFINED IN AND IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR."

10. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

11. the purchaser acknowledges that our Company, each of the Selling Shareholders, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, each of the Selling Shareholders and the Book Running Lead Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, each of the Selling Shareholders and the Book Running Lead Managers that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of or other jurisdiction of the United States and accordingly, may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to the Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

7. neither the purchaser nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, is acquiring the Equity Shares as a result of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED

UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES."

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

10. the purchaser acknowledges that our Company, each of the Selling Shareholders, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, each of the Selling Shareholders and the Book Running Lead Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

The Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them does not exceed the 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of RBI

The disclaimer clause of the RBI as included in the certificate of registration dated September 1, 2011 is as follows:

"*The company is having a valid certificate of Registration dated September 1, 2011 issued by Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934. However, the Reserve Bank of India 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 opinions expressed by the company and for the repayment of deposits/discharge of liabilities by the company.*"

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 our 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 our 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.

Listing

The Equity Shares Allotted through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. [●] shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such other time 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 at a rate of 15% per annum for the delayed period or such other rate as may be prescribed by SEBI.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal advisors, the Book Running Lead Managers, the Bankers to our Company, Statutory Auditors**,** independent chartered accountant and the Registrar to the Offer to act in their respective capacities, have been obtained and consents in writing of the Syndicate Members, Bankers to the Offer (Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s)) to act in their respective capacities, will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for filing with the RoC.

Experts to the Offer

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

Our Company has received a written consent dated July 31, 2024, from our Joint Statutory Auditors, namely, Price Waterhouse LLP and B.R. Maheshwari & Co. LLP, Chartered Accountants, respectively, to include their names as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 (and not under the U.S. Securities Act) to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their examination report dated on the Restated Consolidated Financial Information, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated July 31, 2024, from B.R. Maheshwari & Co. LLP, 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 in respect to their report dated July 31, 2024 on the statement of special tax benefits as included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoters of our Company

Our Company does not have any listed Subsidiaries and our Promoters have not undertaken any public issue or rights issue (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed group companies, subsidiaries or associates of our Company

Our Subsidiary is not listed on any Stock Exchanges. Debt securities of certain of our Group Companies are listed. For further details, see "*Our Group Companies*" on page 498. None of our listed Group Companies have undertaken capital issues during the previous three years.

Our Company does not have any associates.

Capital issue during the preceding three years by our Company

Other than as disclosed in "*Capital Structure – Equity Share capital history of our Company*" on page 100, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Observations by regulatory authorities

*Except as disclosed in "Risk Factors - We are subject to regulations and periodic inspections by regulatory authorities in India. Non-compliance with regulations and observations made during their inspections could expose us to penalties, suspension and restrictions as well as cancellation of our license***.**" on page 38 and elsewhere in this Draft Red Herring Prospectus, there are no findings or observations pursuant to any inspections by SEBI, RBI, or any other regulatory authority in India which are material and are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

A. JM Financial Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Stanley Lifestyles Limited#	5370.24	369.00	June 28, 2024	499.00	55.96% [2.91%]	Not Applicable	Not Applicable
2.	Le Travenues Technology Limited#	7401.02	93.00	June 18, 2024	135.00	86.34% [4.42%]	Not Applicable	Not Applicable
3.	TBO Tek Limited*	15,508.09	920.00	May 15, 2024	1,426.00	69.94% [5.40%]	Not Applicable	Not Applicable
4.	Gopal Snacks Limited# 9	6,500.00	401.00	March 14, 2024	350.00	-18.13% [1.57%]	-19.35% [4.60%]	Not Applicable
5.	GPT Healthcare Limited#	5,251.40	186.00	February 29, 2024	216.15	-5.13% [1.59%]	-20.67% [3.68%]	Not Applicable
6.	Juniper Hotels Limited*	18,000.00	360.00	February 28, 2024	365.00	43.76% [1.71%]	21.22% [4.47%]	Not Applicable
7.	Entero Healthcare Solutions Limited# 8	16,000.00	1,258.00	February 16, 2024	1,245.00	-19.65% [0.30%]	-19.84% [0.77%]	Not Applicable
8.	Rashi Peripherals Limited#	6,000.00	311.00	February 14, 2024	335.00	-0.77% [1.77%]	1.06% [1.33%]	Not Applicable
9.	Apeejay Surrendra Park Hotels Limited*7	9,200.00	155.00	February 12, 2024	186.00	17.39% [3.33%]	17.55% [2.03%]	Not Applicable
10.	Innova Captab Limited*	5,700.00	448.00	December 29, 2023	452.10	15.16% [-1.74%]	1.44% [1.80%]	14.30% [9.16%]

Source: www.nseindia.com and www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:
1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 7 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 119 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of Rs. 38 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *Not Applicable – Period not completed.*

2. Summary statement of price information of past issues handled by JM Financial Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-2025	3	28,279.35	-	-	-	3	-	-	-	-	-	-	-	-
2023-2024	24	2,88,746.72	-	-	7	4	5	8	-	-	3	7	4	4
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	2	2	2	3	2

Source: www.nseindia.com

Notes:

1. *The information is as on the date of the document.*
2. *The information for each of the Financial Years is based on issues listed during such Financial Year.*
3. *Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

B. *Axis Capital Limited*

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.*

Sr. No.	Issue Name	Issue Size (₹ million) #	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)(2)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing(3)(4)(5)	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing(3)(4)(6)	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing(3)(4)(7)
1.	Emcure Pharmaceuticals Limited^(2)	19,520.27	1,008.00	July 10, 2024	1,325.05	-	-	-
2.	Stanley Lifestyles Limited(1)	5,370.24	369.00	June 28, 2024	499.00	+55.96%, [+2.91%]	-	-
3.	Le Travenues Technology Limited(1)	7,401.02	93.00	June 18, 2024	135.00	+86.34%, [+4.42%]	-	-
4.	Awfis Space Solutions Limited*(2)	5,989.25	383.00	May 30, 2024	435.00	+34.36%, [+6.77%]	-	-
5.	Go Digit General Insurance Limited(2)	26,146.46	272.00	May 23, 2024	286.00	+22.83%, [+2.32%]	-	-
6.	TBO Tek Limited(2)	15,508.09	920.00	May 15, 2024	1,426.00	+69.94%, [+5.40%]	-	-
7.	Bharti Hexacom Limited(1)	42,750.00	570.00	April 12, 2024	755.20	+58.25%, [-2.13%]	+85.03%, [+7.65%]	-
8.	Gopal Snacks Limited! (1)	6,500.00	401.00	March 14, 2024	350.00	-18.13%, [+1.57%]	-19.35%, [+4.60%]	-
9.	Jana Small Finance Bank Limited(1)	5,699.98	414.00	February 14, 2024	396.00	-5.23%, [+1.77%]	+50.70%, [+1.33%]	-
10.	Apeejay Surrendra Park Hotels Limited@(2)	9,200.00	155.00	February 12, 2024	186.00	+17.39%, [+3.33%]	+17.55%, [+2.03%]	-

Source: www.nseindia.com and www.bseindia.com

(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
^ Offer Price was ₹ 918.00 per equity share to Eligible Employees
** Offer Price was ₹ 347.00 per equity share to Eligible Employees*
! Offer Price was ₹ 363.00 per equity share to Eligible Employees
@ Offer Price was ₹ 148.00 per equity share to Eligible Employees

Notes:

1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *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.*
3. *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.*
4. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
5. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. *Summary statement of price information of past issues handled by Axis Capital Limited.*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-2025*	7	122,685.33	-	-	-	-	4	1	1	-	-	-	-	-
2023-2024	18	218,638.22	-	-	-	4	2	6	6	-	-	2	7	3

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023	11	279,285.39	-	-	1	6	-	2	2	-	2	5	-	3

** 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.

C. BofA Securities India Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited.

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (in ₹)[2]	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing[3][4][5]	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing[3][4][6]	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing[3][4][7]
1.	Tata Technologies Limited	30,425.14	500.00	November 30, 2023	1,199.95	+136.09%, [+7.84%]	+115.24%,[+9.12%]	+49.90%,[+11.63%]
2.	Delhivery Limited	52,350.00	487.00[8]	May 24, 2022	493.00	+3.49%[-4.41%]	+17.00%,[+10.13%]	-27.99%,[+13.53%]
3.	Life Insurance Corporation of India	205,572.31	949.00[9]	May 17, 2022	867.20	-27.24%,[-3.27%]	-28.12%,[+9.47%]	+33.82%, [+13.76%]
4.	Campus Activewear Limited	13,996.00	292.00[10]	May 9, 2022	360.00	+11.92%, [+0.70%]	+41.71%, [+6.72%]	+91.04%, [+11.14%]

Source: www.nseindia.com and www.bseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *Equity public issues in last 3 financial years considered.*
2. *Opening price information as disclosed on the website of NSE. For issuers, change in closing price over the issue/offer price as disclosed on designated stock exchange.*
3. *Designated Stock Exchange as disclosed by the respective issuer at the time of the issue considered as benchmark index and for disclosing the price information.*
4. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *90th listing day has been taken as listing date plus 89 calendar days.*
7. *180th listing day has been taken as listing date plus 179 calendar days.*
8. *In Delhivery Limited, the issue price to eligible employees was ₹ 462 after a discount of ₹ 25 per equity share.*
9. *In Life Insurance Corporation of India, the issue price to retail investors and eligible employees was ₹ 904 after a discount of ₹ 45 per equity share and the issue price to eligible policyholders was ₹ 889 after a discount of ₹ 60 per equity share.*
10. *In Campus Activewear Limited, the issue price to eligible employees was ₹ 265 after a discount of ₹ 27 per equity share.*

2. Summary statement of price information of past issues handled by BofA Securities India Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-2025	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-2024	1	30,425.14	-	-	-	1	-	-	-	-	-	-	1	-
2022-2023	3	271,918.31	-	1	-	-	-	2	-	1	-	1	1	-

Source: www.nseindia.com

Notes:

1. *The information is as on the date of the document.*
2. *Based on date of listing.*
3. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered*
4. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

D. HDFC Bank Limited

3. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HDFC Bank Limited.

Sr. No.	Issue Name	Issue Size (₹ million) #	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)(2)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing(3)(4)(5)	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing(3)(4)(6)	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing(3)(4)(7)
1.	Go Digit General Insurance Limited	26,146.46	272	May 23, 2024	286.00	22.83% [2.32%]	-	-
2.	IRM Energy Limited	5,443.63	505	October 26, 2023	477.25	-7.20% [4.49%]	-0.25% [12.63%]	19.69% [18.45%]
3.	Sai Silks (Kalamandir) Limited	12,009.98	222	September 27, 2023	230.10	8.09% [-4.49%]	25.09% [7.54%]	-12.30% [10.15%]
4.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00% [-5.13%]	+34.54% [+6.76%]	+40.15% [+12.40%]

Source: www.nseindia.com and www.bseindia.com

1. ***Notes:** Designated stock exchange of the respective issuer has been considered for the pricing information*
2. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*
3. *In case of reporting dates falling on a trading holiday, values for immediately previous trading day have been considered*
4. *In IRM Energy Limited, the Issue price to eligible employees was ₹457 after a discount of ₹48 per equity share*

4. Summary statement of price information of past issues handled by HDFC Bank Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)*	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-2025	1	26,146.46	-	-	-	-	-	1	-	-	-	-	-	-
2023-2024	2	17,453.61	-	-	1	-	-	1	-	-	1	-	-	1
2022-2023	1	8,080.44	-	-	-	-	-	1	-	-	-	-	-	-

Source: www.nseindia.com

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 offers listed during such financial year.*

**For the financial year 2024-25-1 issue have completed 30 calendar days from the date of listing.*

E. HSBC Securities and Capital Markets (India) Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HSBC Securities and Capital Markets (India) Private Limited.*

Sr. No.	Issue Name	Issue Size (₹ million) #	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	JSW Infrastructure Limited#	28,000.00	119.00	October 3, 2023	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	+106.30%, [+12.42%]
2.	R R Kabel Limited #5	19,640.10	1,035.00	September 20, 2023	1,179.00	+34.45%, [-1.75%]	+64.44%, [+6.76%]	36.24%, [+8.75%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

 # BSE as designated stock exchange
** NSE as designated stock exchange*

Notes:

1. Issue Size derived from Prospectus/final post issue reports, as available.
2. Nifty Index and Sensex is considered as the Benchmark Index as per the designated stock exchange (NSE or BSE)
3. Price on designated stock exchange (NSE or BSE) as disclosed by the respective issuer at the time of issue has been considered for all of the above calculations.
4. In case 30th/90th/180th day is not a trading day, closing price on designated stock exchange (NSE or BSE) of the previous trading day has been considered.
5. Discount of ₹ 98 per equity share was offered to eligible employees bidding in the employee reservation portion

2. *Summary statement of price information of past issues handled by HSBC Securities and Capital Markets (India) Private Limited.*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-2024	2	47,640.10	-	-	-	-	2	-	-	-	-	1	1	-
2022-2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

***Notes**:.*

1. *The information is as on the date of the document.*
2. *Based on date of listing.*
3. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered*
4. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

F. ICICI Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (₹ million) #	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)(2)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing(3)(4)(5)	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing(3)(4)(6)	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing(3)(4)(7)
1.	Entero Healthcare Solutions Limited^	16,000.00	1,258.00(1)	February 16, 2024	1,149.50	-19.65% [+0.30%]	-19.84% [+0.77%]	NA*
2.	Juniper Hotels Limited^^	18,000.00	360.00	February 28, 2024	365.00	+43.76% [+1.71%]	+21.22% [+4.47%]	NA*
3.	Popular Vehicles and Services Limited^^	6,015.54	295.00	March 19, 2024	289.20	-15.59% [+1.51%]	-13.67% [+7.55%]	NA*
4.	Bharti Hexacom Limited^	42,750.00	570.00	April 12, 2024	755.20	+58.25% [-2.13%]	+85.03% [+7.65%]	NA*
5.	JNK India Limited^^	6,494.74	415.00	April 30, 2024	621.00	+54.47% [+0.44%]	+81.75% [+9.87]	NA*
6.	Aadhar Housing Finance Limited^^	30,000.00	315.00(2)	May 15, 2024	315.00	+25.56% [+5.40%]	NA*	NA*
7.	Go Digit General Insurance Limited^^	26,146.46	272.00	May 23, 2024	286.00	+22.83% [+2.32%]	NA*	NA*
8.	Awfis Space Solutions Limited^^	5,989.25	383.00(3)	May 30, 2024	435.00	+34.36% [+6.77%]	NA*	NA*
9.	Stanley Lifestyles Limited^	5,370.24	369.00	June 28, 2024	499.00	+55.96% [+2.91%]	NA*	NA*
10.	Allied Blenders and Distillers Limited^^	15,000.00	281.00(4)	July 2, 2024	320.00	+9.68% [+3.43%]	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange
Notes:

1. *Discount of Rs. 119 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 1,258.00 per equity share.*
2. *Discount of Rs. 23 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 315.00 per equity share*
3. *Discount of Rs. 36 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 383.00 per equity share*
4. *Discount of Rs. 26 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 281.00 per equity share*

2. Summary statement of price information of past issues handled by ICICI Securities Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-2025	7	1,31,750.69	-	-	-	3	2	2	-	-	-	-	-	-
2023-2024	28	2,70,174.98	-	-	8	5	8	7	-	1	2	10	3	6
2022-2023	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2

Source: www.nseindia.com

***Notes**:*

1. *The information is as on the date of the document.*
2. *Based on date of listing.*
3. *Wherever 30^{th} and 180^{th} calendar day from listing day is a holiday, the closing data of the previous trading day has been considered*
4. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

G. ***Jefferies India Private Limited***

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jefferies India Private Limited.

Sr. No.	Issue Name	Issue Size (₹ million) #	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)(2)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing(3)(4)(5)	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing(3)(4)(6)	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing(3)(4)(7)
1.	Emcure Pharmaceuticals Limited^^	19,520.27	1,008.00	July 10, 2024	1,325.05	NA	NA	NA
2.	TBO Tek Limited^^	15,508.09	920.00	May 15, 2024	1,426.00	+69.94% [+5.40%]	NA	NA
3.	Entero Healthcare Limited^	16,000.00	1,258.00*	February 16, 2024	1,149.50	-19.65% [-0.08%]	-19.84% [+0.73%]	NA
4.	Concord Biotech Limited^^	15,505.21	741.00**	August 18, 2023	900.05	+36.82% [+4.57%]	+83.91% [+1.89%]	+88.78% [+12.60%]
5.	Mankind Pharma Limited^^	43,263.55	1,080.00	May 9, 2023	1,300.00	+37.61% [+2.52%]	+74.13% [+6.85%]	+64.36% [+5.28%]
6.	KFin Technologies^^	15,000.00	366.00	December 29, 2022	367.00	-13.55% [-3.22%]	-24.56% [-6.81%]	-4.48% [+2.75%]
7.	Global Health Limited^^	22.055.70	336.00	November 16, 2022	401.00	+33.23% [-0.03%]	+35.94% [-3.47%]	+61.67% [-0.52%]

Not Applicable – Period not completed
^ BSE as designated stock exchange
^^NSE as designated stock exchange
Notes:

** - A Discount of ₹ 119 per equity was offered to eligible employees bidding in the employee reservation portion.*
*** - A Discount of ₹ 70 per equity was offered to eligible employees bidding in the employee reservation portion.*

2. Summary statement of price information of past issues handled by Jefferies India Private Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024 – 2025*	2	35,028.36	-	-	-	1	-	-	-	-	-	-	-	-
2023 – 2024	3	74,768.76	-	-	1	-	2	-	-	-	-	2	-	-
2022 – 2023	2	37.055.70	-	-	1	-	1	-	-	-	1	1	-	-

Source: www.nseindia.com

Notes:

1. *The information is as on the date of the document.*

2. *Based on date of listing.*
3. *Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

H. SBI Capital Markets Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by SBI Capital Markets Limited.*

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Bansal Wire Industries Limited#	7,450.00	256.00	July 10, 2024	356.00	-	-	-
2	Stanley Lifestyles Limited@	5,370.24	369.00	June 28, 2024	499.00	+55.96% [+2.91%]	-	-
3	Dee Development Engineers Limited(1) #	4,180.15	203.00	June 26, 2024	339.00	+81.16% [+2.25%]	-	-
4	Aadhar Housing Finance Ltd(2)#	30,000.00	315.00	May 15, 2024	315.00	+25.56% [+5.40%]	-	-
5	Bharti Hexacom Ltd@	42,750	570.00	April 12,2024	755.20	+58.25% [-2.13%]	+85.03% [+7.65%]	-
6	R K Swamy Limited(3) @	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-6.70% [+4.11%]	-
7	Entero Healthcare Solutions Ltd(4) @	16,000.00	1,258.00	February 16, 2024	1,245.00	-19.65% [+0.30%]	-19.84% [+0.77%]	-
8	Jana Small Finance Bank@	5,699.98	414.00	February 14, 2024	396.00	-5.23% [+1.77%]	+50.70% [+1.33%]	-
9	Medi Assist Healthcare Services Ltd@	11,715.77	418.00	January 23, 2024	465.00	+22.32% [+3.40%]	+15.66% [+4.06%]	+33.86% [+14.76%]
10	Jyoti CNC Automation Limited#	10,000.00	331.00	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	+265.79% [+11.21%]

Source: www.nseindia.com and www.bseindia.com
Notes:
* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
** *The information is as on the date of this 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 Rs 184.00 per equity share*
2 *Price for eligible employee was Rs 292.00 per equity share*
3 *Price for eligible employee was Rs 261.00 per equity share*
4 *Price for eligible employee was Rs 1,139.00 per equity share*

2. *Summary statement of price information of past issues handled by SBI Capital Markets Limited.*

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	5	89,750.39	-	-	-	3	1	-	-	-	-	-	-	-
2023-24	12	1,32,353.46			6	2	3	1			1	5	1	2
2022-23	3	2,28,668.02	-	1	1	-	1	-	-	1	1	-	-	1

Source: www.nseindia.com

***Notes**:*

1. *The information is as on the date of the document.*
2. *Based on date of listing.*
3. *Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

Sr. No.	Name of the Book Running Lead Managers	Website
1.	JM Financial Limited	www.jmfl.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	BofA Securities India Limited	https://business.bofa.com/bofas-india
4.	HDFC Bank Limited	www.hdfcbank.com
5.	HSBC Securities and Capital Markets (India) Private Limited	https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market
6.	ICICI Securities Limited	www.icicisecurities.com
7.	Jefferies India Private Limited	www.jefferies.com
8.	SBI Capital Markets Limited	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange, no stock market data is available for the Equity Shares.

Redressal and disposal of investor grievances by our Company

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 or any such period as prescribed under the applicable laws, to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All Offer related grievances, other than 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 Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

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 Book Running Lead Managers where 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 intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/ /2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as modified by SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 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 and such compensation to investors shall be computed from T+3 day. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the SCSBs and the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay.

Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor 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 Selling Shareholders, the BRLMs 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 applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 90.

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

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Bidders can contact our Company Secretary and Compliance Officer 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.

Our Company has appointed Shivendra Kumar Suman, Company Secretary and Compliance Officer for the Offer. For details, see "*General Information*" on page 89.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES in terms of the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company 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 data 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 within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Each of the Selling Shareholders, severally and not jointly, has authorized the Company Secretary and the Compliance Officer of our Company, to deal with, on its behalf, any investor grievances received in the Offer in relation to such Selling Shareholders or its respective portion of the Offered Shares. Our Company has received one investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. However, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus. Furthermore, our Company does not have any listed group companies or subsidiaries.

Our Company has constituted a Stakeholders Relationship Committee comprising Pradeep Dinodia (*Chairman*), Renu Munjal, Abhimanyu Munjal and Kaushik Dutta as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders Relationship Committee*" on page 315.

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 the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION IX: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, the MoA, AoA, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, 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 SEBI, RBI, Government of India, the Stock Exchanges, RoC and/ or any other authorities while granting their approval for the Offer.

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 Offer expenses, see "*Objects of the Offer– Offer expenses*" on page 125.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR MoA and AoA and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, "*Main Provisions of Articles of Association*" beginning on page 558.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the MoA and AoA and provisions of the SEBI Listing Regulations and any other guidelines, regulations or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 334 and 558, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10, and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and at the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band, and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs, and published and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper (Hindi also the regional language of New Delhi, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms, which shall be available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the BRLMs, after the Bid/ Offer Closing Date, by way of the Book Building Process.

At any given point of time, there shall be only one denomination of 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 AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations and foreign exchange laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, the AoA and applicable law.

For a detailed description of the main provisions of the AoA relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Main Provisions of Articles of Association*" beginning on page 558.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated May 6, 2016 amongst our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement effective as of June 23, 2018 amongst our Company, NSDL and the Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" beginning on page 536.

Market Lot and Trading Lot

Since trading of the Equity Shares 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 [●] Equity Share(s) subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" beginning on page 536.

Joint Holders

Subject to the provisions contained in the AoA, 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 New Delhi, India.

Period of subscription list of the Offer

For details, see "*– Bid/ Offer Programme*" on page 527.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act 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 or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 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, our 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 respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the BRLMs, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to (i) the filing of the Prospectus with the RoC; and (ii) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

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 demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

1. *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*
2. *Our Company may, in consultation with the BRLMs, 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. *UPI mandate end time and date shall be at 5:00 p.m. IST on the Bid/ Offer Closing Date.*

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, 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 and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such other time as prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirms that they shall extend reasonable co-operation in relation to the Offered Shares required by our Company and the BRLMs for the completion of the necessary

formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

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 T+3 days listing basis, subject to the timing of the Offer and 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 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.

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 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, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“**IST**”)
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs, other than QIBs and Non-Institutional Investors, Eligible Shareholders Bidding in the Shareholders Reservation Portion 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 Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs, Eligible HMCL Shareholders Bidding in the Shareholder Reservation Portion 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 and date shall be at 05:00 p.m. on 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 and Eligible HMCL Shareholders Bidding in the Shareholders Reservation Portion.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/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 pm 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 will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, 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, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of a revision of the Price Band, the Bid lot shall remain the same.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to 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 so offered under the offer document, our Company shall forthwith refund/unblock the entire subscription amount received in accordance with applicable law including the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, including the SEBI master circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond two days, our Company, to the extent applicable, shall pay interest at the rate of 15% per annum as per the SEBI circular (mentioned above). The Selling Shareholders shall reimburse to the extent of the Equity Shares offered by the Selling Shareholders in the Offer, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders in relation to its portion of the Offered Shares. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company on behalf of the Selling Shareholders will be adjusted or reimbursed by the Selling Shareholders, to the extent of the Equity Shares offered by the Selling Shareholders in the Offer, to our Company as agreed among our Company and the Selling Shareholders in writing, in accordance with Applicable Law.

The requirement for minimum subscription of 90% is not applicable to the Offer for Sale. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, subject to some exceptions as provided under SEBI ICDR Regulations, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 98 and except as provided in the AoA, there are no restrictions on transfer or transmission of Equity Shares. For details see "*Main Provisions of Articles of Association*" beginning on page 558.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 10 at an Offer Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹[●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹21,000.00 million and an Offer of Sale of up to [●] Equity Shares aggregating up to ₹36,681.34 million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The Offer comprises a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹10 each.

The Offer is being made through the Book Building Process.

Particulars	**QIBs(1)**	**Non-Institutional Bidders**	**RIBs**	**Employee Reservation Portion(2)**	**Shareholders Reservation Portion(7)**
Number of Equity Shares available for Allotment or allocation*(3)	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares	Up to [●] Equity Shares
Percentage of Offer size available for Allotment or allocation	Not less than 75% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not more than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs The allotment to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, if any, shall be available for allocation out of which: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹ 200,000 and up to ₹ 1,000,000; b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹ 1,000,000.	Not more than 10% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	The Employee Reservation Portion shall constitute up to [●] % of the Offer size	The Shareholder Reservation Portion shall constitute up to [●] % of the Offer size

Particulars	QIBs[(1)]	Non-Institutional Bidders	RIBs	Employee Reservation Portion[(2)]	Shareholders Reservation Portion[(7)]
		Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.			
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. c) Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	The allotment to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹ 200,000 and up to ₹ 1,000,000; b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.	The allotment to each Retail Individual Bidder 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*", beginning on page 536.	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for a value exceeding ₹200,000 subject to total Allotment to an Eligible Employee not exceeding ₹500,000 .	Proportionate and in case of oversubscription subject to minimum bid lot; For details, see "*Offer Procedure*" beginning on page 536
Mode of Bid^	ASBA only (excluding the UPI Mechanism) except for Anchor Investors ([4])	ASBA only (including the UPI Mechanism for Bids up to ₹ 5,00,000)	ASBA only (including the UPI Mechanism)	ASBA only (including the UPI Mechanism)	ASBA only (including the UPI Mechanism)

Particulars	QIBs[(1)]	Non-Institutional Bidders	RIBs	Employee Reservation Portion[(2)]	Shareholders Reservation Portion[(7)]
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the Anchor portion), subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹500,000	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible HMCL Shareholder in this portion does not exceed ₹500,000
Mode of Allotment	Compulsorily in dematerialised form				
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter				
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter				
Trading Lot	One Equity Share				
Who can apply([5])	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, VCFs, AIFs, FVCIs registered with SEBI, FPIs other than individuals, corporate bodies and family offices, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)	Eligible Employees	Eligible HMCL Shareholders

Particulars	QIBs[(1)]	Non-Institutional Bidders	RIBs	Employee Reservation Portion[(2)]	Shareholders Reservation Portion[(7)]
	the Department of Posts, India and Systemically Important Non-Banking Financial Companies.				
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.([6]) **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, that is specified in the ASBA Form at the time of submission of the ASBA Form.				

* *Assuming full subscription in the Offer.*

^ *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company may, in consultation with the BRLMs, 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 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.*

(2) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ ₹500,000. However, a Bid by an Eligible Employee Bidding in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. 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 Bidding in the Employee Reservation Portion who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Non-Institutional Portion or the RIB Portion and such Bids will not be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(3) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, subject to availability of Equity Shares in the respective categories, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not more than 10% 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.*

(4) *Anchor Investors are not permitted to use the ASBA process.*

(5) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(6) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

(7) *Eligible HMCL Shareholders Bidding in the Shareholder Reservation Portion can also Bid under the Net Issue and Employee Reservation Portion (if eligible) and such Bids shall not be considered as multiple Bids subject to applicable limits. To clarify, Eligible HMCL Shareholders Bidding in the Shareholder Reservation Portion above ₹ 200,000 can Bid in the Net Issue for up to ₹ 200,000 and Employee Reservation Portion (if eligible and subject to applicable limits), otherwise such Bids shall be treated as multiple Bids. If an Eligible HMCL Shareholder is Bidding in the Shareholder Reservation Portion up to ₹ 200,000, application by such Eligible HMCL Shareholder in the Retail Portion or Non-Institutional Portion and Employee Reservation Portion (if eligible and subject to applicable limits) shall not be treated as multiple Bids. Therefore, Eligible HMCL Shareholders bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Issue and Employee Reservation Portion (if eligible and subject to applicable limits) and such Bids shall not be treated as multiple Bids*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by Foreign Portfolio Investors*" on page 543 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.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, 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*" beginning on page 525.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 2,00,000 to ₹ 5,00,000 for all the individual investors applying in public issues.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with the timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023.*

The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, which came into force with effect from May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. The SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL. Our Company have requested Depositories to suspend /Freeze the ISIN in Depository system from the date of RHP till listing/ trading effective date. Our Company/ Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective Depository to execute the transfer of shares under suspended ISIN through Corporate Action (CA). The transfer request shall be accepted from Issuer till one day prior to issue opening date.

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.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company may, in consultation with the BRLMs, 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, out of which one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the 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 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. Further, subject to availability of Equity Shares in the respective categories, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹200,000 up to ₹1,000,000 and two-thirds of the Non - Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1,000,000 and undersubscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not more than 10% of the Net Offer shall be available for allocation to RIBs in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating 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. Additionally, up to [●] Equity Shares, aggregating up to ₹[●] million may be made available for allocation on a proportionate basis only to Eligible HMCL Shareholders Bidding in the Shareholder Reservation Portion, subject to valid Bids being received at or above the Issue Price.

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 and subject to applicable laws. 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.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

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

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, UPI ID (in case of UPI Bidders Bidding in the Employee Reservation Portion using the UPI Mechanism) and PAN, 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 UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated

Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase was applicable on a voluntary basis for all issues opening on or after September 1, 2023 and has become on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming 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 the post–Offer BRLM will be required to compensate the concerned investor.

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

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, 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:

i. a syndicate member;

ii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

iii. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);

iv. 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).

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 relevant Bidding Centres, and at our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date. The Bid Cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our offices and branches in India.

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. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (i.e., those not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA 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.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders Bidding using the UPI Mechanism 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 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 using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of Electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. 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. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

(iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

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 is 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 QIBs, Non-institutional Investors and Retail Individual Investors, each resident in India and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]
Eligible HMCL Shareholders Bidding in the Shareholders Reservation Portion	[●]

* *Excluding electronic Bid cum Application Form.*

** *Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

The 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. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded up to 5.00 p.m. on Bid/ Offer Closing Date.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such Retail Individual Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR /2022/75 dated May 30, 2022.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 05:00 p.m. 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 off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 p.m. 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 4.00 p.m. 4:00 p.m. for QIBs and Non-Institutional Bidders categories and up to 5.00 p.m. for Retail Individual, Eligible Employee Bidders and Eligible Shareholders Bidders categories on the initial public offer closure day;

d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids;

e) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

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

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 till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm IST for RIB and Eligible Employees and 4:00 pm IST 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 Promoters and Promoter Group of the Company, the BRLMs and the Syndicate Members and persons related to Promoter/Promoter Group/the Book Running Lead Managers

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.

Except as stated below, neither the BRLMs nor any associate of the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs; or

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs; or

(v) Pension funds sponsored by entities which are associate of the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a qualified institutional buyer who has any of the following rights in relation to the Company shall be deemed to be a person related to the Promoters or Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

there is a common director, excluding nominee director, amongst the Anchor Investors 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 BRLMs 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 such 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, exchange traded funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their NRE accounts, or Foreign Currency Non-Resident 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 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 Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Our Company has, pursuant to a Board resolution dated January 21, 2024 and Shareholders' resolution dated January 24, 2024 increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of the Company.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 557.

Eligible 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*" beginning on page 557.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by Hindu Undivided Families

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 Foreign Portfolio Investors

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 applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In 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).

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.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of 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 SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the

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.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

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(2) 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 Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post 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 finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders 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 Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

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 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 one investee company directly or through investments in the units of other AIFs. A category III AIFs cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, and the Selling Shareholders and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

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 the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason, thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is lower. 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; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The 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 (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in paragraph 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by Self-Certified Syndicate Banks

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, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates.

Insurance companies participating in the 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 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, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids by systemically important non-banking financial companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the 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 Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial allocation, such unsubscribed portion may be allocated 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. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form.

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

(c) Eligible Employees biding in the Employee Reservation Portion can Bid through the UPI mechanism.

(d) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion and the Bidder should be an Eligible Employee as defined above.

(e) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

(f) An Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Non-Institutional Portion or the RIB Portion and such Bids will 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

(g) In case of joint bids, the First Bidder shall be an Eligible Employee.

(h) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

Under-subscription, if any, (including Employee Reservation Portion), in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 up to ₹500,000.

Bids by Eligible HMCL Shareholders

Bids under the Shareholder Reservation Portion shall be subject to the following:

(a) Only Eligible HMCL Shareholders (i.e. individuals and HUFs who are public equity shareholders of Hero MotoCorp Limited, excluding such other persons not eligible under applicable laws, rules, regulations and guidelines as at the date of the Red Herring Prospectus) would be eligible to apply in this Issue under the Shareholder Reservation Portion.

(b) In case of joint Bids, the sole / first Bidder shall be an Eligible HMCL Shareholder.

(c) Eligible HMCL Shareholders biding in the Shareholder Reservation Portion can Bid through the UPI mechanism.

(d) Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this portion.

(e) Made only in the prescribed Bid cum Application Form or Revision Form.

(f) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the HMCL Eligible Shareholder Employee subject to a maximum Bid Amount of ₹500,000. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

(g) If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to Eligible HMCL Shareholders to the extent of their demand.

(h) Any unsubscribed portion remaining in the Shareholder Reservation Portion shall be added to the Net Issue. Under-subscription, if any, in any category including the Shareholder Reservation Portion and Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

Eligible HMCL Shareholders would need to have a valid PAN and their PAN should be updated with the register of shareholders maintained with Hero MotoCorp Limited. Further, Eligible HMCL Shareholders would need to have a valid demat account and details, as Equity Shares can only be Allotted to Eligible HMCL Shareholders having a valid demat account.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 536.

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 BRLMs.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will be completed on the same day.

5) Our Company, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs 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) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

9) 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.

10) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations.

11) Neither the (a) BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs, pension funds sponsored by entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs nor (b) the Promoter, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

12) 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 specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs, Eligible HMCL Shareholders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023;

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 the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidders bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidders using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

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 General Information Document;

8. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

9. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

10. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;

11. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

12. 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);

13. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;

14. 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;

15. The ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;

16. 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;

17. 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;

18. 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;

19. 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;

20. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

21. 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;

22. 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;

23. Ensure that the Demographic Details are updated, true and correct in all respects;

24. 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;

25. 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;

26. 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;

27. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

28. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidders 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;

29. 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;

30. UPI Bidders 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;

31. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. IST of the Working Day immediately after the Bid/ Offer Closing Date;

32. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

33. 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;

34. 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;

35. 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

36. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

37. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner.

38. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. 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 a Designated Intermediary;

3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

5. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

12. In case of ASBA Bidders, do not submit more than one ASBA Form from an ASBA Account;

13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

14. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

15. Anchor Investors should not Bid through the ASBA process;

16. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

17. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

18. Do not submit the General Index Register (GIR) number instead of the PAN;

19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

20. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

22. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

23. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

24. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

25. Do not Bid for Equity Shares more than what is specified for each category;

26. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date;

27. 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;

28. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

29. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;

30. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

31. Do not Bid if you are an OCB;

32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

33. Do not submit the Bid cum Application Forms to any non-SCSB bank;

34. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);

35. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

36. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and

37. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) Bids under the UPI Mechanism submitted by 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 BRLMs;

(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 Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount of a value of more than ₹ 500,000

(p) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(q) Bids accompanied by stock invest, money order, postal order, or cash; and

(r) Bids uploaded by QIBs and by Non-Institutional Bidders after 4:00 p.m. on the Bid/ Offer Closing and Bids by RIBs, Eligible HMCL Shareholders Bidding in the Shareholders Reservation Portion, Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed 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 shall reach out to the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" beginning on pages 89 and 303, 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 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.

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 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, please see the General Information Document.

Names of entities responsible for finalising the Basis of Allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, and the Company along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of Allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares 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 Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, 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.

Subject to the availability of Equity Shares in the respective categories, the allotment of Equity Shares to each of the RIBs and NIBs shall not be less than the minimum bid lot or the minimum application size, as the case maybe, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

The allocation of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate in accordance with the conditions specified in this regard mentioned in SEBI ICDR Regulations.

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 [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, (Hindi, also being the regional language of New Delhi, where our Registered Office is located) 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 all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, 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 all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, 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 BRLMs and the Registrar shall publish an allotment advertisement not later than one day after the date of commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper, (Hindi, also being the regional language of New Delhi, 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 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/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.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law which would then be termed as the Prospectus. 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.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

- the complaints received in respect of the 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 are taken within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed;

- if Allotment is not made within two Working Days from the Bid/Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws 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 applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;

- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

- 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

- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and

- except for any exercise of options vested pursuant to the ESOP 2017, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertakes, in relation to itself and its respective portion of the Offered Shares that:

- its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, such period determined in accordance with Regulation 8 and 8A of the SEBI ICDR Regulations;

- 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 from liens, charges and encumbrances;

- it shall deposit the Equity Shares offered by it in the Offer in an escrow account opened with the Registrar to the Offer prior to the filing of the Red Herring Prospectus with the RoC;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

- it shall not have access to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The statements and undertakings provided above, in relation to such Selling Shareholders, are statements which are specifically confirmed or undertaken, severally and not jointly, by such Selling Shareholders in relation to itself and its respective portion of the Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders and/ or the Offered Shares, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

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Utilisation of Net Proceeds

The Company declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

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. Further, the FDI Policy issued by the DPIIT consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the FDI Policy and the FEMA Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the FEMA Rules and FDI Policy read with Press Note, up to 100% foreign investment under the automatic route is currently permitted in NBFCs. However, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

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*" beginning on page 536.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

The above information is given for the benefit of the Bidders. Our Company, 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 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 X: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Articles of Association has been approved by our Board of Directors pursuant to a resolution passed on May 29, 2024 and has been approved by our Shareholders pursuant to a special resolution passed through postal ballot held on June 30, 2024. Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company.

*The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of submission of the updated draft red herring prospectus ("**UDRHP**"). In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail and be applicable until the Event. However, on and from the date of submission of the UDRHP with SEBI in relation to the Offer, Part B shall automatically stand deleted, not having any force and shall be deemed to be removed from the Articles of Association and the provisions of the Part A shall come into effect and be in force, without any further corporate or other action by the Company or its shareholders, unless specified otherwise in these Articles. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

PART A

The Regulations contained in Table 'F' of the Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company in so far as they are applicable to a public company and save in so far as otherwise expressly or impliedly excluded, modified, substituted, amended or altered by these Articles. In case of any contradiction between the provisions of Table 'F' and these Articles, the provisions of these Articles will prevail.

1. GENERAL

(i) In the interpretation of these Articles, the following words and expressions, unless repugnant to the subject or context, shall mean the following:

(a) "**Articles**" means these articles of association of the Company or as altered from time to time.

(b) "**Annual General Meeting**" means the annual general meeting of the Company convened and held in accordance with the Companies Act, 2013.

(c) "**Board**" means the board of directors of the Company at the relevant time.

(d) "**Control**" shall have the meaning ascribed to the term under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

(e) "**Company**" shall mean Hero FinCorp Limited;

(f) "**Companies Act**" or "**Act**" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

(g) "**Debenture Trustee**" means the trustee appointed in relation to the issue of debentures by the Company;

(h) "**Directors**" means the directors of the Company.

(i) "**Equity Shares**" **or** "**Equity Share**" means an equity share of the Company of face value of Rs. 10 (Rupees ten) each;

(j) "**Equity Share Capital**" means the par value of all the Equity Shares issued by the Company.

(k) "**General Meeting**" shall mean either an extraordinary general meeting or an Annual General Meeting (as the context may permit) held in accordance with the provisions of the Act and these Articles.

(l) "**INR**" or "**Rupees**" or "**Rs.**" shall mean Indian rupees, being the lawful currency of India;

(m) "**IPO**" means an initial public offering of the Equity Shares of the Company;

(n) **"Member**" or "**Shareholder**" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a depository, the beneficial owners whose names are recorded as such with the depository.

(o) “**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company, as may be altered from time to time.

(p) “**Person**” means any natural person, trust, firm, company, Governmental Authority, joint venture, association, partnership, society or other entity (whether or not having separate legal personality);

(q) “**Preference Share Capital**” means Class A or Class B compulsorily convertible preference shares issued by the Company;

(r) “**Rules**” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(s) “**Securities**” shall mean shares in the Share Capital, whether equity or preference, and shall include other securities and instruments convertible into Equity Shares;

(t) “**Share Capital**” shall mean the total issued and paid-up share capital of the Company;

(u) “**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and **“Transferred”, “Transferring” “Transferor”, “Transferee”** and similar words have corresponding meanings;

(ii) **In these Articles, unless there is something in the subject or context inconsistent therewith:**

(a) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

(b) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

A reference to any Person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns.

2. SHARE CAPITAL

(i) The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, convertible, qualified, deferred or special rights, privileges, restrictions or conditions or sub-divide the shares and issue shares of higher or lower denominations and to vary, modify or abrogate the same in such manner as may be determined, in accordance with the provisions of the Act and these Articles.

(ii) Subject to the provisions of Section 55 of the Act, any preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

(iii) Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Act, at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any Person or Persons without the approval of the Company in the General Meeting.

(iv) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(a) Equity Share Capital:

a. with voting rights; and/or

b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference Share Capital

The Board shall also be entitled to issue, from time to time, subject to any other legislation for the time being in force, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.

(v) Every person whose name is entered as a member in the register of members shall, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, be entitled to receive within two months after allotment, unless conditions of issue thereof otherwise provide, or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or sub-division, consolidation or renewal as the case may be within such other period as the conditions of issue shall provide –

(a) one certificate for all his shares of each class or denomination without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

(vi) Every certificate shall be under the seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon, shall be signed by two Directors or by a Director and the company secretary, wherever the company has appointed a company secretary.

(vii) 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. The Company may issue several certificates, each for one or more of their shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

(viii) Any person whose name is entered as a member in the register of members shall have the right to sub-divide, split or consolidate the total number of shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.

(ix) A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

(x) 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 or in case of sub-division or consolidation of shares, 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 Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board which shall not exceed the amount as may be permitted under applicable law, provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. The Company shall not charge any fee for registration of transfer of shares and debentures, for sub-division and consolidation of share and debenture certificates and for sub-division, of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised, for registration of any Power of Attorney, probates letters of administration or similar other documents. 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 Companies Act, 2013 or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf or any Statutory modification or re-enactment thereof, for the time being in force.

(xi) The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

(xii) (a) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its Securities, 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 the Act and the Rules.

(b) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in the one way and partly in the other.

(d) the Company may also, in any issue, pay such brokerage as may be lawful.

(xiii) (a) 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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders 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, as prescribed by the Act.

(b) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

(xiv) 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.

(xv) 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 to Equity Shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

(xvi) Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified Securities.

3. FURTHER ISSUE OF SHARES

(i) Where at any time, it is proposed to increase the subscribed capital of the Company by the issue of further shares then such shares shall be offered in accordance with Section 62 of the Act and the Rules made thereunder in the following manner:

a. to persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (1) to (3) below:

(1) the aforesaid offer shall be made by a notice specifying the number of Equity Shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed under the Act and not exceeding thirty (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;

(2) the aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the Equity Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (1) above shall contain a statement of this right;

(3) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the Equity Shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the Shareholders and the Company.

b. to employees under any scheme of employees' stock option subject to a special resolution passed by the Shareholders and subject to the Act and the Rules made thereunder and such other conditions as may be prescribed under applicable law; or

c. to any person(s), if it is authorized by a special resolution, whether or not those persons include the persons referred to in sub-clause (a) or clause (b) above, either for cash or for a consideration other than cash, at such price as may be determined in accordance with law, subject to compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the Rules made thereunder.

d. Nothing in sub-clause (3) of sub-article (a) shall be deemed:

i. To extend the time within which the offer should be accepted; or

ii. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(ii) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company;

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

(iii) Notwithstanding anything contained in sub-clauses(s) of Article 3 above, but subject, however, to the provisions of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for 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.

(iv) In determining the terms and conditions of conversion under sub-clause (iii) above, the government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(v) Where the government has, by an order made under sub-clause (iii), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the National Company Law Tribunal under sub-clause (iii) above or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorized share capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

(vi) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

(vii) Subject to the provisions of Section 61 of the Act, the Company in a General Meeting may, from time to time, alter its Memorandum for all or any of the following purposes:

(a) To increase the authorised share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) To consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares, provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals by the relevant tribunal on an application made in the manner prescribed under the Act;

(c) To convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

(d) To sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so that in the sub-division, 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; and

(e) To cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any persons and diminish the amount of its share capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of the capital of the Company within the meaning of the Act.

4. DEMATERIALIZATION OF SHARES

(i) Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its existing shares and to offer shares in a dematerialized form pursuant to the Depositories Act, 1996.

(ii) Notwithstanding anything contained in these articles, and subject to the provisions of law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the shares, which are in dematerialized form.

(iii) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the beneficial owner of the Shares can at any time opt out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act 1996 as amended or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable law and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.

(iv) . If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the share, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the share.

(v) All shares held by a depository shall be dematerialized and shall be in a fungible form.

(vi) (a) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owners.

(b) Save as otherwise provided in 4(v)(a) above, the depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.

(c) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such shares and shall also be deemed to be the member of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a depository.

(vii) Notwithstanding anything in the Act or these articles to the contrary, where shares 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 disks or any other mode as prescribed by law from time to time.

(viii) 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.

(ix) Nothing contained in the Act or these articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

(x) The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996, containing details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law(s) including any form of electronic media.

(xi) The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act.

(xii) The Company shall have the power to keep in any state or country outside India a branch register resident in that state or country.

5. TRANSFER OF SHARES

(i) The Company shall Transfer Securities only in a dematerialized form.

(ii) The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of the Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(iii) The instrument of transfer of any Securities in the Company shall be executed by or on behalf of both the transferor and transferee shall be in writing.

(iv) The transferor shall be deemed to remain a holder of the Security until the name of the transferee is entered in the Register of Members in respect thereof.

(v) The Company, the transferor and the transferee of the Securities shall comply with the requirements under the applicable laws.

(vi) Subject to the provisions of these Articles and other applicable provisions of the Act, the Securities Contracts (Regulation) Act, 1956, or any other law for the time being in force**,** the Board may, subject to the right of appeal conferred by the Act decline, by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

The Company shall within 30 days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground that 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.

(vii) In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless-

(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and if no such certificate is in existence, then the letter of allotment of the shares and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(c) the instrument of transfer is in respect of only one class of shares; and

(d) Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

(viii) On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, 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.

(ix) The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

6. LIEN

(i) (a) The Company shall have a first and paramount lien –

a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b. on all shares (not being fully paid shares) standing registered in the name of a member (whether solely or jointly with others), for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(iii) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

(iv) Fully paid shares shall be free from all lien and 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.

(v) No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by them have not been paid, or in regard to which the Company has exercised any right of lien.

(vi) 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 to the person entitled thereto by reason of his death or insolvency or otherwise.

(vii) (a) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(c) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(d) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

(viii) (a) 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.

(b) 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.

(ix) In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

(x) The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

7. CALL ON SHARES

(i) (a) The Board may, from time to time, make calls upon the members in respect of any money unpaid on the shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that the Board shall not give right or option to any other person except with the sanction of the Company in General Meeting.

Provided further that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.

(b) 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.

(c) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(d) A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the Shareholders' in a General Meeting and as maybe permitted by law.

(ii) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

(iii) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(iv) (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof ("the due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(b) The Board shall be at liberty to waive payment of any such interest wholly or in part.

(v) (a) 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.

(a) 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.

(vi) If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

(vii) All calls shall be made on a uniform basis on all shares falling under the same class.

(viii) *Explanation*: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable law.

(ix) If any member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof, he/she shall be liable to pay interest on the same from the day appointed for payment thereof to the time of actual payment at such rate as shall from time to time be fixed by Board but nothing in this Article render it compulsory for the Board to demand or recover any interest from any such member.

(x) The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, 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 beyond the sums actually called for; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable. The Directors may at any time repay the amount so advanced.

(xi) The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

(xii) Save as aforesaid, Regulations 13 to 18 of Table 'F' of the Act shall apply.

8. TRANSMISSION OF SHARES

(i) (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

(b) Nothing in clause (1) 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.

(ii) (a) 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.

(b) 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.

(c) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

(iii) (a) 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.

(b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

(iv) 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.

(v) The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

9. FORFEITURE OF SHARES

(i) If a member fails to pay any call, or instalment of a call or any money due in respect of any share on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him or their legal representatives requiring the payment of such part of the call or instalment or other money as is unpaid, together with any interest which may have accrued thereon. Upon failure to comply with the terms of the notice, the Company reserves the right to forfeit such shares.

(ii) 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.

(iii) 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.

(iv) (a) A forfeited share in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-issued or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

(v) (a) 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.

(b) The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

(c) The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

(vi) (a) 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;

(b) The Company may receive the consideration, if any, given for the share on any sale, re-issuance 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.

(c) The transferee shall thereupon be registered as the holder of the share; and

(d) 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.

(vii) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

(viii) Upon any sale, re-issuance or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

(ix) Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 (seven) days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the unpaid dividend account ("Unpaid Dividend Account").

(x) Any money transferred to the "Unpaid Dividend Account" of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under sub-section (1) of Section 125 of the Act.

(xi) No unclaimed or unpaid dividend shall be forfeited by the Board before it becomes barred by law.

(xii) The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

(xiii) Save as aforesaid, Regulations 28 to 34 of Table 'F' of the Act shall apply.

10. ALTERATION OF CAPITAL

(i) The Company may, with the approval of shareholders by ordinary resolution, from time to time, increase, consolidate, divide, sub-divide, cancel or reduce its Share Capital.

(ii) Subject to the provisions of the Act, the Company may, by ordinary resolution—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and re-convert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub- division 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; or;

(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 Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

(iii) 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.

(iv) The Company may, by resolution as prescribed in the Act, reduce in any manner and with, and subject to, any incident authorized and consent required by law —

(a) its share capital;

(b) any capital redemption reserve account;

(c) any share premium account; or

(d) any other reserve in the nature of share capital;

and in particular without prejudice to the generality of the foregoing power may by: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid-up; (ii) either with or without extinguishing or reducing liability on any of its shares, (a) cancel paid-up share capital which is lost or is unrepresented by available assets; or (b) pay off any paid-up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

(v) The Company may as per the applicable provisions of the Act, issue shares under preferential basis and private placement.

11. CAPITALIZATION OF PROFITS

(i) (a) The Company in general meeting may, upon the recommendation of the Board, resolve —

a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b. that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (c), 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 (i) and partly in that specified in sub-clause (ii);

(c) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(d) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

(ii) (a) 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.

(b) 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.

12. BOARD OF DIRECTORS

(i) Notwithstanding the foregoing Article, the first Directors of the Company shall be determined in writing by the subscribers to the Memorandum and Articles of Association of the Company.

(ii) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than 6 (six) and shall not be more than 15 (fifteen).

Provided that the Company may appoint more than 15 (fifteen) Directors after passing a special resolution. The Company shall have such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. Further, such appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

(iii) At the Annual General Meeting of the Company to be held every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation. Provided that an independent Director duly appointed by the Company shall not be liable to retire by rotation.

(iv) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

(v) The Company in General Meeting may, when appointing a person as a Director declare that their continued presence on the Board of Directors is of advantage to the Company and that their office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

(vi) On and from the date of listing of the Equity Shares of the Company pursuant to an IPO, the Board of the Company shall at all times be constituted in compliance with applicable Law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(vii) Subject to applicable provisions of the Act and other applicable laws, the remuneration of the Directors of the Company, including fees payable to the Directors in attending meetings of the Board or Committees of the Board, shall be determined by the Board of the Company, from time to time.

(viii) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ix) The remuneration payable to the Directors, including any managing or whole-time Director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

(x) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board or any committee thereof or general meetings of the Company; or

(b) in connection with the business of the Company.

If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.

(xi) 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.

(xii) Subject to provisions of the Act and Article 12(ii) and Article 12(iii), the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of Directors and additional Directors together shall not at any time exceed maximum strength fixed for the Board by the Articles.

(xiii) Save as aforesaid Regulations 62 to 75 of Table 'F' of the Act shall apply.

(xiv) Subject to Article 12(ii) and Article 12(iii), the Board shall have power to appoint additional Directors in accordance with the provisions of Section 161(1) of the Act and the additional Directors so appointed shall hold office until the conclusion of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

(xv) (a) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

(b) The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

(xvi) Subject to Article 12(ii) and Article 12(iii), the Board may appoint any person as a Director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. If at any time the Company obtains any loans or any assistance in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority, or public body (hereinafter called 'The Institution') debentures or debenture-stock and enters into any contract or arrangement with the institution whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or debenture-stock or provides any assistance to the Company in any manner whatsoever and it is a term of the relative loan, assistance, or contract or arrangement that the institution shall have the right to appoint 1 (one) or more Director or Directors to the Board of the Company, then subject to the provisions of Section 152 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement, The Institution shall be entitled to appoint 1 (one) or more Director or Directors, as the case may be, to the Board of the Company, and to remove from office any Director so appointed and to appoint another in his place or in the place a Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The Director or Directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists or so long as the Institution holds any shares of the Company in terms thereof.

13. POWERS OF BOARD

(i) (a) The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum of Association or otherwise authorized to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(b) The Board may, from time to time and at its discretion, subject to the provisions of Sections 73, 179, 180, and 185 of the Act, raise or borrow and secure the payment of any sum or sums of money for the purpose of the Company. Any such money be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient. The Board shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.

(a) Subject to the Act and these Articles, the Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking of the whole or any part of the Company (both present and future) but shall not create a charge on its capital for the time being or issue debentures with the right to conversion into or allotment of shares without the sanction of the Company by a special resolution in the General Meeting.

14. PROCEEDINGS OF THE BOARD

(i) (a) The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(b) The Chairperson or any one Director with the previous consent of the Chairperson, may or the secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(c) The quorum for a Board meeting shall be as provided in the Act.

(d) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

(ii) (a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

(iii) 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.

(iv) (a) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office.

(b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

(v) (a) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(b) 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.

(a) The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

(vi) (a) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

(vii) (a) A committee may meet and adjourn as it thinks fit.

(b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

(viii) 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.

(ix) 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.

Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

15. SHAREHOLDERS' MEETINGS

(i) An Annual General Meeting shall be held each year within the period specified by the applicable laws. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situated, as the Board may determine.

(ii) All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

(b) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra- ordinary General Meeting of the Company and in respect of any such requisition and for any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

(c) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice as per the Act.

(d) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

16. PROCEEDINGS AT GENERAL MEETINGS

(i) No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.

(ii) Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

(iii) In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitions under Section 100 of the Act shall stand cancelled.

(iv) In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

(v) The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

(vi) If at the adjourned meeting too, a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

(vii) The Chairman may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.

(viii) No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.

(ix) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(x) 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.

(xi) Notwithstanding anything contained elsewhere in these Articles, the Company:

a) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other Applicable Law required to be transacted only by means of postal ballot; and

b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General

Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

Provided that any item of business required to be transacted by means of postal ballot under Article 20.11.1, may be transacted at a General Meeting by Company, in the manner provided in Section 108 of the Act.

(xii) Directors may attend and speak at General Meetings, whether or not they are shareholders.

(xiii) A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

(xiv) The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.

(xv) If there is no such Chairman or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairman of the General Meeting, the Directors present shall elect one of their members to be the Chairman of the General Meeting.

(xvi) If at any General Meeting no Director is willing to act as the Chairman or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairman of the General Meeting.

17. VOTES OF MEMBERS

(i) Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

a) on a show of hands, every Member present in Person shall have 1 (one) vote;

b) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Share Capital; and

c) if the Company has provided, e-voting facility to its Members, it may also put every Resolution to vote through a ballot process at the Meeting, in accordance with Applicable Law.

(ii) The Chairman shall not have a second or casting vote in the event of an equality of votes at General Meetings of the Company.

(iii) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

(iv) A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

(v) In case of joint holders, the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the Register of Members of the Company.

(vi) A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, 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.

(vii) No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

(viii) No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.

(ix) Any such objection made in due time shall be referred to the Chairman of the General Meeting whose decision shall be final and conclusive.

18. BORROWING POWER

Subject to the provisions of the Section 73 and 179 of the Act, and without prejudice to the powers conferred by other Article or Articles, the Board of Directors may, from time to time and at their discretion, to borrow or secure the payment of any sum or/and sums of money, for purpose of the Company, either from any Director or member or elsewhere, on security or otherwise and may secure the repayment or payments of any sum or sums, in such manner and upon such terms and condition, in all respects as they think fit, and particular, by the creation of any mortgage, hypothecation or charge on the undertaking or the whole or part of the property, present or future, or the uncalled capital, of the Company or by the issue of debentures or debentures stock of the Company, both present and future, including its uncalled capital, for the time being, and the Directors or any of them may guarantee the whole, or any part of the loans or debts, raised or incurred, by or on behalf of the Company, or any interest payable thereon, and shall be entitled to receive such payments as consideration for the giving of such guarantee, as may be determined, by the Directors, with power to indemnify the guarantors, from or against liability under their guarantee by means of a mortgage or charge on the undertaking of the Company, or any of its property, or assets or otherwise.

19. FOREIGN REGISTER

(i) The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register. (ii) The Board may make and vary such regulations as it may think fit respecting the keeping of any such register.

20. CHIEF EXECUTIVE OFFICER/MANAGER/SECRETARY/CHIEF FINANCIAL OFFICER

(i) Subject to the provisions of the Act—

(a) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may 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. The Board may appoint one or more chief executive officers for its multiple businesses.

(b) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(c) 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.

(ii) Manager or Secretary may be appointed in accordance with Regulations 77 and 78 of Table 'F' of the Act.

21. MANAGING DIRECTOR

(i) (a) Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him to the Board at their meetings.

(b) Subject to the provisions of Act and Rules and Schedule of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

(c) Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

22. NOMINATION OF A PERSON AS A DIRECTOR BY THE DEBENTURE TRUSTEE

(i) The Board shall appoint a person nominated by the Debenture Trustee as Director on the Board of the Company in the event that the Company has defaulted in terms of clause (e) of sub-regulation (1) of

Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time, for its listed debt securities.

Provided further in the event the Debenture Trustee ceases to be the Debenture Trustee of the Company for its listed debt securities or the default is made good, whichever is earlier, such Director appointed shall cease to be a Director on the Board.

(ii) Nothing in this sub-article shall apply in the event that the Debenture Trustee fails to prove beyond doubt that the Company has defaulted in terms of clause (e) of sub regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time, for its listed debt securities.

23. DIVIDENDS AND RESERVE

(i) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

(ii) Subject to the provisions of the Act, 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.

(iii) (a) 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.

(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(iv) (a) 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.

(b) No amount paid or credited as paid on a share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the share, including to confer a right to dividend or to participate in profits.

(c) 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.

(v) (a) 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.

(b) The Board may retain dividends payable upon shares in respect of which any person is, entitled to become a member, until such person shall become a member in respect of such shares.

(vi) (a) 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.

(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(c) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

(vii) 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.

Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

(viii) No dividend shall bear interest against the Company

(a) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

(b) The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration to any Shareholder entitled to payment of the dividend, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

(c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board. All unpaid and unclaimed dividends shall be dealt with in accordance with the provisions of Sections 124 and 125 of the Act and rules made thereunder.

(d) Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

24. ACCOUNTS

(i) (a) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.

(b) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board. or by the Shareholders in general meeting.

25. FINANCIAL STATEMENTS

The Directors shall lay before each Annual General Meeting, financial statements for the financial year of the Company audited by a qualified chartered accountant under the provisions of the Act.

26. AUDIT

(i) The first auditors of the Company shall be appointed by the Board within 30 (thirty) days after its incorporation who shall hold office till the conclusion of the first Annual General Meeting.

(ii) The Directors may fill up any casual vacancy in the office of the auditors.

(iii) The remuneration of the auditors shall be fixed by the Company in General Meeting or by Board if authorised by shareholders of the Company.

27. WINDING UP

(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 in 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 member 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 trust for the benefits of the contributors as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any share or such other securities whereon there is any liability.

(iv) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to their liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

28. SECRECY

Every Director, Chairman, Managing Director, Manager, Auditor Member of the Committee, Officer, Servant Agent, Accountant or other persons employed in the business of the Company shall observe strict secrecy in respect of all transactions of the company.

29. INDEMNITY & INSURANCE

(i) Subject to the provisions of Section 197 of the Act, every officer or agent for the time being of Company shall be indemnified out of the assets of the Company, to pay all costs, losses and expenses (including travelling expenses) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses or against any bonafide liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court.

(ii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

30. GENERAL POWER

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 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.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights and obligations of certain Shareholders pursuant to the Shareholders' Agreements read with the SHA Amendment Agreement. For more details on the Shareholders' Agreements and the SHA Amendment Agreement, see "*History and Certain Corporate Matters – Key Terms of all Subsisting Shareholders Agreements and Investment Agreements*" on page 298.

SECTION XI: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the 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 between 10:00 a.m. and 5:00 p.m. IST on all Working Days, and shall be available for inspection on our website at www.herofincorp.com/investor-relations from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

(1) Offer Agreement dated July 31, 2024, amongst our Company, the Selling Shareholders and the BRLMs.

(2) Registrar Agreement dated July 31, 2024, amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

(3) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Public Offer Account Bank and the Refund Bank(s).

(4) Share Escrow Agreement dated [●] amongst the Selling Shareholders, our Company, and the Share Escrow Agent.

(5) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs and Syndicate Members.

(6) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, and the Underwriters.

(7) Monitoring Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of updated MoA and AoA, amended from time to time.

2. Certificate of incorporation dated December 16, 1991, under the name 'Hero Honda Finlease Limited' issued by the Registrar of Companies, Delhi and Haryana to our Company.

3. Certificate for commencement of business dated January 13, 1992.

4. Fresh certificate of incorporation dated July 26, 2011 consequent upon change of name of our Company from '*Hero Honda Finlease Limited*' to '*Hero FinCorp Limited*' issued by the Registrar of Companies, NCT of Delhi and Haryana.

5. Certificate of registration dated September 1, 2011, granted by the RBI, pursuant to change of name of our Company from '*Hero Honda Finlease Limited*' to '*Hero FinCorp Limited*'.

6. Resolution of the Board of Directors dated May 29, 2024 authorising the Offer and other related matters.

7. Resolution of the Shareholders of our Company dated June 30, 2024 authorising the Fresh Issue and other related matters

8. Resolution of the Board of Directors dated July 29, 2024 approving the DRHP.

9. Resolution of the Board of Directors dated July 29, 2024 and resolution of IPO Committee dated July 31, 2024, taking on record consents of the Selling Shareholders.

10. Consent letters and authorisations from each of the Selling Shareholders, as applicable, authorising their participation in the Offer.

11. Consent dated July 31, 2024, from our Joint Statutory Auditors, namely, Price Waterhouse LLP and B.R. Maheshwari & Co. LLP 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 in respect of their examination report dated July 29, 2024, on the Restated Consolidated Financial Information; and such consents has not been withdrawn as on the date of this DRHP.

12. The examination report dated July 29, 2024, of our Joint Statutory Auditors on the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus.

13. The statement of special tax benefits dated July 31, 2024, from B.R. Maheshwari & Co. LLP.

14. Certificate dated July 31, 2024, from B.R. Maheshwari & Co. LLP, the Independent Chartered Accountant with respect to our key performance indicators

15. Consents of our Directors, Company Secretary and Compliance Officer, legal counsels, Bankers to our Company, Banker(s) to the Offer, the BRLMs, Syndicate Members and the Registrar to the Offer.

16. Consent Letter dated B.R. Maheshwari & Co. LLP from July 31, 2024 Chartered Accountants from ICAI, 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 Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

17. Industry Report titled "*Report on Loans and Financial Services Industry in India*" dated July 30, 2024, prepared and issued by CRISIL MI&A, commissioned and paid for by our Company, exclusively for the purpose of this Offer.

18. Consent letter from CRISIL dated July 30, 2024 for the CRISIL Report.

19. Copies of annual reports of our Company for the preceding three Financial Years.

20. The shareholders' agreement dated January 24, 2020, entered into by and amongst our Company, Bahadur Chand Investments Private Limited, Hero MotoCorp Limited, BMOP, Hero InvestCorp Private Limited, Munjal Acme Packaging Systems Private Limited and Apis Growth II (Hibiscus) Pte. Ltd, as amended by way of an amendment agreement dated January 31, 2022 and Apis Amendment Agreement.

21. The shareholders' agreement dated January 31, 2022, entered into by and amongst our Company, Bahadur Chand Investments Private Limited, Hero MotoCorp Limited, BMOP, Hero InvestCorp Private Limited, Munjal Acme Packaging Systems Private Limited, JM Financial Credit Solution Limited and JM Financial Products Limited, as amended by amendment agreement dated February 11, 2022 and JM Shareholders' Amendment Agreement.

22. The shareholders' agreement dated January 31, 2022, entered into by and amongst our Company, Bahadur Chand Investments Private Limited, Hero MotoCorp Limited, BMOP, Hero InvestCorp Private Limited, Munjal Acme Packaging Systems Private Limited and AHVF II Holdings Singapore II Pte. Ltd., as amended by amendment agreement dated February 11, 2022 and AHVF Amendment Agreement.

23. The investment agreement dated September 13, 2016 entered into by and amongst our Company, Bahadur Chand Investments Private Limited, Hero MotoCorp Limited, BMOP, Hero InvestCorp Private Limited, Munjal Acme Packaging Systems Private Limited and LC Hercules (Cayman) Limited, as amended by amendment agreements dated February 13, 2020, January 31, 2022 and November 27, 2023, a deed of adherence dated November 27, 2023 and LC Investment Amendment Agreement.

24. The investment agreement dated September 9, 2016 entered into by and amongst our Company, Bahadur Chand Investments Private Limited, Hero MotoCorp Limited, BMOP, Hero InvestCorp Private Limited, Munjal Acme Packaging Systems Private Limited, Otter Limited and Link Investment Trust (pursuant to a deed of adherence dated September 30, 2016) amended by way of an amendment agreements dated January 31, 2020 and January 31, 2022 and Otter Amendment Agreement.

25. Due diligence certificate dated July 31, 2024 addressed to SEBI from the BRLMs.

26. In-principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

27. Tripartite agreement dated May 6, 2016, amongst our Company, CDSL and the Registrar to our Company.

28. Tripartite agreement effective as of June 23, 2018 amongst our Company, NSDL and the Registrar to our Company.

29. SEBI final observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if 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 or, guidelines or, regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Renu Munjal

Whole- time Director

Date: July 31, 2024

Place: Dubai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules or, guidelines or, regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Dr. Pawan Munjal

Chairman and Non- Executive Director

Date: July 31, 2024

Place: Paris

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sanjay Kukreja

Non-Executive Director

Date: July 31, 2024

Place: New Delhi

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules or, guidelines or, regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. We further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

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Pradeep Dinodia
Non-Executive Director

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Abhimanyu Munjal
Managing Director and Chief Executive Officer

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Sajin Purushothaman Mangalathu
Chief Financial Officer

Place: Delhi
Date: July 31, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Paramdeep Singh

Independent Director

Date: July 31, 2024

Place: New York, USA

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Amar Raj Singh Bindra

Independent Director

Date: July 31, 2024

Place: Hong Kong

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Anuranjita Kumar

Independent Director

Date: July 31, 2024

Place: Lausanne Switzerland

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Aparna Popat Ved

Independent Director

Date: July 31, 2024

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kaushik Dutta

Independent Director

Date: July 31, 2024

Place: New Delhi

DECLARATION

We, AHVF II Holdings Singapore II Pte. Ltd., acting as a Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a 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 statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY/FOR AND ON BEHALF OF AHVF II HOLDINGS SINGAPORE II PTE. LTD.

Authorised Signatory

Name: Lim Chee Siong

Designation: Director

Place: Singapore

Date: July 31, 2024

DECLARATION

We, APIS Growth II (Hibiscus) Pte. Ltd., acting as a Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a 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 statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY/FOR AND ON BEHALF OF APIS GROWTH II (HIBISCUS) PTE. LTD.

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Authorised Signatory

Name: Lu Yuquan

Designation: Director

Place: Singapore

Date: July 31, 2024

DECLARATION

We, Link Investment Trust (through Vikas Srivastava), acting as a Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a 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 statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY/FOR AND ON BEHALF OF LINK INVESTMENT TRUST (THROUGH VIKAS SRIVASTAVA)

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Authorised Signatory

Name: Ashley Menezes

Designation: Authorised Signatory

Place: New Delhi

Date: July 31, 2024

DECLARATION

We, Otter Limited, acting as a Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a 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 statements, disclosures and undertakings made or confirmed by or relating to the Company, any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY/FOR AND ON BEHALF OF OTTER LIMITED

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Authorised Signatory

Name: Louis Michael Kirsley Calisse

Designation: Director

Place: Ebene

Date: July 31, 2024

ANNEXURE A

PARTIAL LIST OF ALLOTTEES

(i) **List of Partial Allottees of Hero FinCorp Limited (formally known as "Hero Honda Finlease Limited")**

Allotment dated on March 30, 1992

Folio No.	Name	No of Equity Shares Allotted
1	Hero Honda Motors Limited	240000
2	Mr. Om Prakash Munjal	10
3	Mr. Pawan Kant Munjal	10
4	Mrs. Renu Munjal	10
5	Mr. Yogesh Munjal	10
6	Mr. Ashok Munjal	10
7	Mr. Karna Singh Mehta	10
8	B. P. Adarsh	1000
9	Ashok Kumar Agarwal	1000
10	Binod Kumar Agarwal	1000
11	Dhaneshwari Devi Agarwal	1000
12	Mahesh Kumar Agarwal	700
13	Mithu Kumar Agarwal	1000
14	Naresh Kumar Agarwal	3000
15	Ramesh Chandra Agarwal	700
16	Shri ram Agarwal	700
17	Sunita Devi Agarwal	1000
18	Urmila Devi Agarwal	400
19	Harsukh Agravat	2400
20	Ayashriben Agarvat	1900
21	Nitin Kumar Agrawat	1900
22	Pushpa Agarwal	500
23	Shyam Sunder Agarwal	500
24	S. Gazala Akber	1500
25	RM Alamelu	1000
26	Bindiganaule Anjan	4000
27	KN Annamalai	1000
28	Tilakraj Arora	15000
29	Sokan	2500
30	Annapurna Badam	1300
31	Jayaram Gopal Badam	1300
32	M R Kasturi Bai	1000
33	Dhrambir Bansal	1200
34	Sudhakar Basapati	2000
35	Daljit Singh Basoor	2500
36	Trilochan Singh Basoor	2500
37	AmerJit Kaur Bedi	2500
38	Kawarpal Singh Bedi	5000
39	Palinder Singh Bedi	5000
40	Uspinder Kaur Bedi	2500
41	Rajiv Y Bhale	15000
42	Sunil PandhariNath Bhandarkar	500
43	Suresh P Bhandarkar	500
44	Vibha Suresh Bhandarkar	500
45	Momandas Bhardwaj	2000
46	Rajiv Bhargava	500
47	Raj Kr. Bhatia	500
48	Rehanabibi Nizammudin Bhurawala	2000
49	Abdulaziz Umarbhai Bhurawala	2000
50	Mehjabil Rashidahmad Bhurawala	2000
51	Nizammudin Abdullahziz Bhurawala	2000
52	Rashidahmed A Bhurawala	2000
53	Bharat Bhushan	200
54	Anil Borawake	1700
55	Nitin Borawake	1600
56	prabhakar Borawake	1700
57	Indu Bhushan Chandhok	500
58	Sudhir Chandhoke	500
59	Swaminath Chaubey	200

Folio No.	Name	No of Equity Shares Allotted
60	vishwajeet Ranjit Chauhan	5000
61	Seeta Ranjeet chauhan	5000
62	Shiv Kumar Ranjeet Chauhan	5000
63	Mamta Devi Chitlangia	200
64	panchappa Chitriki	2000
65	panchappa Chitriki	1000
66	Prem Nath Chopra	500
67	Geogo TD	4500
68	Saikrishna Dasari	1300
69	Veera surya Kantam Dasari	1300
70	Ganshyam R dave	1000
71	Manisha R Dave	1000
72	prabhavati R Dave	1000
73	Sathyanarayanan R Dave	1000
74	Srihari R Dave	1000
75	Hasmukh T Desai	500
76	Smita M Desai	1000
77	vasantaben P desai	1000
78	Ramalingeswara Rao Devabhakton	1000
79	brij Rani Devi	1000
80	M S Sarvana Devi	2500
81	Shyamala Devi	2000
82	Bina Dhru	3000
83	hemant Dhru	3000
84	Natvar Lal D Dhru	3000
85	Rajesh Dhru	3000
86	Suraxa Dhru	3000
87	Abhay Kumar kanaihlal Doshi	500
88	Narendra r kanaihlal Doshi	500
89	Falguni P Doshi	700
90	Hemendra S Doshi	500
91	Jaya Kumar D Doshi	800
92	Narendra Kumar S Doshi	500
93	Arun Dua	1000
94	Surendra Kumar Dua	1000
95	Kamlesh Dutta	1500
96	Manob dutta	1500
97	Kasiratnam Dwarampurdi	500
98	Subbareddy Dwarampurdi	500
99	Suryareddy Dwarampurdi	1000
100	Usharani Dwarampurdi	500
101	Miss Madhavi Gali	7500
102	Miss Radha Gali	7500
103	Rajkumar Gandhi	1200
104	Sajan Kumar Gandhi	1200
105	Narendra Kumar Garg	1000
106	Nirmal garg	1500
107	Shushama garg	1500
108	Shashi Gehlot	2000
109	T D Girish	2000
112	Akhilesh Goyal	2000
113	Sonu Goyel	2000
114	Ajay Kumar Gupta	1000
115	Anu Gupta	1000
116	Ashok Gupta	1500
117	Jagdish Chander Gupta	500
118	Mangat Gupta	1500
119	Rajesh Gupta	1000
120	Sarla gupta	1500
121	Shalini Gupta	1000
122	Suman Gupta	1000
123	Sunderlal Gupta	1000
124	Rubab Harris	1700
125	Radha J	10000
126	Rajesh Jagwani	1000
127	Sailash jagwani	1000
128	Topan Jagwani	1000

Folio No.	Name	No of Equity Shares Allotted
129	Anita Jain	500
130	Anurag Jain	1000
131	Arun Kumar Jain	500
132	Arun Kumar Jain	1000
133	Bimal Kumar Jain	1000
134	Jai Kumar Jain	1000
135	Jaishree Parakash Jain	3400
136	Jyoti Sanjay jain	1500
137	Kamla Jain	1000
138	kamlesh jain	500
139	Krishan G Jain	2000
140	Meena Jain	500
141	Rohit Jain	1000
142	Padam Kumar Jain	2500
143	Poonam Jain	500
144	Pradeep Jain	2000
145	Prakash Kubhchand Jain	3400
146	Praveen Jain	500
147	Raj Kumar Jain	500
148	Rajni Jain	500
149	Ramesh Kumar jain	500
150	Renu Jain	1500
151	Sanjay Jain	3500
152	Sanjeev Jain	2000
153	Santosh Jain	500
154	Saroj Jain	500
155	Savita Jain	500
156	Smita Jain	1000
157	Sudhish Chand Jain	500
158	Suman Jain	1000
159	Sunil Kumar Jain	1500
160	Sunita Jain	500
161	Bimla Jain	500
162	Arun Jalan	500
163	Subramanyam Jallipalli	1000
164	Jayant Devendra Jasani	500
165	B. P. Jeevan	500
166	Archana Kamath	2500
167	Jayashree Kamath	2500
168	Revathi L kamath	2500
169	Lakshmi Kambhampati	15000
170	Asha Kapoor	1000
171	Gopal Krishna Kapoor	1000
172	Hari kapoor	500
173	Manish kapoor	1000
174	Prabha Kapoor	1500
175	Rajkumari Kapoor	1000
176	Ramashanker Kapoor	1000
177	Sanjay Kapoor	1000
178	Sunil kapoor	1000
179	Vijayi Narain kapoor	500
180	Jagdishwara Reddy Karri	500
181	Surya Narayan Reddy Karri	500
182	Devender Jeet Kaur	1000
183	Gunwant Kaur	1500
184	Kartar Kaur	500
185	M Sunil Keerthi	2500
186	Ajay Khanna	1500
187	Deepak Khanna	1500
188	Madhu Khanna	1500
189	Neeru Khanna	1500
190	Rajesh Khanna	1500
191	Rita Khanna	2000
192	Sunil Khanna	1500
193	Suresh Khanna	1000
194	Harpreet Kaur Kohli	5000
195	Jagdeep Kaur Kohli	5000

Folio No.	Name	No of Equity Shares Allotted
196	Narinder Kaur Kohli	5000
197	RamaRao Kola	2500
198	Ramarao Kola	500
199	Subbrao Kola	500
200	Bipin Kumar Kubavat	1900
201	Sanjiv Kumar	1000
202	Sudhir Kumar	600
203	Vikhil Kusungar	2000
204	Punit Kusungar	2000
205	Rasilaben Kusungar	2000
206	Arif Bhai Haroon Shai lakhani	2500
207	Aysubai Haroonbhai lakhani	2500
208	Halima Banu Arif Bhai lakhani	2500
209	Haroonbhai Usmanbhai lakhani	2500
210	G. Baby Vijaya Lakshmi	2500
211	Autoriders Finance Limited	15000
212	Gopal Lodha	1900
213	Roshni Lodha	1900
214	Dr. Geetha M	2500
215	Venkatavijay Kumar Malisetty	1000
216	K Manuharan	2500
217	Promod kumar Megotia	1000
218	Renu Devi Megotia	2000
219	Sanjay Kumar Megotia	2000
220	Santosh Mehta	1200
221	Aman Mehta	1200
222	Anpurna Memby	2000
223	Shiva Prakash Memby	2000
224	Sriniwas Memby	2000
225	Veena Memby	2000
226	Ramakrishna Rao Meruva	500
227	Shivshankar Prasad meruva	2000
228	Ashish P Modi	2500
229	Pallawi K Modi	2500
230	Pramod Chandra M Modi	2500
231	Ratna S Modi	1500
232	Subhash Chandra M Modi	1500
233	Subhash Chandra M Modi	2000
234	Usha P Modi	2500
235	Kiran Kumar C Mody	2500
236	Rehana Mustafa	5000
237	Shabbir K Mustafa	5000
238	Kanta Nagpal	1900
239	Nina Nagpal	1900
240	Pawan Nagpal	1900
241	Punit Nagpal	1900
242	Seema Nagpal	1900
243	Vedvati Nagpal	500
244	kunnath unnikrishnan Nair	2000
245	Narendra Kumar Niranjani	1900
246	Harjinder Kaurji Nirh	2000
247	Harpreet Kaur Nirh	2000
248	Harpreet Kaur Nirh	4000
249	Harpreet Singh Nirh	2000
250	Annish Kumar Oberoi	5000
251	Arvind Kumar oberoi	5000
252	Mohit Oswal	1000
253	Sarita Oswal	1000
254	H. padmanabhaiah	1000
255	M. palaniappan	1000
256	H. Parameshwara	7500
257	Jyothi Ben J Parikh	7500
258	Jaswant Bhai N Patel	1000
259	Manu Bhai N Patel	1000
260	Narottam Das K Patel	1000
261	Parvin Kumar N Patel	1000
262	Rajendra Kumar N Patel	1000

Folio No.	Name	No of Equity Shares Allotted
263	Anil Kalgonda Patil	2000
264	Deepak Kalgonda Patil	2000
265	jaydeep Singh patil	7500
266	kiran J patil	10000
267	Rajindrasingh R patil	7500
268	vijayabhai Annasaheb Patil	2000
269	Vimla Jay Kumar Patil	2000
270	Ashok Kalgonda Patil	2000
271	Hemant K Patwa	7500
272	Javant k Patwa	7500
273	Kumari Peddinti	2000
274	Parasurama Rao peddyinti	3500
275	S ponnuswamy	7500
276	M Jwalaprasad	2500
277	M PADMA PRASAD	3500
278	Satya Narain Prasad	1000
279	K G Premnath	1500
280	D Pushpamammal	2500
281	N Rathnavarama raja	500
282	Chinthamani Raja shekhar	1000
283	H Rajalakhsmi	400
284	Chinthamani Ramachander	2000
285	M Ramsamay	1000
286	Rambabu reddy	500
287	Rajiv Sabhlok	5000
288	Sonia Sabhlok	4000
289	Sudershan Sabhlok	5000
290	Rajender Kumar Sabhlok	5000
291	Janak Sablok	1000

(ii) **List of Partial Allottees of Hero FinCorp Limited (formally known as "Hero Honda Finlease Limited") allotment dated on May 19, 1992, May 22, 1992 and June 10, 1992**

Folio No.	Name of Shareholder	No of Shares Allotted
1	M/s. Hero Honda Motors Limited	930,010
2	Mr. Om Prakash Munjal	10
3	Mr. Pawan Kant Munjal	10
4	Mrs. Renu Munjal	10
5	Mr. Yogesh Munjal	10
6	Mr. Ashok Munjal	10
7	Mr. Karna Singh Mehta	10
8	B.P. Adarsh	1,000
9	Ashok Kumar Agarwal	1,000
10	Binod Kumar Agarwal	1,000
11	Dhaneshwari Devi Agarwal	1,000
12	Mahesh Kr. Agarwal	700
13	Mithu Kumar Agarwal	1,000
14	Naresh Kumar Agarwal	3,000
15	Ramesh Chandra Agarwal	700
16	Sri Ram Agarwal	700
17	Sunita Devi Agarwal	1,000
18	Urmila Devi Agarwal	400
19	Harsukh Agrawat	2,400
20	Jayashriben Agrawat	1,900
21	Nitin Kumar Agrawat	1,900
22	Pushpa Agarwal	500
23	Shyam Sunder Agarwal	500
24	S Gazala Akber	1,500
25	RM Alamelu	1,000
26	Bindiganaule Anjan	4,000
27	KN Annamalai	1,000
28	Tilakraj Arora	15,000
29	K Asokan	2,500
30	Annapurna Badam	1,300
31	Jayaram Gopal Badam	1,300
32	HR Kasturi Bai	1,000
33	Dhrambir Bansal	1,200
34	Sudhakar Basapati	2,000
35	Daljit Singh Basoor	2,500
36	Trilochan Singh Basoor	2,500
37	Amerjit Kaur Bedi	2,500
38	Kawarpal Singh Bedi	5,000
39	Palinder Singh Bedi	5,000
40	Uspinder Kaur Bedi	2,500
41	Rajiv Y Bhalle	3,000
42	Sunil Pandharinath Bhandarkar	500
43	Suresh P Bhandarkar	500
44	Vibha Suresh Bhandarkar	500
45	Mohandas Bharadwaj	2,000
46	Rajiv Bhargava	500
47	Raj Kr. Bhatia	500
48	Rehanabibi Nizamuddin Bhurawal	2,000
49	Abdulaziz Umarbhai Bhurawala	2,000
50	Mehjabil Rashidahmed Bhurawal	2,000
51	Nizamuddin Abdulaziz Bhurawal	2,000
52	Rashidahmed A Bhurawal	2,000
53	Bharat Bhushan	200
54	Anil Borawake	1,700
55	Nitin Borawake	1,600
56	Prabhakar Borawake	1,700
57	Indu Bhushan Chandhok	500
58	Sudhir Chandhok	500
59	Swami Nath Chaubey	200
60	Bisvajeet Ranjeet Chauhan	5,000
61	Geeta Ranjeet Chauhan	5,000
62	Shivkumar Ranjeet Chauhan	5,000
63	Mamta Devi Chitlangia	200
64	Panchappa Chitriki	2,000

Folio No.	Name of Shareholder	No of Shares Allotted
65	Panchappa Chitriki	1,000
66	Prem Nath Chopra	500
67	Geogo TD	4,500
68	Saikrishna Dasari	1,300
69	Veera Surya Kantam Dasari	1,300
70	Ganshyam R. Dave	1,000
71	Manisha R. Dave	1,000
72	Prabhavathi R. Dave	1,000
73	Sathyanarayanan R. Dave	1,000
74	Srihari R. Dave	1,000
75	Hasmukh T. Desai	500
76	Smita M. Desai	1,000
77	Vasantaben P. Desai	1,000
78	Ramlingeswara Rao Devabhakton	1,000
79	Brij Rani Devi	1,000
80	M S Saravana Devi	2,500
81	Shyamala Devi	2,000
82	Bina Dhru	3,000
83	Hemant Dhru	3,000
84	Natverlal Dhru	3,000
85	Rajesh Dhru	3,000
86	Suraxa Dhru	3,000
87	Abhay Kumar Kanaihlal Doshi	500
88	Dharmendra Kanaihlal Doshi	500
89	Falguni P Doshi	700
90	Hemendra S Doshi	500
91	Jayakumar D Doshi	800
92	Narendra Kumar S Doshi	500
93	Arun Dua	1,000
94	Surendra Kumar Dua	1,000
95	Kamalesh Dutta	1,500
96	Manob Dutta	1,500
97	Kasiratnam Dwarampudi	500
98	Subbareddy Dwarampudi	500
99	Surareddy Dwarampudi	1,000
100	Usharani Dwarampudi	500
101	Miss Madhavi Gali	7,500
102	Radha Gali	7,500
103	Rajkumar Gandhi	1,200
104	Sajan Kumar Gandhi	1,200
105	Narendra C Garg	1,000
106	Nirmal Garg	1,500
107	Sushama Garg	1,500
108	Shashi Gehlot	2,000
109	T D Girish	2,000
110	Omprakash Goyal	4,000
111	Ravi Goyal	2,000
112	Akhilesh Goyal	2,000
113	Sonu Goyel	2,000
114	Ajay Kumar Gupta	1,000
115	Anu Gupta	1,000
116	Ashok Gupta	1,500
117	Jagdish Chander Gupta	500
118	Mangat Gupta	1,500
119	RAJESH GUPTA	1,000
120	SARLAGUPTA	1,500
121	SHALINI GUPTA	1,000
122	SUMAN GUPTA	1,000
123	Sunderlal Gupta	1,000
124	RUBAB HARRIS	1,700
125	RADHA.J	10,000
126	RAJESH JAGWANI	1,000
127	SAILASH JAGWANI	1,000
128	TOPAN JAGWANI	1,000
129	ANITA JAIN	500
130	ANURAG JAIN	1,000
131	ARUN KUMAR JAIN	500

Folio No.	Name of Shareholder	No of Shares Allotted
132	ARUN KUMAR JAIN	1,000
133	Bimal Kumar Jain	1,000
134	JAi KUMAR JAIN	1,000
135	JAISHREE PRAKASH JAIN	3,400
136	Jyoti Sanjay Jain	1,500
137	KAMLA JAIN	1,000
138	KAMLESH JAIN	500
139	Krishan G Jain	2,000
140	MEENA JAIN	500
141	MOHIT JAIN	1,000
142	PADAM KUMAR JAIN	2,500
143	POONAM JAIN	500
144	PRADEEP JAIN	2,000
145	PRAKASH KUBCHAND JAIN	3,400
146	PRAVEEN JAIN	500
147	RAJ KUMAR JAIN	500
148	RAJNI JAIN	500
149	RAMESH KUMAR JAIN	500
150	Renu Jain	1,500
151	Sanjay Jain	3,500
152	SANJEEV JAIN	2,000
153	SANTOSH JAIN	500
154	SAROJ JAIN	500
155	SAVITA JAIN	500
156	Smita Jain	1,000
157	SUDHISH CHAND JAIN	500
158	SUMAN JAIN	1,000
159	Sunil Kumar Jain	1,500
160	SUNITA JAIN	500
161	BIMLA JAIN	500
162	ARUN JALAN	500
163	SUBRAMANYAM JALLIPALLI	1,000
164	JAY ANT DEVENDRA JASANI	500
165	B.PJEEVAN	500
166	ARCHANA KAMATH	2,500
167	JAYASHREE KAMATH	2,500
168	REVATHI L KAMATH	2,500
169	LAKSHMI KAMBHAMPATI	15,000
170	ASHA KAPOOR	1,000
171	Gopal Krishna Kapoor	1,000
172	Hari Kapoor	500
173	Manish Kapoor	1,000
174	Prabha Kapoor	1,500
175	Rajkumar Kapoor	1,000
176	Ramashanker Kapoor	1,000
177	Sanjay Kapoor	1,000
178	Sunil Kapoor	1,000
179	Vijai Narain Kapoor	500
180	Jagdishwara Reddy Karri	500
181	Surya Narayan Reddy Karri	500
182	Devender Jeet Kaur	1,000
183	Gunwant Kaur	1,500
184	Kartar Kaur	500
185	M Sunil Keerthi	2,500
186	Ajay Khanna	1,500
187	Deepak Khanna	1,500
188	Madhu Khanna	1,500
189	Neeru Khanna	1,500
190	Rajesh Khanna	1,500
191	Rita Khanna	2,000
192	Sunil Khanna	1,500
193	Suresh Khanna	1,000
194	Harpreet Kaur Kohli	5,000
195	Jagdeep Singh Kohli	5,000
196	Narinder Kaur Kohli	5,000
197	Ramarao Kola	2,500
198	Ramarao Kola	500

Folio No.	Name of Shareholder	No of Shares Allotted
199	Subbarao Kola	500
200	Bipin Kumar Kubavat	1,900
201	Sanjiv Kumar	1,000
202	Sudhir Kumar	600
203	Nikhil Kusumgar	2,000
204	Punit Kusumgar	2,000
205	Rasilaben Kusumgar	2,000
206	Arif Bhai Haroon Bhai Lakhani	2,500
207	Aysubai Haroon Bhai Lakhani	2,500
208	Halima Banu Arif Bhai Lakhani	2,500
209	Haroon Bhai Usmanbhai Lakhani	2,500
210	G Baby Vijaya Lakshmi	2,500
211	Autoriders Finance Limited	15,000
212	Gopal Lodha	1,900
213	Roshni Lodha	1,900
214	Dr. Geetha M	2,500
215	Venkatavijay Kumar Malisetty	1,000
216	K Manoharan	2,500
217	Pramod Kumar Megotia	1,000
218	Renu Devi Megotia	2,000
219	Sanjay Kumar Megotia	2,000
220	Santosh Mehta	1,200
221	Raman Mehta	1,200
222	Annapurna Memby	2,000
223	Shiva Prakash Memby	2,000
224	Sriniwas Memby	2,000
225	Veena Memby	2,000
226	Ramakrishna Rao Meruva	500
227	Sivasankarprasad Meruva	2,000
228	Ashish P Modi	2,500
229	Pallavi K Modi	2,500
230	Pramod Chandra M Modi	2,500
231	Ratna S Modi	1,500
232	Subhash Chandra M Modi	1,500
233	Subhash Chandra M Modi	2,000
234	Usha P Modi	2,500
235	Kiran Kumar C Mody	2,500
236	Rehana Mustafa	5,000
237	Shabbir K Mustafa	5,000
238	Kanta Nagpal	1,900
239	Nina Nagpal	1,900
240	Pavan Nagpal	1,900
241	Punit Nagpal	1,900
242	Seema Nagpal	1,900
243	Vedvati Nagpal	500
244	Kunnath Unnikrishanan Nair	2,000
245	Narendra Kumar Niranjani	1,900
246	Harjinder Kaurji Nirh	2,000
247	Harpreet Kaur Nirh	2,000
248	Harpreet Kaur Nirh	4,000
249	Harpreet Kaur Nirh	2,000
250	Annish Kumar Oberai	5,000
251	Arvind Kumar Oberai	5,000
252	Mohit Oswal	1,000
253	Sarita Oswal	1,000
254	H.P. Padmanabhaih	1,000
255	M PALANIAPPAN	1,000
256	H PARAMESHWARA	7,500
257	JYOTHI BEN J PARIKH	7,500
258	JASWANT BHAI N PATEL	1,000
259	MANU BHAI N PATEL	1,000
260	NAROTTAM DAS K PATEL	2,000
261	PARVIN KUMAR N PATEL	1,000
262	RAJENDRA KUMAR N PATEL	1,000
263	ANIL KALGONDA PATIL	2,000
264	DEEPAK KALGONDA PATIL	2,000
265	JAIDEEP SINGH PATIL	7,500

Folio No.	Name of Shareholder	No of Shares Allotted
266	KIRAN J PATIL	10,000
267	RAJENDRASINGH R PATIL	7,500
268	VIJAYABHAI ANNASAHEB PATIL	2,000
269	VIMLA JAYKUMAR PATIL	2,000
270	ASHOK KALGONDA PATIL	2,000
271	HEMANT K PATWA	7,500
272	JAYANT K PATWA	7,500
273	KUMARI PEDDINTI	2,000
274	PARASURAMA RAO PEDDINTI	3,500
275	S PONNUSWAMY	7,500
276	M JWALA PRASAD	2,500
277	M PADMA PRASAD	3,500
278	SATYA NARAIN PRASAD	1,000
279	KGPREMNATH	1,500
280	D PUSHPAMAMMAL	2,500
281	N RATHNAVARAMA RAJA	500
282	CHINTHAMANI RAJASEKHAR	1,000
283	H RAJLAKSHMI	400
284	CHINTHAMANI RAMACHANDRA	2,000
285	M.RAMSAMY	1,000
286	RAMBABU REDDY M	500
287	RAJIV SABHLOK	5,000
288	SONIA SABHLOK	4,000
289	SUDERSHAN SABHLOK	5,000
290	RAJENDRAKUMAR SABLOK	5,000
291	JANAK SABLOK	1,000
292	MANHORLAL SABLOK	2,500
293	SABINA SABLOK	5,000
294	VED KUMARI SABLOK	2,500
295	ASHOK KR. SACHDEVA	500
296	SANJAY URESH REDDY SACHDEVA	500
297	BAL KRISHN SAH	2,000
298	CHEDDI LAL SAH	2,000
299	PARKASH KR SAH	1,000
300	SUNIL KRSAH	2,000
301	TARA DEVI SAH	1,000
302	SANDEEP	1,800
303	HR SANJAY	1,000
304	HEMA VENKATESH MURTHY SAPTAGIR	1,000
305	MAHENDRA KUMAR SARAOGI	5,000
306	SANJEEV SARAOGI	500
307	SANTOSH KUMAR SARAOGI	5,000
308	SUBODH SARAOGI	500
309	SUDHA SARAOGI	500
310	KRISHNAREDDY SATHI	1,000
311	PADMASETHI	1,200
312	AJAY KUMAR A. SHAH	1,000
313	AMIT KUMAR SHAH	200
314	ANIL KR. RAMANIKLAL SHAH	1,000
315	ARUNAGOWRI A SHAH	1,000
316	ASHISH JEETENDRA SHAH	300
317	BIPIN R SHAH	2,500
318	DEEPIKA A. SHAH	1,000
319	HANSABEN SHAH	2,500
320	HEENA ANIL KUMAR SHAH 320	300
321	HEMANT T SHAH	5,000
322	HIRALAL SAKHARAM SHAH	3,000
323	HITESH R SHAH	2,500
324	JASWANT RAIRAMANIKLAL SHAH	500
325	JAYAKAR R SHAH	2,500
326	JAYANT PARAMANAND SHAH	2,000
327	JITENDRA SHAH	2,500
328	JITENDRA KR. R. SHAH	500
329	KAJAL JEETENDRA SHAH	300
330	KAMLESH T SHAH	5,000
331	KAVITA NARENDRA KUMAR SHAH	200
332	KIRAN R SHAH	2,500

Folio No.	Name of Shareholder	No of Shares Allotted
333	MUKUND BHAGWANDAS SHAH	500
334	NIRUPA J. SHAH	500
335	NITANT HIRALAL SHAH	3,000
336	PRAFUL LHANOULAL SHAH	200
337	PRATHIBA J. SHAH	500
338	RAKESH JEETENDRA SHAH	200
339	ROSHNI S. SHAH	1,000
340	SANDEEP SHAH	2,500
341	SANGEETA SHAH	2,500
342	SANJAY A SHAH	1,000
343	SEEMA JASWANT RAI SHAH	200
344	SHARADSHAH	2,500
345	SHASHANK HIRALAL SHAH	3,000
346	SWATI NARENDRA KUMAR SHAH	300
347	THAKORLAL SHAH	5,000
348	USHA NARENDRA KR. SHAH	500
349	VIEAS JASWANT RAI SHAH	300
350	S AMER SHARIFF	1,000
351	S MEHABOOB SHARIFF	1,500
352	S OMER SHARIFF	1,000
353	ANJU SINGH	1,500
354	ARWINDAR SINGH	1,000
355	BALWANT SINGH	1,500
356	GHANSHYAM SINGH	2,000
357	JITENDER SINGH	4,800
358	RANDHIR SINGH	1,000
359	RANVIR SINGH	1,500
360	SATINDER SINGH	1,000
361	SHIV SHANKER SINGH	1,500
362	KALAVATHY SIVAKUMARAN	4,000
363	R SIVAKUMARI	7,500
364	S ALAGAMMAI SLAIMANI	600
365	M. SONU	1,000
366	CHINTHAMANI SREENIVASULU	2,000
367	BINDIGANAVLE SRINIVAS	4,000
368	KALAVATHY SUKUMARAN	1,000
369	M SUNDARAM	1,000
370	B. PUTTA SWAMY	1,500
371	INDIRA DEEPAK THAKER	500
372	DAMODAR S THAKUR	1,000
373	JAYA ANANTHI THANGAM	2,500
374	CHHAGANLAL TOSHNIWAL	1,000
375	GHANSHYAMDAS TOSHNIWAL	1,000
376	GOVINO TOSHNIWAL	1,000
377	HARIPRASAD TOSHNIWAL	1,000
378	JUGALKISHORE TOSHNIWAL	1,000
379	ARCHANA ANIL TYAGI	1,200
380	JAISINGH JAIRAM TYAGI	1,200
381	ROSHAN JAISINGH TYAGI	1,200
382	SATISH JAISINGH TYAGI	1,200
383	RVAIRAVAN	1,000
384	V SHANTHI VAIRAVAN	1,000
385	SANKAR RAO VARIGALA	1,500
386	D VARTHARAJ	2,500
387	ANNAPURNA VASISHT	500
388	HEMANT VASISHT	500
389	MVEERENDRA	1,000
390	HEMA SUBRYASETTY VENKATESHMVR	1,000
391	ROJALI VIOLET	2,500
392	HARRIS ZAIN	3,200
393	HANUMAN	300
394	RAMAKBAL	200
395	RANI	100
396	SUDESH	500
397	VIPIN ADLAKHA	500
398	BHAWANI PRASAD AGARWAL	300
399	HUKUM CHAND AGARWAL	500

Folio No.	Name of Shareholder	No of Shares Allotted
400	KALPANA AGARWAL	100
401	LALIT KUMAR AGARWAL	200
402	LAXMI NARAIN AGARWAL	200
403	MOOL CHAND AGARWAL	300
404	PINKI AGARWAL	500
405	PRAMOD KUMAR AGARWAL	200
406	PRAVIN KUMAR AGARWAL	1000
407	PREETI AGARWAL	300
408	RADHEY SHYAM AGARWAL	200
409	RAGHUBAR DAYAL AGARWAL	300
410	RAM NARESH AGARWAL	300
411	RENU AGARWAL	300
412	SANJAY KUMAR AGARWAL	500
413	SAROJ BALA AGARWAL	300
414	SUNIL KUMAR AGARWAL	300
415	DEEPAK AGARWAL	200
416	NARESH KUMAR AGGARWAL	100
417	VIJAY KUMAR AGGARWAL	200
418	VIVEK AGGARWALA	500
419	Aruna Agrawam	1000
420	ASHA AGRAWAL	1000
421	HARIGOPAL AGRAWAL	500
422	RAJNI KANT AGRAWAL	100
423	RASHMI AGRAWAL	1000
424	UMA SHANKER AGRAWAL	1500
425	ALBABAHMAD	500
426	NEHAAHUJA	500
427	PAMELA AHUJA	500
428	RAJIVAHUJA	500
429	RAKESH AHUJA	500
430	SANJEEV AHUJA	500
431	SHASHI AHUJA	1000
432	SONU AHUJA	500
433	GEETA ANAND	5000
434	NARENDER ANGRISH	200
435	ANILARORA	500
436	CHARAN JIT ARORA	200
437	OM PRAKASH ARORA	100
438	PURSHOTTAM LAL ARORA	300
439	RAKESH ARORA	500
440	RAMESH KUMAR ARORA	200
441	SALONI ARORA	500
442	SANJAY ARORA	500
443	SUNIL ARORA	500
444	Tek CHAND ARORA	300
445	L ARUNACHALAM	500
446	HEMANT KUMAR ASHISTA	300
447	ASHRAFI	1000
448	BHARAT SINGH ATER	100
449	VIVEK ATRE	500
450	RAM AVTAR	300
451	ARUN AWASTHY	500
452	ANIL KUMAR BAANATHIA	1000
453	GULJHARI LAL BABAL	300
454	K SURESH BABU	300
455	ASHITHA SHETTY SIRI BAGILU	200
456	FATEH BAHADUR	200
457	ANIL KUMAR BAHL	200
458	JUGAL KISHORE BAJAJ	300
459	SOMNATH BAJAJ	200
460	VIPON K BAJAJ	300
461	ANURAG BAJPAI	500
462	RAJINDER SINGH BAKSHI	100
463	KIRAN BALA	200
464	KAMAL KUMAR BALI	200
465	MAJ. ANAL TOSH BANERJEE	500
466	KANCHAN BANGA	200

Folio No.	Name of Shareholder	No of Shares Allotted
467	HANUMAN PARSAD BANSAL	300
468	NARESH KUMAR BANSAL	200
469	PRABODH KUMAR BANSAL	500
470	RAJ KUMAR BANSAL	500
471	RAJIV BANSAL	200
472	RAKESH BANSAL	300
473	SATISH KUMAR BANSAL	500
474	ONKAR SINGH BANSAL	100
475	RATTAN CHAND BASSI	200
476	RAJESH KUMAR BATRA	200
477	ARUN KUMAR BAJAJ	100
478	ANJU BERRY	1000
479	ARUN BERRY	1000
480	SUNITA BHAGAT	100
481	SHRI BHAGWAN	300
482	K S BHAMBRA	500
483	SUMEET KUMAR BHANDARI	300
484	RANVIR SINGH BHARANGAR	100
485	DESHRAJ BHARDWAJ	100
486	RAMESH CHAND BHARDWAJ	100
487	SATBIR SINGH BHARDWAJ	300
488	SH DINESH CHAND BHARDWAJ	200
489	SUNEEL KUMAR BHARDWAJ	200
490	ANITA BHARGAVA	500
491	DINESH KUMAR BHARGAVA	200
492	M K BHARGAVA	300
493	RAJEEV BHASKAR	200
494	DHIRAJ BHATIA	500
495	RANJEET BHATIA	500
496	SATISH KUMAR BHATIA	200
497	VEENA BHATIA	500
498	YUDHISTHER BHATIA	100
499	DILEEP KUMAR BHATNAGAR	500
500	DINESH BHATNAGAR	200
501	MANOJ KUMAR BHATNAGAR	100
502	BANSHI DHARR BHATT	100
503	INDIRA BHATT	300
504	JAI BHAGWAN	100
505	BHARAT BHUSHAN	300
506	ASHOK BIALA	500
507	HARNISH BINDRA	1900
508	RAVNEESH BINDRA	1900
509	KJS BINDRA HUF	500
510	SUBHAS CHAND BISHWAS	100
511	CHANDER BOSS	200
512	RAJE RAM BUDGUJAR	100
513	SWAMINATHAN C	500
514	INDER SINGH CAPT	500
515	BASUDEV CHAKRABARTY	5000
516	KRISHNENDU CHAKRAVORTY	300
517	DHARAM CHAND	200
518	KISHAN CHAND	1000
519	LAXMICHAND	100
520	RAMESH CHAND	500
521	RAMESH CHAND	300
522	TARA CHAND	100
523	TARA CHAND	300
524	TIRATH CHAND	500
525	MANU CHANDEL	500
526	UMA SHAKTI CHANDEL	500
527	JAGDISH CHANDER	100
528	SHUBHASH CHANDER	100
529	SUBHASH CHANDER	1100
530	DEEPAK CHANDRA	400
531	DEEPAK CHANDRA	100
532	DINESH CHANDRA	200
533	RAMESH CHANDRA	100

Folio No.	Name of Shareholder	No of Shares Allotted
534	RAMESH CHANDRA	400
535	SUSHIL CHANDRA	500
536	HANUMANTHA CHARYA	300
537	AKHILESH KUMAR CHATURVEDI	200
538	ANIL KUMAR CHAUDHARY	100
539	HEMANT CHAUDHARY	500
540	RAJINDER CHAUDHARY	300
541	SHARAT CHAUDHARY	500
542	RAVINDER SINGH CHAUHAN	100
543	SITA RAM CHAUHAN	100
544	SURENDER SINGH CHAUHAN	100
545	ANIL CHAWLA	500
546	SHANKAR LAL CHAWLA	200
547	VED PRAKASH CHAWLA	200
548	YOGENDER SINGH CHAYHAN	500
549	DEV RAJ CHHABRA	1000
550	JAGDISH CHANDRA CHHABRA	1000
551	M K CHHABRA	500
552	POONAM CHHABRA	300
553	PRAVEEN M CHHABRA	500
554	PRIYA CHHABRA	500
555	AMRIT CHIMA	1000
556	NARAYANA SWAMY CHINTA	200
557	OSHADHI CHIRALA	500
558	PANDU RANGA RAO CHIRALA	500
559	ANITA CHOPRA	100
560	ARUN CHOPRA	200
561	ASEEM CHOPRA	500
562	GURMEET SINGH CHOPRA	200
563	JATINDER KUMAR CHOPRA	1500
564	RAM SAROOP CHOPRA	200
565	SUSHAM CHOPRA	1500
566	ASHOK KUMAR CHOUDHARY	100
567	RAM DASS CHOUDHARY	200
568	VIBHA CHOUDHARY	500
569	DEEPAK CHOUDHARY	300
570	VIJAYA CHOWDHARY	500
571	ANITA CHOWDHARY	1500
572	BALDEVRAJ CHOWDHARY	2500
573	NEERA CHOWDHRY	1500
574	PRAKASHAVATI CHOWDHRY	2500
575	NINNA Y CHUGH	1000
576	HUSAINI CYCLEWALA	1000
577	SURINDER CHHABRA	200
578	SHYAMOLI DAS	200
579	ANEEK DATTA	100
580	ASHISH DATTA	100
581	BRIJ KISHORE DATTA	100
582	DEEPAK DATTA	100
583	KRISHNA DATTA	100
584	HITENDAR DAWAR	500
585	UDYAN DAYAL	200
586	INDU DEEWAN	200
587	NARENDER DIWAKAR DESHPANDE	500
588	SUNIL DESHPANDE	500
589	KISHAN SINGH DESWAL	100
590	JAGMANTI DEVI	200
591	LAXMI DEVI	300
592	PREM LATA DEVI	1500
593	SUSHILA DEVI	300
594	KRISHNA DEWAN	1000
595	PUSHPA DEWAN	1000
596	RAJEEV DEEWAN	200
597	RAJEEV DEEWAN	100
598	GURJIT SINGH DHABA	200
599	BHARAT BHUSHAN DHALL	100
600	WAZIR SINGH DHANDA	200

Folio No.	Name of Shareholder	No of Shares Allotted
601	LEELA DHAR	100
602	BRIJ MOHAN DASMANA	200
603	SANJIV DHAWAN	1000
604	SWARN DHAWAN	1000
605	ROHIT DHESI	200
606	MEHAR SINGH DHIAL	100
607	SWATI DHINGRA	1000
608	MAHESH DHOUNDIYAL	300
609	ASHOK KUMAR DHOGRA	100
610	ASHOK KUMAR DUA	100
611	SUNITA DUA	200
612	SURENDRA KUMAR DUA	300
613	RAKESH DUDA	500
614	ANIL DUSEJA	500
615	CHANDAN DUTTA	3000
616	GOPAL DUVURI	300
617	DEEPAK GAHLOT	100
618	CHANDRA KUMARI GALI	3500
619	MR. S. ANASUYA GALI	500
620	MRS SRILAKSHMI DEVI GALI	1000
621	MUKESH KUMAR GANDHI	300
622	NARESH GANDHI	500
623	JOY GANGULI	200
624	HEMANT BALKRISHNA GARDE	500
625	AJAY KUMAR GARG	400
626	ANIL KUMAR GARG	300
627	ASHOK KUMAR GARG	300
628	ASHOK KUMAR GARG	300
629	DINESH KUMAR GARG	300
630	DINESH KUMAR GARG	300
631	KRISHAN LAL GARG	200
632	PARVESH KUMAR GARG	500
633	RAJESH GARG	300
634	RAJIV KUMAR GARG	300
635	RAMA KANT GARG	500
636	RAMESH KUMAR GARG	500
637	SURESH KUMAR GARG	500
638	HIMMAT SINGH GEHLOT	5500
639	ATMA RAM GERA	300
640	ASHOKE GHOSH	600
641	SUJATA GHOSH	200
642	SOHINDER SINGH GILL	500
643	PRAHLAD KUMAR GODARA	500
644	AMIT KUMAR GOEL	200
645	ARUN KUMAR GOEL	200
646	MANOJ GOEL	300
647	MAYANK GOEL	200
648	RAJESHWAR DAYAL GOEL	500
649	RAKESH GOEL	200
650	RITU GOEL	200
651	BANT KUMAR GOEL HUF	300
652	KAILASH KUMAR GOENKA	1000
653	SOLUCHANNA GOENKA	1000
654	AS GOGIA	500
655	M GOGIA	300
656	PD GOPALKRISHNAN	200
657	T. PALANISAMY GOUNDER	1600
658	PA GOVIND	500
659	RAMESH KUMAR GOYAL	200
660	SATISH KUMAR GOYAL	200
661	SHUSHIL KUMAR GOYAL	100
662	ANJU GROVER	1900
663	BIMLA RANI GROVER	100
664	CHARANJEET GROVER	1500
665	DHARAMVIR GROVER	200
666	SAVITA GROVER	1500
667	SUDERSHANA GROVER	300

Folio No.	Name of Shareholder	No of Shares Allotted
668	YASHPAL GROVER	200
669	GULSHAN KUMAR GULATI	300
670	AJAY GUPTA	500
671	AMBRISH GUPTA	100
672	ANAND PRAKASH GUPTA	300
673	ANIL KUMAR GUPTA	300
674	ASHA GUPTA	200
675	ASHA GUPTA	500
676	ASHOK KUMAR GUPTA	500
677	DEV DUTT GUPTA	300
678	KAMLA GUPTA	200
679	KISHORE KUMAR GUPTA	200
680	MAHESH GUPTA	300
681	MAHESH KUMAR GUPTA	100
682	MAHIPAL GUPTA	200
683	VED PRAKASH GUPTA	200
684	NARAIN DAS GUPTA	200
685	OM PRAKASH GUPTA	500
686	OM PRAKASH GUPTA	200
687	PARASH RAM GUPTA	500
688	PARSHOTAM DASS GUPTA	100
689	PIYUSH GUPTA	200
690	PRAMOD KUMAR GUPTA	100
691	PRAVEEN KUMAR GUPTA	500
692	PREM KUMAR GUPTA	200
693	RAJEN GUPTA	2000
694	RAJENDER KUMAR GUPTA	200
695	RAKESH GUPTA	200
696	RAKESH GUPTA	200
697	RAKESH KUMAR GUPTA	100
698	RAM AUTAR GUPTA	300
699	RAM KISHOR GUPTA	300
700	RAM PRASAD GUPTA	300
701	RAMESH SHANKER GUPTA	100
702	SANJAI GUPTA	100
703	SANJANA GUPTA	200
704	SANTOSH RANI GUPTA	200
705	SARLA DEVI GUPTA	200
706	SHRI PARKASH GUPTA	100
707	SHYAM BIHARI GUPTA	500
708	SUNIL GUPTA	500
709	SUNITA GUPTA	300
710	SURESH KUMAR GUPTA	300
711	USHA RANI GUPTA	100
712	VINOD KUMAR GUPTA	100
713	YOGESH KUMAR GUPTA	200
714	YOGESH KUMAR GUPTA	300
715	ANIL KUMAR HANDA	100
716	ARJUN HANDA	500
717	VIBHUTI NANDOO	500
718	HANS RAJ HANS	300
719	ANIL HARIDASS	500
720	ANJALI POWAR HARIDASS	500
721	HARIKISHAN	100
722	HEMRAJ	100
723	IBRAHIM	1000
724	BIPINBHAI RAMBHAI INTWALA	500
725	GEETA BIPINCHANDRA INTWALA	500
726	NANI BEN RAMBHAI INTWALA	500
727	PRAVIN RAMBHAI INTWALA	500
728	SATISH JADHAV	2000
729	SHIRISH VASUDEV JADHAV	6000
730	SUNANDA VASUDEO JADHAV	6000
731	BHARAT JAGGI	1000
732	RAJNI JAGGI	1000
733	SUMAN JAGGI	200
734	ARUN JAIN	300

Folio No.	Name of Shareholder	No of Shares Allotted
735	ASHOK KUMAR JAIN	1000
736	BIMAL JAIN	500
737	DEEPAK JAIN	500
738	NARESH KUMAR JAIN	500
739	NITA JAIN	200
740	PUNEET KR JAIN	200
741	RAJNI JAIN	500
742	ROHIT JAIN	500
743	SANJIV RATTAN JAIN	500
744	SUMAN JAIN	1500
745	SUNEESH JAIN	100
746	SUSHIL KUMAR JAIN	500
747	VIVEK JAIN	100
748	SUNIL JAITLY	200
749	M.K. JAJOO	2000
750	AMAR NATH JAKHAR	100
751	RADHIKA B. JASSAL	500
752	MAN SINGH JAT	100
753	MPS JAUHAR	500
754	SHIRISH SHASHIKANT JAWALE	100
755	GOPAL SINGH JEENA	200
756	PAN SINGH JEENA	100
757	PAWAN KUMAR JHAMB	200
758	BAJINDER SINGH JOLLY	500
759	JOE JOSEPH	400
760	AVINASH ANANT JOSHI	500
761	MEENA JOSHI	100
762	RAJ KUMAR JOSHI	300
763	SHANKAR DATT JOSHI	300
764	GURBAKHSH SINGH JUNEJA	100
765	HARIMAWALA JUVVADI	700
766	SRI RAMARO JUVVADI	700
767	VENKATESHWARA RAO JUVVADI	700
768	HARi PRIYA JUWADI	700
769	UNNI KRISHNAN KG	200
770	RAM BABU KABRA	200
771	BISHAN SINGH KACHWAHA	100
772	GARGI KACHWAHA	100
773	JITANDER SINGH KACHWAHA	200
774	SURAJ MUKHI KACHWAHA	100
775	MAHESH KUMAR KAIKINI	500
776	AJAY KAISTHA	200
777	S R KAKAR	200
778	RASHIMA KAKAR	300
779	JATINDER KUMAR KAKKAR	200
780	LAL SINGH KALGAN	300
781	INDER PARKASH KALRA	2500
782	INDU KALRA	1000
783	KAMLA DEVI KALRA	1000
784	MAHENDRA PRAKASH KALRA	2500
785	SANJAY KUMAR KALRA	200
786	VISHAL KALRA	2500
787	RAJINDERPAL SINGH KALSI	200
788	KAMAL	200
789	ALKA KAMBOJ	500
790	ILAM C. KAMBOJ	500
791	MAHENDRA PAL KAMBOJ	200
792	KAMAL KANT KAMRA	500
793	SATISH KUMAR KAMRA	1500
794	REVATHY KUMAR KANCHARLA	1000
795	RAM SINGH KANDARI	100
796	HIRA BALLABH KANDPAL	300
797	D KANNAN	200
798	PREM CHAND KANOJIA	200
799	KANTA	200
800	RAKESH KUMAR KANTIWAL	300
801	RAMKANWAR	100

Folio No.	Name of Shareholder	No of Shares Allotted
802	PAWAN KUMAR KAPIL	300
803	KIRAN KAPOOR	200
804	RAMESH KAPOOR	300
805	RAVI KAPOOR	200
806	SONYA KAPOOR	300
807	SURESH KAPOOR	300
808	M KARPAGAM	500
809	ANIL KARWASRA	100
810	SURENDRA KARWASRA	100
811	RAMESH CHANDRA KASGAR	200
812	MOHINDER SINGH KASHYAP	100
813	R.S. KASHYAP	100
814	MANGA KATARI	700
815	ASHOK KUMAR KATARIA	500
816	AJAY KATHPALIYA	100
817	SANJAY KATHURIA	400
818	VIMAL KATHURIA	100
819	SANGEETA KATYAL	200
820	UDESH KAUL	500
821	HARBHAJAN KAUR	200
822	KULJIT KAUR	500
823	MANJIT KAUR	500
824	PALVINDER KAUR	300
825	SUNILJIT KAUR	1500
826	PRADEEP KUMAR KAUSHAL	100
827	VIPAN KUMAR KAUSHAL	500
828	DHARAM VIR KAUSHIK	300
829	KRISHAN KUMAR KAUSHIK	100
830	NARENDER KUMAR KAUSHIK	500
831	NEHA KAUSHIK	200
832	RAMMEHAR SINGH KAUSHIK	200
833	KANCHAN KAWATRA	100
834	GHANSHYAM DASS KHANDELWAL	1000
835	RAJESH KHANDELWAL	200
836	VISHAN KHANDELWAL	200
837	BAHAR KHANOPUR	1000
838	DHAN SINGH KAGHWAL	100
839	ASHOK KUMAR KHANNA	300
840	BRIG RAJKUMAR KHANNA	500
841	K. K. KHANNA	200
842	RAJINDER BHUSHAN KHANNA	500
843	SANJAY KHANNA	100
844	SUBHASH CHANDER KHANNA	200
845	SUNIT KHANNA	200
846	RAMANATH KHANRA	200
847	ASHOK KUMAR KHATRI	200
848	BINDU KHEMKA	1000
849	CHANDA KHEMKA	500
850	NANDA KHEMKA	500
851	NEERAJ KHEMKA	500
852	NIRMAL KHEMKA	500
853	RAKHI KHEMKA	500
854	UMA SHANKER KHEMKA	1000
855	ANAND KUMAR KHEMKA (F/NG)	300
856	RAMA SHANKAR KHEMKA (F/NG)	1000
857	KAVITA KHETARPAL	100
858	MADHU KHINDARI	200
859	ASHOK KUMAR KHINDRI	400
860	MANGE RAM KHOWAL	200
861	HARISH KHULLAR	200
862	NAVEEN KHURANA	200
1302	M SELVARAJ	100
1303	P. SENTHIL	1600
1304	KALYANI SESHADRI	500
1305	KRISHNASWANY SESHADRI	200
1306	anil seth	200
1307	PARMINDER KAUR SETHI	200

Folio No.	Name of Shareholder	No of Shares Allotted
1308	SHABVDDIN	100
1309	NARENDRA KR. RAMANIKLAL SHAH	500
1310	SHAKUNTALA	500
1311	SHALIJA	300
1312	AJAY SHARMA	300
1313	ANIL KUMAR SHARMA	400
1314	ANIL KUMAR SHARMA	300
1315	ANIL KUMAR SHARMA	500
1316	ANOOP SHARMA	300
1317	ARUN SHARMA	500
1318	ASHA SHARMA	500
1319	ASHOK KUMAR SHARMA	200
1320	ASHOK KUMAR SHARMA	200
1321	ASHOK KUMAR SHARMA	100
1322	BABU LAL SHARMA	100
1323	BAM DEV SHARMA	500
1324	BHAGIRATH SHARMA	100
1325	BIRENDER SINGH SHARMA	100
1326	BRAHAM DUTT SHARMA	200
1327	CHAMAN LAL SHARMA	300
1328	CHANDER MOHAN SHARMA	200
1329	CHHOTE LAL SHARMA	300
1330	DAVINDER KUMAR SHARMA	300
1331	DEEPAK SHARMA	300
1332	DEVENDER KUMAR SHARMA	200
1333	DINESH KUMAR SHARMA	300
1334	GANGA CHARAN SHARMA	200
1335	GANGARAM SHARMA	300
1336	GAYTRI DEVI SHARMA	300
1337	GOPAL SHARMA	200
1338	GOPAL KRISHAN SHARMA	200
1339	HARSH KUMAR SHARMA	200
1340	HEMANT SHARMA	500
1341	JC SHARMA	200
1342	K G SHARMA	500
1343	KAMAL PARKASH SHARMA	200
1344	KAVITA A SHARMA	100
1345	KRISHAN KANT SHARMA	500
1346	MADAN LAL SHARMA	500
1347	MADAN LAL SHARMA	100
1348	MANISH SHARMA	200
1349	MANOJ SHARMA	500
1350	MANOJ KUMAR SHARMA	200
1351	Mrs. ANUPAM SHARMA	500
1352	NARESH KUMAR SHARMA	500
1353	NARESH KUMAR SHARMA	300
1354	NARESH KUMAR SHARMA	200
1355	OM PRAKASH SHARMA	500
1356	PARMA NAND SHARMA	500
1357	PARSHOTAM DASS SHARMA	200
1358	PARVEEN KUMAR SHARMA	300
1359	POONAM SHARMA	500
1360	PARKASH SHARMA	300
1361	R K SHARMA	200
1362	RAI SINGH SHARMA	200
1363	RAJENDRA PRASAD SHARMA	100
1364	RAJESH KUMAR SHARMA	200
1365	RAJIV SHARMA	500
1366	RAKESH SHARMA	100
1367	RAM CHAND SHARMA	300
1368	RAM DHARI SHARMA	300
1369	RAMBIR SHARMA	100
1370	RANJEEV KUMAR SHARMA	200
1371	RAVI SHARMA	200
1372	RAVINDER SHARMA	200
1373	RAVINDER SHARMA	300
1374	ROHIT SHARMA	200

Folio No.	Name of Shareholder	No of Shares Allotted
1375	S K SHARMA	200
1376	SANJIV KUMAR SHARMA	100
1377	SANTOSH KUMAR SHARMA	100
1378	SATPAL SHARMA	100
1379	SATPAL SHARMA	300
1380	SAVITRI SHARMA	100
1381	SHIV KUMAR SHARMA	300
1382	SHYAM SUNDER SHARMA	200
1383	SHYAM SUNDER SHARMA	500
1384	SMT SATYA SHARMA	1000
1385	SUDERSHAN KUMAR SHARMA	300
1386	SUMERCHAND SHARMA	100
1387	SUNIL SHARMA	500
1388	SURESH SHARMA	500
1389	SURESH KUMAR SHARMA	100
1390	SURINDER KUMAR SHARMA	200
1391	TARUN CHANDRA SHARMA	500
1392	UMESH KUMAR SHARMA	100
1393	UPENDRA KUMAR SHARMA	100
1394	VEENA SHARMA	300
1395	VIJAY KUMAR SHARMA	500
1396	VIJAY KUMAR SHARMA	500
1397	VIKAS SHARMA	100
1398	VINEET KUMAR SHARMA	500
1399	VINOD SHARMA	100
1400	VINOD KUMAR SHARMA	200
1401	VIRENDER KUMAR SHARMA	300
1402	NAGESH SHASTRI	300
1403	BHARAT BHUSHAN SHEOPURI	300
1404	N S SHETTY	500
1405	BABU RAM SHIVAHARE	200
1406	SHIV SHANKER SHIVHARE	100
1407	SHOBHA	300
1408	SHAILENDRA KUMAR SHRIWATRI	500
1409	ALKA SHROFF	1000
1410	UMESH SHROFF	1000
1411	RADHA KRISHAN SHUKLA	200
1412	VIMALA SHUKLA	100
1413	VISHWANATH SHUKLA	500
1414	RADHEY SHYAM	100
1415	MICKEY SIBBAL	10000
1416	MADAN LAL SIDANA	100
1417	JATINDER SINGH SIDHU	500
1418	DARSHAN LAL SINDWANI	200
1419	AJIT SINGH	300
1420	AMITA SINGH	100
1421	AMRIK SINGH	200
1422	AMRIT PAL SINGH	200
1423	BALDEO SINGH	100
1424	BALJIT SINGH	100
1425	BALWAN SINGH	200
1426	BHARPUR SINGH	100
1427	BHOOP SINGH	200
1428	BIRENDRA SINGH	500
1429	BIRENDRA KUMAR SINGH	3000
1430	CHATTER SINGH	100
1431	DAVINDER SINGH	500
1432	DEVI SINGH	500
1433	DHARAM VIR SINGH	300
1434	DHIYAN SINGH	100
1435	DIDAR SINGH	400
1436	DINESH KUMAR SINGH	500
1437	GURCHARAN SINGH	300
1438	GURCHARAN SINGH	200
1439	GURDEEP SINGH	100
1440	HARMINDER PAL SINGH	300
1441	HARSHDEEP SINGH	200

Folio No.	Name of Shareholder	No of Shares Allotted
1442	INDRASEN SINGH	100
1443	IQBAL SINGH	200
1444	JAGBIR SINGH	300
1445	JAGNAL SINGH	500
1446	JAGPAL SINGH	200
1447	JAGPREET SINGH	100
1448	JAGTAR SINGH	100
1449	JASPINDER SINGH	100
1450	JASWINDER SINGH	300
1451	JAWAHAR SINGH	100
1452	JHAGROO SINGH	100
1453	JIT SINGH	500
1454	JUNGBIR SINGH	300
1455	KASHMIR SINGH	300
1456	KULVINDER SINGH	100
1457	KULWANT SINGH	100
1458	M M SINGH	500
1459	MAHANDER SINGH	300
1460	MAHAVIR SINGH	300
1461	MAHENDRA SINGH	100
1462	MANDEEP SINGH	200
1463	MANJIT SINGH	100
1464	MANMOHAN SINGH	500
1465	MEHTAB SINGH	300
1466	MOHINDER SINGH	100
1467	NEETA SINGH	500
1468	PARVINDER JEET SINGH	500
1469	PRAHLAD SINGH	200
1470	PRATAP SINGH	100
1471	PRATAP SINGH	300
1472	PREM SINGH	100
1473	RAJBIR SINGH	200
1474	RAJENDER SINGH	300
1475	RAJENDER SINGH	100
1476	RAJJAN SINGH	100
1477	RAJVIR SINGH	100
1478	RAM GOPAL SINGH	100
1479	RANDHIR SINGH	100
1480	RANJEET SINGH	200
1481	RANJIT SINGH	500
1482	RASIL SINGH	100
1483	ROHTASH SINGH	200
1484	ROHTASH SINGH	200
1485	S.GURSHARAN SINGH	500
1486	SAGAR SINGH	200
1487	SAHDEV SINGH	100
1488	SAJJAN SINGH	300
1489	SAMAR BAHADUR SINGH	100
1490	SANJAY SINGH	100
1491	SANJEEV KUMAR SINGH	500
1492	SATNAM SINGH	100
1493	SATNAM SINGH	200
1494	SATVIR SINGH	200
1495	SATYABIR SINGH	300
1496	SATYABIR SINGH	300
1497	SATYAVIR SINGH	400
1498	SATYAVIR SINGH	200
1499	SUJEET PAL SINGH	500
1500	SUKHBIR SINGH	300
1501	SUKHVINDER SINGH	200
1502	SUKHVINDER SINGH	100
1503	SUMER SINGH	100
1504	SURINDER SINGH	300
1505	SURJEET SINGH	500
1506	TEJINDER SINGH	300
1507	UDAIRVIR SINGH	100
1508	UPENDRA SINGH	100

Folio No.	Name of Shareholder	No of Shares Allotted
1509	VIJAY PAL SINGH	500
1510	VIKRAM SINGH	300
1511	YASHPAL SINGH	300
1512	YESHPAL SINGH	300
1513	SURESH CHANDRA SINGHAL	500
1514	SUSHIL SINGHAL	400
1515	NARASIMHA REDDY SOMIREDDY	1000
1516	ANIL SONDHI	500
1517	DR PADMA SONDHI	900
1518	NARESH KUMAR SONI	100
1519	N.N SRINIVASAN	500
1520	H SRIRAM	200
1521	ADARSH SRIVASTAVA	500
1522	AJAY KUMAR SRIVASTAVA	100
1523	ANITA SRIVASTAVA	500
1524	VIVEK RANJAN SRIVASTAVA	300
1525	AMITA SRIVASTVA	100
1526	G SUBRAHMANYA	500
1527	M R SUBRAMANIAN	100
1528	R. VENKATA SUBRAMANIAN	200
1529	DINESH SUJI	500
1530	GHANSHYAM DASS SUKHRALIA	500
1531	S M SUNDARAM	100
1532	SESHADRI SUNDARAM	500
1533	GEETA SURI	200
1534	K.L SURI	300
1535	ANIL KUMAR SUROLIA	100
1536	AJAY KUMAR SWAMI	500
1537	RAM SWAROOP	100
1538	B M SYAL	200
1539	PRABHA SYAL	200
1540	RAKESH KUMAR SYAL	200
1541	GIRI T	200
1542	RAJ MOHINI TAKKAR	500
1543	V A TAKLIKAR	500
1544	ANIL KUMAR TANDON	400
1545	NARESH TANDON	500
1546	RAJESH NARAIN TANDON	300
1547	ASHOK KUMAR TANEJA	500
1548	RAJESH TANEJA	200
1549	SHASHI TANEJA	1000
1550	SURINDER MOHAN TANEJA	1000
1551	MAHENDER SINGH TANWAR	200
1552	UDAI RAM TANWAR	300
1553	LALA RAM TANWAR	300
1554	OM PARKASH TARKAR	500
1555	RENU THAKKAR	500
1556	WAZIR CHAND THAKUR	200
1557	A THANGAM	500
1558	ARUN THAPAR	1900
1559	SMT. NEELAM THAPAR	1000
1560	SUNITA THAPAR	1900
1561	HIRDAAYESH THAPLIYAL	200
1562	K.A. THOMAS	100
1563	K K THOMAS	100
1564	SURESH TIRUNAGARI	100
1565	INDU TIWARI	500
1566	PRAKASH CHANDRA TIWARI	100
1567	SURINDER KUMAR TIWARI	500
1568	CHANDER SINGH TOKAS	500
1569	HARSHVARDHAN SINGH TOMAR	100
1570	PREM SHANKER TRIPATHI	200
1571	NAVNIT KUMAR TYAGI	200
1572	RAJENDRA PRASAD TYAGI	500
1573	RAVINDER KUMAR TYAGI	100
1574	SHOBHA UBEROI	1000
1575	AN. UMA	400

Folio No.	Name of Shareholder	No of Shares Allotted
1576	KRISHNAPPA UMESH	500
1577	NITA UPPAL	500
1578	VIRENDER UPPAL	500
1579	NARESH UPRETI	200
1580	NARAYANAN S V	500
1581	G R VARADARAJA	500
1582	SHYAM SUNDER VASHISHIT	100
1583	JAIKARAN VASHISHT	200
1584	NARESH KUMAR VASHISTA	100
1585	RAMA NAND VASISHT	500
1586	SANDEEP VATS	300
1587	G VENKATARAMANAN	200
1588	G A VENKATESAN	300
1589	KRISHNAN VENUGOPALAN	100
1590	ANIL VERMA	300
1591	ASHOK KUMAR VERMA	300
1592	ASHOK KUMAR VERMA	200
1593	DINESH KUMAR VERMA	100
1594	GEETA VERMA	1000
1595	HIMMAT RAI VERMA	100
1596	JAGJIT PAL VERMA	300
1597	JAI DEVI VERMA	200
1598	MANOJ KUMAR VERMA	500
1599	RAM NARESH VERMA	100
1600	RAVINDER VERMA	200
1601	RAJIV VERMANI	500
1602	DHARAM PAL VIJ	300
1603	VIKAS	200
1604	DHARAMVIR	200
1605	SANTOSH KUMAR VISHWAKARMA	100
1606	SUBHASH VISHWAKARMA	300
1607	RAKESH VYAS	100
1608	NEERAJ WADHERA	500
1609	NARESH KUMAR WARRIER	400
1610	DAYA WATI	300
1611	AMER SINGH YADAV	100
1612	ANIL YADAV	500
1613	BABU LAL YADAV	100
1614	BABU LAL YADAV	300
1615	BIRENDER SINGH YADAV	400
1616	BIRENDER SINGH YADAV	500
1617	BIRENDER SINGH YADAV	500
1618	BRAHAM DEV YADAV	100
1619	DALIP KUMAR YADAV	100
1620	DHARAMVIR YADAV	100
1621	DHARAMVIR YADAV S/O M. S. YADAV	200
1622	DHARAM PAL YADAV	200
1623	GHAN SHYAM YADAV	100
1624	ISHWAR SINGH YADAV	100
1625	JITENDER YADAV	500
1626	LAXMAN SINGH YADAV	200
1627	MAMANCHAND YADAV	100
1628	NIHAL SINGH YADAV	500
1629	NIHAL SINGH YADAV	200
1630	OM PRAKASH YADAV	100
1631	PRITHVI SINGH YADAV	100
1632	PURANLAL YADAV	200
1633	RAJ KANWAR YADAV	100
1634	RAJ KUMAR YADAV	300
1635	RAJIV YADAV	500
1636	RAJIV KUMAR YADAV	500
1637	RAJPAL YADAV	300
1638	RAM GIRISH YADAV	100
1639	Ramesh Kumar Yadav	300
1640	RamKanvar Yadav	200
1641	Ran Singh Yadav	500
1642	Samay Singh yadav	100

Folio No.	Name of Shareholder	No of Shares Allotted
1643	Satbir Singh Yadav	100
1644	SATISH KUMAR YADAV	300
1645	SATYAVIR YADAV	200
1646	SHER SINGH YADAV	500
1647	SHER SINGH YADAV	500
1648	SHRI KIRSHAN YADAV	100
1649	SHYAM LAL YADAV	100
1650	SURAJBHAN YADAV	100
1651	SURENDER KUMAR YADAV	300
1652	SUSHIL JAIRAM YADAV	500
1653	UMED SINGH YADAV	500

ANNEXURE B

RIGHTS ISSUE ALLOTTEES

A. Allotment dated February 5, 2013

Details of allottees as per Form PAS-3 filed with RoC.

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1	AAYUSH GUPTA	1000
2	ABHA VINOD GARG DR VINOD KUMAR GARD	700
3	ABHAY KUMAR JAIN BHARAT BHUSHAN JAIN	900
4	ABHAY KUMAR JAIN BHARAT BHUSHAN JAIN NIRUPMA JAIN	1100
5	ABHAY KUMAR KANAIHLAL DOSHI	400
6	ABHIMANYU MUNJAL	13750
7	ACHAL KUMAR MITTAL	300
8	AJAY A SHAH	600
9	AJAY A SHAH	1200
10	AJAY AGARWAL	300
11	AJAY JAIN	500
12	AJAY KUMAR	200
13	AJAY KUMAR	500
14	AJAY KUMAR A. SHAH	2000
15	AJAYKUMAR GARG DR RAJSHREE AJAY GARG	600
16	AKHILESH GOYEL	2000
17	AKSHAY MUNJAL	27550
18	ALKA GUPTA VIPIN KUMAR	1000
19	ALKA GUPTA	750
20	ALKA MAHESHWARI	1350
21	ALKA MALHOTRA SUNIL MALHOTRA	1000
22	ALKA NATH	8000
23	ALKA SHROFF SAROJ SHOROFF	3000
24	ALKA SHROFF	1500
25	ALZO INVESTMENTS PVT LTD	4000
26	AMIT KUMAR GOEL	600
27	AMRIK KAUR JOGINDER SINGH	300
28	AMRIK KAUR	300
29	ANAND KUMAR KHEMKA	400
30	ANAND PRAKASH GUPTA	2300
31	ANAND SARUP MEHTA	300
32	ANIESHA MUNJAL	9000
33	ANIL AGARWAL NAWAL KISHORE SUNIL AGARWAL	3600
34	ANIL AILAWADI	900
35	ANIL AILAWADI	900
36	ANIL DUSEJA NAMRATA DUSEJA	900
37	ANIL HARIDASS ANJALI POWAR HARIDASS	500
38	ANIL KHANNA	800
39	ANIL KR RAMANIKLAL SHAH	2000
40	ANIL KUMAR BAANATHIA	3200
41	ANIL KUMAR BAHL	750
42	ANIL KUMAR CHAUDHARY	150
43	ANIL KUMAR KHANDELWAL	1500
44	ANIL KUMAR KHANNA USHA KHANNA	1300
45	ANIL NAYAR	900

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
46	ANIL TALWAR NEENA TALWAR	900
47	ANITA AHUJA	1800
48	ANITA BHARGAVA SHASHI BHARGAVA	400
49	ANITA GUPTA VIJAY KUMAR AGARWAL	1200
50	ANITA JAIN	500
51	ANITA KHANNA RAKESH KHANNA	1700
52	ANITA SISODIA	900
53	ANITA SURI VENKATARAMAN RAMAN KUMAR SURI	1500
54	ANJALI POWAR HARIDASS ANIL HARIDASS	500
55	ANJU DHINGRA	300
56	ANJU RAJIV KALRA RAJIV KALRA	500
57	ANJU SINGHAL SHIV KUMAR SINGHAL	300
58	ANKIT AGGARWAL	1000
59	ANKIT KUMAR MEGOTIA	3600
60	ANOOP KUMAR MADAN VIRINDER KUMAR MADAN SUMAN BALA MADAN	3600
61	ANU BHARGERIA	500
62	ANU GUPTA	2700
63	ANUBHAV AGGARWAL	1000
64	ANUJ KUMAR SOMANI	800
65	ANUJ RAJESH CHOWDHRY RAJESH BALDEVRAJ CHOWDHRY	4000
66	ANUP SINGLA	600
67	ANUP THAPAR	1000
68	ANUPAM ASTHANA VIJAYA BAGDE	450
69	ANUPAM SHARMA	500
70	ANURAG KUMAR	500
71	AR MUTHIAH	1200
72	ARCHANA THAKAR	600
73	ARJUN BUXI ARUN BUXI	2700
74	ARJUN SAWHNY	300
75	ARUN BUXI VARUN BUXI	2700
76	ARUN CHADHA	600
77	ARUN CHOPRA	300
78	ARUN KUMAR JAIN	500
79	ARUN KUMAR M UBRIANI	1350
80	ARUN KUMAR NAHATA PUSPA DEVI NAHATA	200
81	ARUNA GANBOTE	150
82	ARUNAGOWRI A SHAH	2000
83	ARVIND GUPTA	100
84	ARVIND KUMAR OBERAI	9000
85	ASHA GABA	200
86	ASHA GUPTA	400
87	ASHA GUPTA PRAN NATH GUPTA	1100
88	ASHA KAPOOR	1800
89	ASHA RANI USHA RANI	400
90	ASHA REWARI VIJAY REWARI	800
91	ASHISH AGARWAL	4500
92	ASHISH MUNJAL F/NG NEETI	400
93	ASHISH P MODI PRAMOD CHANDRA M MODI	9000
94	ASHOK BANSAL	2500

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
95	ASHOK GUPTA	1000
96	ASHOK GUPTA	3500
97	ASHOK KUMAR	300
98	ASHOK KUMAR GARG KRISHAN LAL GARG	1000
99	ASHOK KUMAR GUPTA	300
100	ASHOK KUMAR GUPTA	3500
101	ASHOK KUMAR JAJU	500
102	ASHOK KUMAR KHINDRI	400
103	ASHOK KUMAR MATHUR VAIBHAV MATHUR	1000
104	ASHOK KUMAR SEHGAL	300
105	ASHOK MAHAJAN	1350
106	ASHUTOSH SHARMA	1200
107	ATIN GARG NITIKA GARG	150
108	ATUL CHOPRA	1800
109	ATUL CHOPRA	1500
110	ATUL H SUCHAK	450
111	ATUL MITTAL	200
112	AVINASH ANANT JOSHI	500
113	AVINASH GUPTA USHA GUPTA	1000
114	AVNISH KUMAR OBERAI	9000
115	AWADHESH KUMAR DEVENDRA SINGH	400
116	AWDESH KUMAR DEVENDRA SINGH	150
117	B ARUNCHALAM	600
118	B JYOTHIRMAYEE RAJESHWAR	11100
119	BK TANDON	500
120	BS BHANDARI	1200
121	BS SIDHU	500
122	BA SATHYANARAYAN S RAMADEVI	300
123	BABITA AGARWAL	700
124	BABITA MOUR	1100
125	BABU LAL YADAV	600
126	BAHADUR CHAND INVESTMENT (P) LTD	2343600
127	BAHADUR CHAND INVESTMENT (P) LTD	180000
128	BALA CHHABRA	57000
129	BALDEV RAJ	1800
130	BALDEV RAJ KHANNA KRISHNA RANI	3000
131	BENITA SHARMA	4000
132	BENU RAHEJA	6400
133	BHAGAVATHAY RAMANATHAN	500
134	BHAGIRATH SHARMA	150
135	BHAGWATI PRASAD SHARMA BIMLA DEVI SHARMA	800
136	BHANU PRAKASH PANDEY	300
137	BHARAT BHUSHAN	1000
138	BHARAT BHUSHAN JAIN NIRUPMA JAIN	2200
139	BHARAT JAGGI	1000
140	BHARAT PARGAL	500
141	BHARPUR SINGH	100
142	BHARTI JAIN BHARAT BHUSHAN JAIN	900
143	BHAVNA AGARWAL	300
144	BHIM SAIN	300
145	BHIM SAIN BUXI ARUN BUXI	2700
146	BIJENDER KUMAR	300
147	BINDIGANVLE SRINIVAS MOHAN DAS BHARADAWAJ	1000
148	BINDU KHEMKA	2000
149	BIPIN R SHAH	3800
150	BIPINBHAI RAMBHAI INTWALA	1500

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
	GITABEN BIPINBHAI INTWALA	
151	BIPINCHANDRA SHANTILAL SHAH MINA BIPINCHANDRA SHAH	500
152	BISHAMBER NATH KHURANA	9150
153	BOMI F DARUWALA ZARIN B DARUWALA	1350
154	BRAJESH MALHOTRA	400
155	BRIJ MOHAN DHASMANA	900
156	BRIJ MOHAN LAL MUNJAL	147700
157	BRIJMOHAN LALL MUNJAL	36000
158	CHANCHAL KUMAR SHARMA	100
159	CHANDA KHEMKA	900
160	CHANDA KHEMKA	600
161	CHANDAN DUTTA	5400
162	CHANDER KANTA PAHUJA	150
163	CHANDER MOHAN	100
164	CHANDRA PRAKASH GABA	1500
165	CHANDRAKANT BAJAJ	3000
166	CHARU NAGRATH	900
167	CHETAN JAYANT JASANI	900
168	CHHOTA LAL GUPTA VIMLA GUPTA	300
169	CHINTAN BIPICHANDRA BIPINCHANDRA RAMBHAI	800
170	CHITRA RUDRA	2000
171	CHUDAMANI N H	400
172	COLVYN JAMES HARRIS DEEPA MISRA HARRIS	750
173	D KANNAN	300
174	D RANGANATHAN SUJATA RANGANATHAN	900
175	DALBIR SINGH GULATI URMIL GULATI	2700
176	DAVINDER JAIN	3150
177	DAYANAND GUPTA	600
178	DEEPA SHAH	100
179	DEEPA SOOD KAMLESH SOOD	900
180	DEEPA VIJAY SHAH	200
181	DEEPAK CHOUDHURY	1000
182	DEEPAK GUPTA	300
183	DEEPAK JAIN VANDANA JAIN	600
184	DEEPAK KUMAR RUDRA	3000
185	DEEPAK MEHTA	150
186	DEEPAK MITTAL	1000
187	DEEPAK RAI	200
188	DEEPAK WADHAWAN	3000
189	DEEPIKA A SHAH	1000
190	DEEPIKA A SHAH	2000
191	DESH BUSHAN JAIN RENU JAIN	900
192	DESHRAJ BHARDWAJ	200
193	DEV RAJ	200
194	DEVINDER KUMAR SAINI	600
195	DHANYA KUMAR JAIN	1200
196	DHARAM BHUSAN JAIN	900
197	DHARMENDRA KANAIHLAL DOSHI	400
198	DHRAMBIR BANSAL	2200
199	DIMPLE	1800
200	DINESH KUMAR	450
201	DINESH KUMAR	600
202	DINESH KUMAR NEELU VERMA	200
203	DINESH SUJI	1200
204	DIPESH DHANSUKHLAL SHAH NIPA DIPESH SHAH	500

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
205	DIPITI SHAH	400
206	DIPTI JAIN BHARAT BHUSHAN JAIN	900
207	DWARANPURI LAKSHMI	1000
208	FALGUNI P DOSHI	1050
209	FANINDRA MANOHAR KHANAPURKAR VIBHA FANINDRA KHANAPURKAR	1300
210	FATEH BAHADUR	200
211	FIROZ P DARUWALA FREDY F DARUWALA JEROO F DARUWALA	500
212	FIROZ P DARUWALA JEROO F DARUWALA RUBY R DARUWALA	600
213	G BABY VIJAYA LAKSHMI	4500
214	GALI SRIHARI PRASAD	1300
215	GARGI SHAH NAISHADH SHAH	2400
216	GAUTAM SURI	200
217	GAUTAM SURI	100
218	GEETA ANAND	9000
219	GEETA ANAND	9000
220	GEETA CHAWLA	1000
221	GEETA SINGHAL NISHANT SINGHAL	300
222	GEETA SURI VARINDER SURI	600
223	GIRISH ASHOK GARG ALKA ASHOK GARG	600
224	GITA BIPINCHANDRA INTWALA BIPICHANDRA RAMBHAI INTWALA	1500
225	GOPAL KRISHAN KOTHARI	7200
226	GOPAL KRISHNA KAPOOR	2500
227	GOPAL LODHA	3500
228	GOPAL SINGH	400
229	GOPI RAM AGARWAL	900
230	GULSHAN NAKRA	2700
231	GURCHARAN SINGH	300
232	HP MOHAN	1800
233	HR KASTURI BAI	2200
234	HR SANJAY	2200
235	H SRIRAM	600
236	HARI KAPOOR	1200
237	HARI PRASAD RAO TANDRA	1800
238	HARI PRIYA JUVVADI	1300
239	HARIPRASADA RAO TANDRA	700
240	HARISH CHANDRA SAMTANI HARSHA SAMTANI	600
241	HARNISH BINDRA PRITAM BINDRA	5100
242	HARPREET KOHLI	1800
243	HARSHDEEP SINGH	400
244	HEMA SUBRYASETTY VENKATESHMVR	1800
245	HEMA VENKATESH MURTHY SAPTAGIR	1800
246	HEMANT K PATWA	7500
247	HEMANT SAINI	1000
248	HEMENDRA S DOSHI	500
249	HERO MOTOCORP LTD	4264600
250	HERO MOTOCORP LTD	158650
251	HIRALAL SAKHARAM SHAH	5400
252	HITESH R SHAH	3800
253	INDIRA DEEPAK THAKER	500
254	INDU DEEWAN	400
255	IQBAL SINGH	400
256	ISHPINDER PAL SINGH AMRIK KAUR	600
257	ISHIPINDER PAL SINGH	750
258	JK MEHTA HUF	22500
259	J KARNAKAR RAO	800

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
260	J SABITHA	800
261	JAGDEEP BHATIA SHYAMA BHATIA	500
262	JAGDEEP KUMAR BATTA	200
263	JAGDISH CHANDER GUPTA	900
264	JAGDISH SHARAN AGARWAL	3000
265	JAGMAL SINGH JANGIR	200
266	JAGPAL SINGH	400
267	JAGPREET SINGH	150
268	JAI KUMAR JAIN	1000
269	JAIDEEP SINGH PATIL	7500
270	JAIPAL SINGH	900
271	JANAK SABLOK SUDARSHAN SABLOK	1000
272	JASBIR KAUR	1050
273	JASVANTBHAI NAROTTAMDAS PATEL	500
274	JASVINDER SINGH HARBHAJAN SINGH	500
275	JASWANT BHAI N PATEL	1000
276	JAY DAYAL	400
277	JAYA RASIKLAL MEHTA	1200
278	JAYAKAR R SHAH	3800
279	JAYAKUMAR D DOSHI	1200
280	JAYANT K PATWA	16500
281	JAYANT PARAMANAND SHAH JAYSHREE JAYANT SHAH	4000
282	JAYVADHAN BHAGWANDAS JARIWALA USHA JAYVDAN JARIWALA	200
283	JOE JOSEPH	400
284	JYOTHI BEN J PARIKH JAISUKHLAL M PARIKH	10500
285	JYOTI	600
286	JYOTSNABEN P BHAGAT PRABHULAL H BHAGAT RAJESH C BHAGAT	500
287	K ASOKAN	4500
288	KJS BINDRA HUF	500
289	KM GANAPATHY	200
290	KM MANOHARAN	4500
291	KP JANARDHAN RAO	1950
292	KAILASH GUPTA	1650
293	KAILASH KUMAR GOENKA	1000
294	KALI CHARAN	500
295	KALPESH SHROFF	700
296	KALYANI RAI	900
297	KALYANI SESHADRI	1700
298	KAMAL KARAMCHANDANI	300
299	KAMAL KISHORE KUKREJA	100
300	KAMAL KUMAR KHANNA	600
301	KAMAL PARKASH SHARMA	200
302	KAMALA KUMARI CHANDHOK SHIV RAJ CHANDHOK	100
303	KAMALA KUMARI CHANDHOK SHIV RAJ CHANDHOK	100
304	KAMALESH DUTTA	2700
305	KAMLESH JAIN	500
306	KAMLESH SOOD DEEPA SOOD	400
307	KAMNA MALIK	400
308	KANCHAN NAHAR RAKESH NAHAR	300
309	KANCHAN PRAKASH GUPTA	1050
310	KANWAL KRISHEN MUTHU	900
311	KAPIL JHANANI	750
312	KAPIL KUMAR AGGARWAL	500
313	KARAM YOGI ROOP CHAND	400
314	KARAN SINGH	1500
315	KAVITA KHETARPAL	400

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
316	KAWAL JAIN ANSHU JAIN	1200
317	KEWAL KHANNA	800
318	KEWAL KRISHAN KHANNA PERVEENA KHANNA	1300
319	KEWAL KRISHAN KHETARPAL	300
320	KEWAL KRISHAN MOUGIL	200
321	KIRAN HARIBHAI DESAI HEMA KIRAN DESAI	100
322	KIRAN KUMAR C MODU	6500
323	KIRAN MANDAL HANS RAJ AHUJA	300
324	KIRAN R SHAH	3800
325	KISHAN LAL	600
326	KISHORE MAHTANI RAJAN MALIK	5200
327	KISHRN SINGH DESWAL	100
328	KODANDA RAM PATRI	1800
329	KOMAL SHAH	300
330	KRISHAN KUMAR MUNJAL	2200
331	KRISHAN LAL	600
332	KRISHAN LAL	900
333	KRISHANBEN M PATEL	200
334	KRISHNA BEN	800
335	KRISHNA REDDY SATHI	1000
336	KULDEEP RASTOGI	900
337	KULDIP KUMAR	800
338	KULDIP NARAIN BAHADUR MILAN BAHADUR	200
339	KUNNAL DEWAN	1000
340	KURAPATI UDAYASHANKAR RAO	1800
341	LR KALRA	300
342	LACHHMAN SINGH	400
343	LALIT KUMAR AGARWAL	150
344	LALIT KUMAR DUA	400
345	LAXMI DEVI	300
346	LILA BEN	800
347	LILABEN J PATEL	200
348	LINTHOINGAMBI SAPAM	1200
349	LOVE KAPOOR	100
350	MJWALA PRASAD PADAMJA	3500
351	MK GUPTA	100
352	M KARPAGAM	1200
353	MM GUPTA	100
354	MM MOHAN	300
355	MM SINGH BINITA SINGH	150
356	M PADMA PRASAD PUSHPA LATHA	4500
357	MS SARAVANA DEVI	4500
358	M SUNIL KEERTHI	1000
359	M PALANIAPPAN	8600
360	MK JAJOO	3600
361	MADAN GOPAL AHUJA	200
362	MADHAVI RAVINDRA MODI RAVINDRA MODI	2500
363	MADHU KHANNA	450
364	MADHU KHINDARI	200
365	MADU KOTHARI	5400
366	MAHENDRA KUMAR JAJOO	18000
367	MAHENDRA KUMAR SARAOGI	14000
368	MAHENDRA PAL KAMBOJ	200
369	MAHESH KUMAR KABRA	400
370	MAHESH YADAVA DEEPIKA YADAVA	300
371	MAM CHAND JAIN	750
372	MANISH KAPOOR	1800
373	MANISHA AGARWAL	400
374	MANISHA ASHOK GARG	400

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
	ALKA ASHOKA GARG	
375	MANISHA GUPTA	1000
376	MANJU RITU ARORA	100
377	MANJU	100
378	MANJU AGARWAL	1000
379	MANJULA BEN	800
380	MANJULABEN P PATEL	200
381	MANMOHAN KUMAR MALHOTRA	300
382	MANOB DUTTA CHANDAN DUTTA	2700
383	MANOHAR BHIKCHAND AGRAWAL GAYTRI MONOHAR AGRAWAL PRERNA MANOHAR AGRAWAL	9000
384	MANOJ KUMAR	400
385	MANOJ KUMAR VERMA	900
386	MANOJ SINGHAL	500
387	MANORAMA GUPTA	50
388	MANU BHAI N PATEL	1000
389	MANU CHANDEL	750
390	MANUBHAI NAROTTAMDAS PATEL	500
391	MEENA JOSHI	200
392	MEENAKSHI VENKATRAMAN MYTHILI ARUNACHALAM	500
393	MEERA MEHRA	1800
394	MEERA RANI	300
395	MEHAR SINGH DHIAL	200
396	MEHRA ASHOK	1000
397	MICKEY SIBBAL	18000
398	MILKEY SIBBAL RADHIKA SIBBAL	2400
399	MINI BUXI ARUN BUXI	2700
400	MITA ASHVIN KIKAGANESHWALA ASHVIN DAMODAR KIKAGANESHWALA	150
401	MOHAN KUMAR MOOHDRA	900
402	MOHAN KUMAR MOONDRA	400
403	MOHIT OSWAL	1800
404	MOOL CHAND KHURANA	200
405	MRIDULA C BHAGAT CHANDRAKANT H BHAGAT RAJESH C BHAGAT	650
406	MUKESH KUMAR GANDHI	200
407	MUKESH KUMAR MEHROTRA	2500
408	MUKUND BHAGWANDAS SHAH MALTI MUKUND SHAH	750
409	MYTHILI ARUNACHALAM B ARUNACHALAM	1000
410	N KRISHNA RAO	2100
411	NS SHETTY	900
412	N SURYA KUMAR SHANKAR NARAYAN N	2100
413	N UMESH PRABHU	200
414	NAISHADH SHAH GARGI SHAH	2400
415	NAKUL NATH	4200
416	NAMITA JAIN	1200
417	NAND KISHORE SHARMA MANISH SHARMA	750
418	NANDA KHEMKA	750
419	NANDITA	600
420	NANDLAL KOTHARI	1500
421	NARAIN DUTT	1000
422	NARENDER ANGRISH	200
423	NARENDER KR PARGAL	500
424	NARENDER KUMAR KAUSHIK ABHINAV KAUSHIK	1100
425	NARENDRA C GARG	1000
426	NARESH TANDON	750

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
427	NARESH TULI	400
428	NARINDER KUMAR DUA	900
429	NAVAL KISHORE	200
430	NAVEEN KUMAR GAUR	200
431	NAVEEN RANGERA	200
432	NAVEEN RASTOGI	200
433	NAVIN RAHEJA	5450
434	NAWAL KISHORE	300
435	NEENA PAHUJA	150
436	NEERA CHOWDHRY	3900
437	NEERAJ GUPTA	200
438	NEERAJ KHEMKA	750
439	NEERAJ PANDIT	500
440	NEERU GARG	450
441	NEERU NAGPAL	400
442	NELLAIAPPAN S	200
443	NIDHI JAIN	800
444	NIHAL SINGH YADAV	300
445	NIKHIL BECTOR U/G OF AJAY BECTOR	300
446	NIKUNJ SOMANI ANUJ KUMAR SOMANI	400
447	NINA NAGPAL PUNIT NAGPAL	1900
448	NINNA Y CHUGH YOGESH PRAKASH CHUGH	1000
449	NIRMAL GARG	1500
450	NIRMAL KUMARI MATTA	900
451	NIRMAL MATTA	900
452	NIRMALA NAWANI	200
453	NIRUPAMA JAIN BHARAT BHUSHAN JAIN	2000
454	NISHA GUPTA	1650
455	NISHA RANGERA	100
456	NISHANT SINGHAL GEETA SINGHAL	300
457	NITA JAIN	200
458	NITA JAIN	200
459	NITA UPPAL	200
460	NITANT HIRALAL SHAH	900
461	NITESH JOHARI	3000
462	NITESH JOHARI	1000
463	NITIN BANSAL VIJAY KUMAR AGARWAL	1000
464	NUTAN BHARGAVA	3600
465	OM PARKASH GUPTA	1100
466	OM PRAKASH ARORA	1300
467	OM PRAKASH GOYAL	2000
468	OM PRAKASH RAHEJA	5000
469	OM PRAKASH TARKAR	500
470	OMPRAKASH GOYAL	4000
471	ONKARSINGH MINHAS SULOCHANA MINHAS	1100
472	OSHADHI CHIRALA PANDU RANGA RAO CHIRALA	1350
473	PADAM KUMAR JAIN	3800
474	PAMULAPARTHI RADHIKA	9900
475	PANCHAPPA CHITRIKI	600
476	PANDU RANGA RAO CHIRALA	1000
477	PANKAJ BHOGILAL SHROFF KALPANA PANKAJ SHROFF	300
478	PANKAJ MAHAJAN	900
479	PARDEEP RAJPUT JAY RAJPUT	100
480	PARESH BHOGILAL SHROFF JAYANA PARESHKUMAR SHROFF	500
481	PARKASH GUPTA	1300
482	PARKASH KR SAH MITU DEVI SAH	200

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
483	PARMA NAND SHARMA	1500
484	PARMINDER KAUR SETHI	900
485	PARMOD TANDON	300
486	PARSOT LAL NASA	400
487	PARUL SETH	300
488	PARVIN KUMAR N PATEL	150
489	PATRI LAXMI	1000
490	PAWAN KR BHALLA SUJATA BHALLA	1100
491	PAWAN KUMAR	1000
492	PAWAN KUMAR	800
493	PAWAN MUNJAL	1000
494	PAWAN MUNJAL	100
495	PAYAL SURI	9000
496	PETER LOBO ROSITA LOBO	100
497	PINAKI DASGUPTA	600
498	PIYUSH GUPTA PRADEEP AGGARWAL	900
499	PIYUSH PRAKASH VIRENDER KUMAR	100
500	POONAM CHADHA RAJAN CHADHA	1500
501	POONAM GUPTA	600
502	POONAM GUPTA DEEPAK GUPTA	450
503	POONAM JAIN	750
504	POONAM KALRA	500
505	POONAM KALRA SANJEEV KALRA	500
506	POONAM PURI	150
507	POONAM SHARMA SANJAY SHARMA	1000
508	PRABHA KAPOOR	3000
509	PRABHA SHANKAR MALTI SHANKAR	500
510	PRADEEP AGGARWAL PIYUSH GUPTA	150
511	PRADEEP KUMAR DUGAR	500
512	PRADEEP KUMAR GARG	1000
513	PRADEEP KUMAR KAUSHAL	100
514	PRADEEP KUMAR LOYALKA	1050
515	PRADEEP KUMAR YADAV	100
516	PRAFULLA VISHNU JOSHI	900
517	PRAGNA BEN	800
518	PRAGNABEN R PATEL	200
519	PRAHLAD KUMAR GODARA	900
520	PRAKASH PURWAR ASHA PURWAR	500
521	PRAKASH S GUPTA	500
522	PRAMILA DEVI	1000
523	PRAMOD KUMAR MEGOTIA USHA DEVI MEGOTIA	200
524	PRAN NATH	500
525	PRAN NATH KUMAR	1000
526	PRAN NATH SADHU	600
527	PRASHANT BHATIA TONI BHATIA	1800
528	PRAVEEN JAIN	100
529	PRAVIN KHANDUBHAI SARADHIA BHARTI PRAVIN SARADHIA	500
530	PRAVIN RAMBHAI INTWALA GITA BIPINCHANDRA INTWALA	200
531	PRAVINKUMAR NAROTTAMDAS PATEL	1300
532	PREM LATA BUXI ARUN BUXI	500
533	PREM LATA DEVI	2700
534	PREM LATA MEHTA	1500

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
535	PREM NATH AHUJA	300
536	PREM SHANKER	150
537	PRITI AGARWAL	200
538	PROMILA THAPAR	1800
539	PURNIMA AGARWAL	1000
540	PUSHPA RANI	1800
541	PUSHPALATHA	600
542	RD RAO	1500
543	R SIVAKUMAR	150
544	R VAIRAVAN	13500
545	R VAIRAVAN	1000
546	R VAIRAVAN	1000
547	R VAIRAVAN	1000
548	R VAIRAVAN	1000
549	R VAIRAVAN	600
550	RACHNA SINGHAL	100
551	RADHA J	10000
552	RADHIKA UPPAL	45000
553	RAHUL LOYALKA	1050
554	RAHUL MUNJAL	13750
555	RAHUL SIWACH	900
556	RAI SINGH SHARMA	200
557	RAJ KUMAR	200
558	RAJ KUMAR JAIN	500
559	RAJ KUMAR MALIK	100
560	RAJ KUMAR MEHTA VEENA MEHTA	400
561	RAJ RANI	250
562	RAJAN MALIK	600
563	RAJAN MALIK MALA MALIK	5200
564	RAJAN SATIJA MANORAMA DEVI SATIJA	3300
565	RAJAT DALMIA	8400
566	RAJAT KUKAR	2000
567	RAJEEV BHASKAR	400
568	RAJEEV DEWAN	400
569	RAJEEV KUMAR GUPTA SANJEEV KUMAR GUPTA	100
570	RAJEEV MUNJAL	500
571	RAJEN GUPTA	3600
572	RAJENDER GUPTA	600
573	RAJENDER PARSHAD	900
574	RAJENDRA KUMAR N PATEL	1000
575	RAJENDRA THAKORLAL RAVAL MRADULA RAJENDRA RAVAL	200
576	RAJENDRAKUMAR NAROTTAMDAS PATEL	500
577	RAJESH GUPTA	1500
578	RAJESH KHANNA	2250
579	RAJESH KHANNA SUMAN KHANNA	1650
580	RAJESH KOHLI	300
581	RAJESH MUNJAL	3600
582	RAJESH NARAIN TANDON	900
583	RAJESH YADUVANSHI ABHA SINGH	600
584	RAJESHWAR NIWAL SAU SHEELA R NIWAL	1600
585	RAJIV KHOSLA SADHANA KHOSLA	8500
586	RAJIV OJHA SANDEEP OJHA	1800
587	RAIV SABHLOK SONIA SABHLOK	7650
588	RAJIVE KHANNA MADHU KHANNA	1650
589	RAJNI JAGGI	1000
590	RAJNI VERMA	1000

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
591	RAJSHREE AJAR GARG DR AJAR KUMAR GARG	900
592	RAHUL KHANNA NEETA KHANNA	1650
593	RAJVEER SUHAG	100
594	RAJVIR SAROHA	1100
595	RAKESH ARORA	700
596	RAKESH BUDHIRAJA	600
597	RAKESH GUPTA	500
598	RAKESH KUMAR	100
599	RAKESH KUMAR DHAWAN	1500
600	RAKESH KUMAR SYAL	400
601	RAKESH KUMAR SYAL	400
602	RAKESH NAHAR	300
603	RAKHI CHHATWAL	150
604	RAKHI CHHATWAL SUBODH CHHATWAL	150
605	RAKHI CHHATWAL	100
606	RAKHI CHHATWAL	100
607	RAKHI CHHATWAL	100
608	RAKHI CHHATWAL SUBODH CHHATWAL	100
609	RAM AVTAR BANGA	1600
610	RAM AVTAR BANGA	600
611	RAM GOPAL BHHGWATI DEVI ANU RATAN AGARWAL	3600
612	RAM KISHOR GUPTA	300
613	RAM PAL	600
614	RAM PARSHAD	450
615	RAM SARUP LUGANI	1000
616	RAMA DHIR	2700
617	RAMA KAPAHI	300
618	RAMA SHANKAR KHEMKA (F/NG)	2000
619	RAMA SHANKER KHEMKA	2000
620	RAMABEN BABARIA KHODABHAI BABARIA	300
621	RAMAN GUPTA	1000
622	RAMAN KAPOOR	2200
623	RAMANATH KHANRA GANGADHAR KHANRA	150
624	RAMASHANKER KAPOOR	1800
625	RAMBABU REDDY M	750
626	RAMESH AGARWAL SANGEETA AGARWAL ANIL AGARWAL	3600
627	RAMESH CHAND MANJU	500
628	RAMESH CHANDRA	200
629	RAMESH KAPOOR	50
630	RAMESH SHANKER GUPTA	100
631	RAMKUMAR LOHIYA PRAMILA LOHIYA	2200
632	RAMU VENKATARAMAN ANANTRAMAN	450
633	RANI JAIN	700
634	RANJAN MITAL RANJANA MITAL	50
635	RANJAN MITAL	200
636	RANJEEV KUMAR SHARMA	300
637	RANJIT SHETH NAYNA SHETH	400
638	RANJIT SINGH	750
639	RASHBIHARI SINGHAL	1350
640	RASHMI MITTAL	1000
641	RASHMI P LOYALKA	1050
642	RAVI BHUSHAN ANUJ KALIA	500
643	RAVI GOYAL	2000
644	RAVI SHARMA	400

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
645	RAVI SINGH	1800
646	RAVI SUD	100
647	RAVINDER KUMAR PUGLA	600
648	RAVINDRA MODI	2500
649	RAVNEESH BINDRA PRITAM BINDRA	5100
650	REENA KAKAR	1800
651	REETA PRUTHI	500
652	REHANA MUSTAFA	9000
653	REKHA SHROFF KIRIT KUMAR	3000
654	RENIKA	700
655	RENU GOEL	100
656	RENU GUPTA	1000
657	RENU MAHENDRU	4000
658	RENU MALHOTRA	1650
659	RENU MUNJAL	150
660	RENU MUNJAL	13750
661	RENU SAH	1000
662	RENUKA MUNJAL	13750
663	REVA AHUJA	200
664	REVATHY KUMAR KANCHARLA	2200
665	RITA MEHRA SR MEHRA	900
666	RITA OSWAL	1000
667	RITIKA MALINI	750
668	RITU ARORA RC ARORA	100
669	RITU GUPTE	750
670	ROHTASH SINGH	400
671	ROJALI VIOLET	2000
672	ROOP CHAND	600
673	ROSHINI S SHAH	1000
674	ROSHNI LODHA	3500
675	ROSHNI S SHAH	2000
676	ROSITA LOBO AUDIE LOBO	600
677	SC MAHAJAN	900
678	SM MEHTA & SONS HUF	2700
679	SP BAJAJ	5400
680	S PONNUSWAMY	13500
681	S RAJAGOPAL	150
682	SABINA WADHAWAN DEEPAK WADHAWAN	2000
683	SADHANA KHOSLA RAJIV KHOSLA	2700
684	SANDEEP OJHA RAJIV OJHA	3300
685	SANDHYA SHARMA	300
686	SANDHYARANI SAPAM	2000
687	SANGEETA KATYAL	400
688	SANGITA SHROFF PARESH SHROFF	1000
689	SANJANA GUPTA	200
690	SANJAY A SHAH	2000
691	SANJAY A SHAH	1600
692	SANJAY ANAND	500
693	SANJAYGUPTA	1000
694	SANJAY JOSHI	900
695	SANJAY KAPOOR	1800
696	SANJAY KATHURIA	300
697	SANJAY MATHUR	100
698	SANJAY SAIGAL	3000
699	SANJAY SINGH	300
700	SANJAY UPADHYAY	100
701	SANJEEV KUMAR GUPTA RAJEEV KUMAR GUPTA	100
702	SANJEEV SINGHAI	3500

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
703	SANJIV DHAWAN	1500
704	SANJIV RATTAN JAIN	500
705	SANT KUMAR	300
706	SANTOSH JAIN	900
707	SANTOSH KUMAR SARAOGI	15300
708	SANTOSH MANGATRAM GUPTA	1000
709	SANTOSH MUNJAL	36000
710	SANTOSH MUNJAL	161800
711	SANTOSH NASA	100
712	SARITA OSWAL	1800
713	SARLA DEVI	500
714	SARLA DEVI JAIN	200
715	SAROJ JAIN	500
716	SAROJ JAIN ASIT JAIN	600
717	SAROJ MOHAN	600
718	SAROJ SHROFF UMEYSH SHROFF	1500
719	SATISH JADHAV	3600
720	SATISH KUMAR KAMRA SUDHA KAMRA	3500
721	SATISH KUMARI AGARWAL	400
722	SATISH PARNAMI	200
723	SATYA SHARMA	1500
724	SAUBHAGYA SHREE MOTI CHAND	1500
725	SAVITA JAIN	500
726	SAVITRI SHARMA	300
727	SESHADRI SUNDARAM	900
728	SHABBIR K MUSTAFA	9000
729	SHABNAM SANDEEP	500
730	SHAILJA KHEMKA	900
731	SHAILJA KHEMKA	500
732	SHAILJA KHEMKA	1800
733	SHAKIL CHANDRA	200
734	SHAKUNTALA	900
735	SHAKUNTLA RANI	300
736	SHANTA KUMARI	1000
737	SHARAD RAO	900
738	SHARMILA BOSE	600
739	SHASHANK HIRALAL SHAH	3000
740	SHASHANKA SHEKHAR KARMAKER	200
741	SHASHI AHUJA	1800
742	SHASI BHARGAVA	750
743	SHASHI GUPTA	1800
744	SHASHI SAIGAL	3000
745	SHASHI TANEJA SURINDER MOHAN TANEJA	1000
746	SHEFALI MUNJAL	4500
747	SHIRISH VASUDEO JADHAV	10800
748	SHIV KUMAR SINGHAL	300
749	SHIVA PRAKASH MEMBY	3600
750	SHOBHA R KUMAR	300
751	SHOBHA UBEROI	1800
752	SHOBHANA GUPTA VIRENDER KUMAR	5500
753	SHREYA RAJESH CHOWDHRY RAJESH BALDEVRAJ CHOWDHRY	9100
754	SHRI BHAGWAN	700
755	SHRUTI GUPTA	1000
756	SHRUTI JAIN BHARAT BHUSHAN JAIN	900
757	SHYAM LAL YADAV	100
758	SHYAM SUNDER KOTHARI	5400
759	SIVASANKARPRASAD MERUVA	2800
760	SMITA GUPTA	50

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
761	SMITA JAIN	5000
762	SOHINDER SINGH GILL	750
763	SOM NATH	300
764	SOMNATH BAJAJ	200
765	SONIA SABHLOK RAJIV SABHLOK	6050
766	SOVAN CHAKRABARTY	1000
767	SRILAKSHMI DEVI GALI	2200
768	SUBASH AGARWAL	2700
769	SUBASH C MUNJAL	2700
770	SUBHASH CHANDER KHANNA	600
771	SUBASH DHUPPAD	900
772	SUBODH CHHATWAL	150
773	SUBODH CHHATWAL RAKHI CHHATWAL	150
774	SUBODH CHHATWAL	100
775	SUBODH CHHATWAL	100
776	SUBODH CHHATWAL	100
777	SUBODH CHHATWAL	100
778	SUBODH CHHATWAL	100
779	SUBODH SARAOGI	500
780	SUBRAMANYAM JALLIPALLI	3000
781	SUDERSHAN NASA	200
782	SUDERSHAN SABHLOK JANAK SABHLOK	5000
783	SUDESH KALRA	200
784	SUDESH KALRA	200
785	SUDHA KAMRA	5500
786	SUDHIR KUMAR MIDHA USHA MIDHA	2200
787	SUDHIR LAKHOTIA	500
788	SUDHISH CHAND JAIN	900
789	SUDARSHAN KUMAR CHANDER	2500
790	SUHAS GANBOTE	150
791	SUJATA BHALLA PAWAN KR BHALLA	500
792	SULOCHANA GOENKA	1000
793	SUMAN JAIN SUMAN JAIN DEVENDRA JAIN	3650
794	SUMAN KUMAR BHAGAT	1800
795	SUMAN KUMAR BHAGAT	300
796	SUMANJEET KAUR BHATIA MP SINGH	300
797	SUMER CHANG JAIN MADHU JAIN	450
798	SUNANDA VASUDEO JADHAV	800
799	SUNDEEP MALHOTRA	10800
800	SUNDEEP MALHOTRA	1500
801	SUNIL AGARWAL KASHI PRASAD ANIL AGARWAL	1000
802		3600
803	SUNIL ARORA HEMANT KUMAR	500
804	SUNIL DEWAN	1100
805	SUNIL DHIR	3600
806	SUNIL KANT MUNJAL	27000
807	SUNIL KANT MUNJAL	4500
808	SUNIL KAPOOR	1800
809	SUNIL KR SAH SANGEETA DEVI SAH	6050
810	SUNIL KUMAR SAH	500
811	SUNITA AHUJA	1800
812	SUNITA BHAGAT	200
813	SUNITA THAPAR	1900
814	SUPRIA MUNJAL	35000
815	SURENDRA KUMAR CHAWLA	1000

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
816	SURENDRA KUMAR DUA	450
817	SURESH KUMAR PANDER	250
818	SURINDER CHHABRA	100
819	SURINDER MAHENDRU	4000
820	SURINFER MANOHARLAL SABLOK	5000
821	SURINDER MOHAN TANEJA SHASHI TANEJA	1000
822	SUSHAMA GARG	1500
823	SUSHANT CHHABRA	29200
824	SUSHEELA M PAREKH	5000
825	SUSHIL JAIRAM YADAV	750
826	SUSHIL SINGHAL RASHMI SINGHAL	600
827	SUSHILA JAIN	2800
828	SUSHMA BAJAJ SP BAJAJ	5400
829	SUTINDAR KUMAR VARMA SHANTI VARMA REENA VARMA MITHAL	750
830	SUTINDAR KUMAR VARMA SHANTI VARMA REENA VARMA MITTAL	900
831	SUTINDAR KUMAR VARMA SHANTI VARMA REENA VARMA MITTAL	400
832	SUTINDER KUMAR VARMA GITANJALI SETH	1950
833	SUTINDER KUMAR VARMA REENA V MITHAL	750
834	SUTINDER KUMAR VARMA SHANTI VARMA REENA VARMA MITHAL	600
835	SWADESH SAHANI	2600
836	SWATI JAIN	1500
837	T SABITHA	700
838	T SABITHA	700
839	T SABITHA	700
840	TARA CHAND	300
841	TARA DEVI SAH BAL KISHAN SAH	1500
842	TARUN BHARGAVA	200
843	TARUN CHANDRA SHARMA	500
844	TARUN KUMAR	600
845	TEJ SAROOP MATTA	900
846	TEJ SAROOP MATTA	900
847	THADOI SAPAM	400
848	TRIPTI JAIN BHARAT BHUSHAN JAIN	900
849	TULSI PATRI	1800
850	UJJWAL MUNJAL	26050
851	UMA SHAKTI CHANDEL SANDEEP CHANDEL	500
852	UMESH CHANDER	300
853	UMESH KOKANE	100
854	UMESH SHARMA RAJENDRA KUMAR GAUR	150
855	UMESH SHARMA	300
856	UMESH SHROFF SAROJ SHROFF	3000
857	UPENDER SINGH YADAV	300
858	URMIL GULATI DALBIR SINGH GULATI	1350
859	URMILA MITTAL	1000
860	URVASHI AHUJA	1800
861	USHA AHUJA	1800
862	USHA BAHL ANIL KUMAR BAHL	1500
863	USHA DEVI MEGOTIA	2500

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
	PRAMOD KUMAR MEGOTIA	
864	USHA DHUPPAD	900
865	USHA GUPTA PANKAJ GUPTA	500
866	USHA MIDHA SUDHIR KUMAR	2200
867	USHA P MODI PRAMOD CHANDRA M MODI	2500
868	USHA P MODI	2500
869	VP BAJAJ	5400
870	V RANGANATHAN	1050
871	VALLAVDAS SHETH BHARAT SHATH	400
872	VANDNA MEHTA VIJAY KUMAR MEHTA	400
873	VARINDER KUMAR SHARMA	200
874	VARSHA RISHI MALHOTRA	750
875	VARTIKA MALINI	750
876	VARUN BUXI ARUN BUXI	2700
877	VASANTHA KURAPATI	1800
878	VASUDHA MUNJAL	35000
879	VED PRAKASH CHAWLA	400
880	VED PRAKASH GUPTA	450
881	VEENA MEMBY	3600
882	VEENA SABHARWAL	200
883	VEENA SEHGAL	1500
884	VENKATARAMANREDDY ERRATAPALLI	1000
885	VENKATESHWARA RAO JUVVADI	1300
886	VERINDER KUMAR	400
887	VIBHA KHANNA	200
888	VIJAI NARAIN	900
889	VIJAY GROVER	600
890	VIJAY KANTA	400
891	VIJAY KUMAR	450
892	VIJAY KUMAR AGGARWAL	200
893	VIJAY KUMAR MAHAJAN	500
894	VIJAY KUMAR MEHTA	100
895	VIJAY KUMAR MEHTA	100
896	VIJAY KUMAR MITTAL	400
897	VIJAY KUMAR SHARMA MANORAMA SHARMA	1100
898	VIJAY NOUNI	200
899	VIJAY PAL SINGH	400
900	VIKAS SHARMA SANGEETA KATYAL	600
901	VIKRAM SINGH YADAV	200
902	VIKRAM SINGH YADAV	100
903	VINAY HINGLE	6000
904	VINAYAK PANSE	900
905	VINEET KUMAR	900
906	VINOD AHUJA	7650
907	VINOD KUMAR	400
908	VINOD KUMAR AGGARWAL	500
909	VINOD KUMAR GARD DR ABHA VINOD GARG	400
910	VINOD KUMAR GUPTA	100
911	VIPAN GUPTA	300
912	VIPIN KUMAR ALKA GUPTA	1500
913	VIPIN KUMAR GUPTA	3000
914	VIRENDER KUMAR	300
915	VIRENDER KUMAR	6000
916	VIRENDER KUMAR AHUJA	300
917	VIRENDER KUMAR HUF	1500
918	VIRENDER UPPAL	1300
919	VIRENDRA SAIGAL SANJAY SAIGAL	3000

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
920	VIRENDRA SINGH SISODIA	900
921	VISHAL GUPTA	200
922	VISHAV KEERTI PASRICHA	600
923	VIVEK AGGARWALA	1350
924	VIVEK KAUL	200
925	YASHPAL GROVER	300
926	YOGESH BANSAL	200
927	YOGESH CHANDER MUNJAL	3000
928	YOGESH KUMAR GUPTA	600

B. Allotment dated June 26, 2014

Details of allottees as per Form PAS-3 filed with RoC.

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1	HERO MOTOCORP LTD	14600000
2	PAWAN MUNJAL	300
3	RENU MUNJAL	750
4	KARNA SINGH MEHTA	1800
5	ASHOK KUMAR AGARWAL	1500
6	DHANESHWARI DEVI AGARWAL	1500
7	MAHESH KR. AGARWAL	6000
8	MITHU KUMAR AGARWAL	1500
9	SUNITA DEVI AGARWAL	1500
10	DHRAMBIR BANSAL	8000
11	SUDHAKAR BASAPATI	1500
12	PANCHAPPA CHITRIKI	2000
13	ABHAY KUMAR KANAIHLAL DOSHI	1200
14	DHARMENDRA KANAIHLAL DOSHI	1200
15	FALGUNI P DOSHI	3625
16	HEMENDRA S DOSHI	2500
17	JAYAKUMAR D DOSHI	10000
18	CHAITALI J DOSHI	1500
19	RELIABLE SPONGE PVT LTD	10000
20	ORBIT MOTORS PRIVATE LIMITED	5000
21	KAMALESH DUTTA	8100
22	MANOB DUTTA	8100
23	NARENDRA C GARG	3000
24	SUSHAMA GARG	4500
25	AJAY KUMAR GUPTA	5400
26	JAGDISH CHANDER GUPTA	2700
27	ANITA JAIN	1500
28	ARUN KUMAR JAIN	1500
29	JAI KUMAR JAIN	3000
30	KAMLESH JAIN	1500
31	POONAM JAIN	1500
32	PRAVEEN JAIN	1500
33	RAJ KUMAR JAIN	1000
34	SAVITAJAIN	1000
35	SUBRAMANYAM JALLIPALLI	10000
36	JAYANT DEVENDRA JASANI	1350
37	GOPAL KRISHNA KAPOOR	6500
38	HARI KAPOOR	3200
39	PRABHA KAPOOR	8600
40	SANJAY KAPOOR	5400
41	SUNIL KAPOOR	5400
42	DEVENDER JEET KAUR	4000
43	LALIT KUMAR PODDAR	2250
44	HARPREET KAUR KOHLI	13500
45	JAGDEEP SINGH KOHLI	13500
46	NARINDER KAUR KOHLI	13500
47	NIKHIL KUSUMGAR	3000
48	PUNIT KUSUMGAR	3000
49	RASILABEN KUSUMGAR	3000
50	GOPAL LODHA	13000
51	ROSHNI LODHA	13000
52	ANNAPURNA MEMBY	3000
53	SRINIWAS MEMBY	3000
54	SIVASANKARPRASAD MERUVA	9000
55	MOHIT OSWAL	5400
56	SARITA OSWAL	5400
57	JAIDEEP SINGH PATIL	7500
58	RAMBABU REDDY M	750
59	MAHENDRA KUMAR SARAOGI	6000
60	SANTOSH KUMAR SARAOGI	52200
61	AJAY KUMAR A. SHAH	6000
62	ANIL KR. RAMANIKLAL SHAH	6000
63	ARUNAGOWRIA SHAH	6000

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
64	DEEPIKA A. SHAH	6000
65	JAYANT PARAMANAND SHAH	12000
66	MUKUND BHAGWANDAS SHAH	2100
67	ROSHNI S. SHAH	6000
68	SANJAYASHAH	6000
69	ARWINDAR SINGH	3000
70	RANDHIR SINGH	4000
71	SATINDER SINGH	4000
72	INDIRA DEEPAK THAKER	1500
73	JEYA ANANTHI THANGAM	1500
74	GHANSHYAMDAS TOSHNIWAL	1500
75	RAVI SUD& SON HUF	2500
76	ANIL KUMAR	750
77	SHEELA AGARWAL	3400
78	ANIL KUMAR BAANATHIA	8100
79	ANIL KUMAR BAHL	3750
80	SUNITA BHAGAT	600
81	KISHAN CHAND	3000
82	OSHADHI CHIRALA	3375
83	PAN DU RANGA RAO CHIRALA	2850
84	ARUN CHOPRA	750
85	DEEPAK CHOUDHURY	3000
86	ASHISH SHIRIRAM DHAWAN	6000
87	NEERA CHOWDHRY	11700
88	NINNAYCHUGH	3000
89	SANCHI CHHABRA	300
90	PANKAJ AGARWAL	4500
91	KUNAAL DEWAN	2000
92	SANJIV DHAWAN	3750
93	ASHOK KUMAR DUA	500
94	CHANDAN DUTTA	16200
95	USHA GARG	1000
96	DINESH KUMAR GARG	1800
97	KAILASH KUMAR GOENKA	3000
98	SULOCHANA GOENKA	3000
99	ANJU GROVER	1000
100	ASHA GUPTA	1200
101	PRAN NATH GUPTA	1500
102	PIYUSH GUPTA	300
103	BIPINBHAI RAMBHAIINTWALA	4200
104	GITA BIPINCHANDRA INTWALA	4200
105	PRAVIN RAMBHAI INTWALA	4400
106	SUNANDA VASUDEO JADHAV	8400
107	ARUN JAIN	1400
108	M.KJAJOO	10800
109	AVINASH ANANT JOSHI	1500
110	RAJAN JOSHI	600
111	T SABITHA	1050
112	HARIPRASADA RAO TANDRA	1050
113	VENKATESHWARA RAO JUWADI	1900
114	HARI PRIYA JUWADI	2000
115	SRKAKAR	400
116	RASHIMA KAKAR	450
117	JATINDER KUMAR KAKKAR	300
118	D KANNAN	750
119	RAVI KAPOOR	600
120	SONYA KAPOOR	900
121	M KARPAGAM	3900
122	RAJ KU MAR KHANNA	750
123	SUBHASH CHANDER KHANNA	1500
124	ASHOK KUMAR KHATRI	600
125	NANDA KHEMKA	750
126	NEERAJ KHEMKA	750
127	NAVAL KISHORE	600
128	HARPREET KOHLI	2200
129	NANDLAL KOTHARI	10000
130	RAJ AT KUKAR	6000

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
131	VIMAL SURI	900
132	NIKHIL KUSUMGAR	1500
133	SALONI KUSUMGAR	1500
134	SUSHMA KUSUMGAR	2250
135	VEDPRAKASH LUTRA	600
136	ANOOP KUMAR MADAN	10800
137	ASHOK MAGO	600
138	SURINDER MAHENDRU	12000
139	SHILPI KHEMKA	1500
140	ANIL KUMAR MITTAL	300
141	VIJAY KUMAR MITTAL	1100
142	ALPANA MODI	1500
143	PRADEEP KUMAR MODI	1500
144	AR MUTHIAH	3900
145	JAYAPRADHA REDDY NALLA	5400
146	MAHIPAL REDDY NALLA	3600
147	SOM NATH	900
148	MADHU OSWAL	1000
149	YASH PAL	300
150	VINAYAK PANSE	2600
151	MANOJ KUMAR PANT	300
152	NARENDER KR PARGAL	500
153	VISHAV KEERTI PASRICHA	2000
154	SUNIL PATIL	1500
155	AMIYA KUMAR PAUL	650
156	ASHUTOSH PHULORIA	450
157	N.UMESH PRABHU	600
158	BENU RAHEJA	2700
159	KALYANI RAI	2700
160	DEV RAJ	600
161	V. RANGANATHAN	2625
162	J KARNAKAR RAO	2400
163	K P DEEPAK RAO	5000
164	NAGENDRA KUMAR RAWAT	150
165	RAJIV KUMAR ROHILLA	300
166	TARVINDER SEHGAL	450
167	PARMINDER KAUR SETHI	750
168	CHANDER MOHAN SHARMA	300
169	POONAM SHARMA	2850
170	RAKESH SHARMA	150
171	RAM DHARI SHARMA	450
172	RAVI SHARMA	1200
173	SATYA SHARMA	1500
174	SHOBHA	900
175	RADHA KRISHAN SHUKLA	300
176	SATYAVIR SINGH	200
177	BHARPUR SINGH	100
178	GURCHARAN SINGH	600
179	M M SINGH	375
180	RANJIT SINGH	1875
181	ROHTASH SINGH	200
182	MANISH DAKUJA	1350
183	SATNAM SINGH	150
184	SUSHIL SINGHAL	1500
185	N N SRINIVASAN	750
186	H SRIRAM	1500
187	GEETA SURI	2000
188	VIMAL SURI	900
189	RAJESH NARAIN TANDON	2250
190	SHOBHA UBEROI	3500
191	DINESH KUMAR VERMA	600
192	BRIJMOHAN LALL MUNJAL	199250
193	RENU MUNJAL	41375
194	PAWAN MUNJAL	40025
195	SUMAN KANT MUNJAL	41375
196	SUNIL KANT MUNJAL	41375
197	NAVNEET MALHOTRA	750

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
198	SHYAM LAL	100
199	SUNIL KANT MUNJAL	6750
200	SUNIL KANT MUNJAL	81000
201	ASHISH MUNJAL F/NG NEETI	27000
202	UJJWAL MUNJAL	66075
203	SHEFALI MUNJAL	13500
204	AKSHAY MUNJAL	40000
205	KULDEEP SINGH THAKUR	1350
206	FANINDRA MANOHAR KHANAPURKAR	3600
207	MANOJ KUMAR GOEL	4200
208	RITU MALHOTRA	750
209	SHABNAM	1500
210	VINOD AHUJA	18975
211	NAMITA ANAND	3000
212	S NITA ARORA	900
213	URMIL GUPTA	4000
214	PAWAN KR. BHALLA	4500
215	SUJATA BHALLA	2000
216	TARUN BHARGAVA	600
217	S S BRAR	2000
218	ARUN CHADHA	1500
219	RAMESH CHANDRA	200
220	KALI CHARAN	1500
221	APC SECURITIES INDIA PVT LTD	2250
222	T SABITHA	1200
223	KRISHAN DHAM	800
224	RAKESH KUMAR DHAWAN	3750
225	ANITA GOVIL	300
226	ASHOK GUPTA	9300
227	JOGINDER PAUL GUPTA	500
228	RAJENDER GUPTA	1800
229	USHA GUPTA	1500
230	H D S MALHOTRA	750
231	ABHAY KUMAR JAIN	2600
232	BHARAT BHUSHAN JAIN	6000
233	BHARTI JAIN	2500
234	DESH BHUSHAN JAIN	500
235	PRIYANKA JAIN	500
236	VARDHMAN JAIN	500
237	BHARAT BHUSHAN JAIN	1300
238	DHARAM BHUSAN JAIN	2750
239	DIPTI JAIN	2500
240	MADHUP JAIN	500
241	SHRUTI JAIN	2500
242	TRIPTI JAIN	2500
243	VJAYAM	5000
244	MAHESH KUMAR KABRA	1200
245	SUBODH CHHATWAL	200
246	RAMA KAPAHI	400
247	SUDERSHAN KHANNA	1500
248	SATISH KUMAR	3000
249	VIRENDER KUMAR	750
250	RAM SARUP LUGANI	3300
251	SUNDEEP MALHOTRA	4500
252	VARSHA RISHI MALHOTRA	2250
253	MOHAN KUMAR MOONDRA	1075
254	RENUKAMUNJAL	34125
255	RAJIV OJHA	5400
256	SANDEEP OJHA	9900
257	REETA PRUTHI	1600
258	PRAKASH PURWAR	1500
259	PAMULAPARTHI RADHIKA	8000
260	S RAJAGOPAL	450
261	B JYOTHIRMAYEE RAJESHWAR	31500
262	D RANGANATHAN	450
263	SUJATA RANGANATHAN	750
264	PRACHI AGARWAL	1600

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
265	SHALINI SAIGAL	8550
266	HARISH CHANDRA SAMTANI	1700
267	BHARAT SAN EJA	8100
268	SATYAWATI GUPTA	1500
269	ARJUN SAWHNY	900
270	SHOBHASEN	1600
271	VIKAS SHARMA	1500
272	RACHNA ANAND	1050
273	RASBIHARI SINGHAL	6000
274	MADHURI SINHA	1350
275	PARMOD TANDON	1200
276	HARI PRASAD RAO TANDRA	5400
277	RITU GUPTE	1875
278	ANUPTHAPAR	3000
279	PROMILA THAPAR	3000
280	ARUN VERMA	150
281	VIJAY KANTA VIJ	1700
282	USHA BAHL	7500
283	APC SECURITIES INDIA PVT LTD	5400
284	JAYANT DAVAR	13500
285	MONICA DAVAR	13500
286	RAMA DHIR	8100
287	SUNIL DHIR	10800
288	DEEPAKJAIN	750
289	ABHAY KUMAR JAIN	3000
290	NIRUPAMA JAIN	5500
291	DEEP KAPURIA	9000
292	SANTOSH MUNJAL	108000
293	KANCHAN NAHAR	1000
294	RAM PAL	1600
295	RIN KI SANYAL	1500
296	KALPANAATUL SUCHAK	1125
297	RAJNI VERMA	2900
298	SABINA WADHAWAN	4000
299	MAN JU AGARWAL	3000
300	PRITI AGARWAL	5400
301	PURNIMA AGARWAL	5400
302	REVAAHUJA	600
303	MOTI CHAND JAIN	3750
304	USHA AHUJA	5400
305	MALLAREDDY ATHIPALLI	3000
306	SU NDARARAJAREDDY ATHIPALLI	6000
307	ARUN GOEL	3000
308	ANIL KUMAR KHANNA	4000
309	KEWAL KRISHAN KHANNA	4000
310	RAMKUMAR LOHIYA	1000
311	SURENDRA SINGH SISODIA	750
312	MAHENDRA KUMAR JAJOO	12000
313	KALPESH SHROFF	2100
314	REKHA SHROFF	6000
315	SANGITA SHROFF	3000
316	ANITA SURI VENKATARAMAN	5000
317	N SURYA KUMARI	500
318	KISHORE MAHTANI	15600
319	RAJAN MALIK	15600
320	ANIESHA MUNJAL	27000
321	PAWAN MUNJAL	27000
322	RENU MUNJAL	68250
323	SUPRIA MUNJAL	62000
324	ANNUVRAT MUNJAL	31000
325	VASUDHA MUNJAL	62000
326	ANNUVRAT MUNJAL	31000
327	RAHUL MUNJAL	68250
328	ABHIMANYU MUNJAL	68250
329	N KRISHNA RAO	3200
330	GURMEET SINGH	2700
331	MANINDER SINGH	2700

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
332	GEETA ANAND	36000
333	BRIJMOHAN LALL MUNJAL	108000
334	NAKUL NATH	12000
335	OM PARKASH ARORA	2700
336	RITA MEHRA	2700
337	RENU MALHOTRA	4125
338	KAMAL KUMAR KHANNA	1800
339	VIBHA KHANNA	600
340	MANISHA GUPTA	1500
341	NEERAJ GUPTA	600
342	ASHA MALHOTRA	400
343	RISHI KUMAR	150
344	SANJAY MITTAL	200
345	CHANDER KANTA PAHUJA	250
346	NAMITA JAIN	2000
347	BABITA MOUR	3300
348	PRITAM CHAND GUPTA	5150
349	DAYANAND GUPTA	600
350	KANAN KUKREJA	150
351	MANJU	300
352	SANTOSH KUMARI VERMA	300
353	MANJU	300
354	NAISHADH SHAH OTHER	6000
355	R K GUPTA	600
356	PRAGNA BEN	2400
357	MANJULA BEN	2400
358	LILA BEN	2400
359	KRISHNA BEN	2400
360	ROOP CHAND	800
361	SUMANJEET KAUR BHATIA	1250
362	NAKUL NATH	3600
363	T SABITHA	2100
364	BHAGWATI PRASAD SHARMA	1000
365	AWADHESH KUMAR	1050
366	AWDESH KUMAR	375
367	SUMAN KUMAR BHAGAT	900
368	SUMAN KUMAR BHAGAT	900
369	SUKHJINDER SINGH BATRA	2000
370	ANITA GUPTA	6000
371	PUSHPALATHA	500
372	SAROJ JAIN	3000
373	RAMESH CHAND	200
374	KARAMYOGI	1050
375	GARGI SHAH	6000
376	BHARAT PARGAL	600
377	TARUN KUMAR	850
378	ASHA REWARI	2000
379	SANDHYA SHARMA	900
380	NEETU GUPTA	1000
381	ANITA KHANNA	6800
382	MANORAMA GUPTA	150
383	M M GUPTA	300
384	SMITA GUPTA	150
385	SUBODH CHHATWAL	500
386	RAKHI CHHATWAL	400
387	SUBODH CHHATWAL	500
388	ABHISHEK CHHATWAL	200
389	SUBODH CHHATWAL	200
390	SUBODH CHHATWAL	200
391	RAKHI CHHATWAL	500
392	PRAGNABEN R PATEL	600
393	KRISHANBEN M PATEL	600
394	LILABEN J PATEL	600
395	MANJULABEN P PATEL	600
396	RAKHI CHHATWAL	200
397	SUBODH CHHATWAL	200
398	SUBODH CHHATWAL	200

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
399	RAKHI CHHATWAL	200
400	SUBODH CHHATWAL	200
401	NARESH TULI	1200
402	NAVEEN RANGERA	600
403	NISHA RANGERA	300
404	POONAM PURI	400
405	SHEETALYADAV	1350
406	R D RAO	600
407	CHANDRAKANT BAJAJ	10000
408	RITA GUPTA	450
409	SARLA DEVI JAIN	300
410	RAJEEV KUMAR GUPTA	300
411	SANJEEV KUMAR GUPTA	300
412	MUKTESH LEKHI	750
413	ATIN GARG	500
414	UMESH SHARMA	1100
415	RAJ RANI	700
416	MITA ASHVIN KIKAGANESHWALA	550
417	SHYAMALKISHORE M JHAJARIA	600
418	RAMABEN BABARIA	800
419	JAYVADAN BHAGWANDAS JARIWALA	600
420	BIPINCHANDRA SHANTILAL SHAH	1500
421	SWATI JAIN	27000
422	VIKRAM MATH UR	750
423	SATYAWATI GUPTA	900
424	MANOJ SINGHAL	1500
425	SHIVA MITTAL	100
426	SHIVA MITTAL	100
427	SHIVA MITTAL	100
428	SHIVA MITTAL	100
429	SHIVA MITTAL	100
430	SHAMMI KAPOOR	500
431	RAJESH KUMAR	100
432	ANUBHA PANT	100
433	PRAKASH VEER	500
434	SUNIL DEWAN	7000
435	KAWAL JAIN	4000
436	MADHU KHANNA	1250
437	RAVI SUD	1000
438	RACHNA SINGHAL	150
439	SUSHMA RANI	500
440	UMESH KOKANE	300
441	ARUNA GANBOTE	500
442	SUHAS GANBOTE	500
443	JAYA RASIKLAL MEHTA	3500
444	RASIKLAL MEHTA	1700
445	SUSHIL SANGHI	400
446	S M MEHTA & SONS HUF	6300
447	PRADEEP KUMAR	150
448	NEERU GARG	1800
449	KOMAL SHAH	900
450	DEEPA VIJAY SHAH	600
451	DIPITI SHAH	1200
452	DEEPA SHAH	300
453	DILIP C MORAKHIA	3600
454	ANIL MAYAWALA	900
455	HEMA AGARWAL	54000
456	PARMOD KUMAR BHALLA	6000
457	SHRI BHAGWAN	2100
458	SHRI PAL JAIN	900
459	RAVINDER KUMAR PUGLA	2000
460	RANI JAIN	2400
461	DIPESH DHANSUKHLAL SHAH	1500
462	PANKAJ BHOGILAL SHROFF	500
463	ANURAG KUMAR	1350
464	GURPREET KAUR BATRA	500
465	YOGESH BANSAL	600

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
466	RAKESH NAHAR	1000
467	TULIKA INVESTMENTS PVT. LTD.	1800
468	PREM NATH AHUJA	500
469	NEENA PAHUJA	500
470	SADHANA KHOSLA	8000
471	JUHI BHATIA	25
472	JUHI BHATIA	25
473	TONI BHATIA	25
474	TONI BHATIA	25
475	RENUKA BHATIA	25
476	RENUKA BHATIA	25
477	SHREYA RAJESH CHOWDHRY	27300
478	ASHOK KUMAR GUPTA	1000
479	VISHAL SETH	150
480	PARUL SETH	375
481	MANISH KUMAR AGARWAL	1500
482	RAKESH GUPTA	300
483	JASVANTBHAI NAROTTAMDAS PATEL	2000
484	RAJENDRAKUMAR NAROTTAMDAS PATEL	2000
485	PRAVINKUMAR NAROTTAMDAS PATEL	2000
486	MANUBHAI NAROTTAMDAS PATEL	2000
467	TULIKA INVESTMENTS PVT. LTD.	1800
468	PREM NATH AHUJA	500
469	NEENA PAHUJA	500
470	SADHANA KHOSLA	8000
471	JUHI BHATIA	25
472	JUHI BHATIA	25
473	TONI BHATIA	25
474	TONI BHATIA	25
475	RENUKA BHATIA	25
476	RENUKA BHATIA	25
477	SHREYA RAJESH CHOWDHRY	27300
478	ASHOK KUMAR GUPTA	1000
479	VISHAL SETH	150
480	PARUL SETH	375
481	MANISH KUMAR AGARWAL	1500
482	RAKESH GUPTA	300
483	JASVANTBHAI NAROTTAMDAS PATEL	2000
484	RAJENDRAKUMAR NAROTTAMDAS PATEL	2000
485	PRAVINKUMAR NAROTTAMDAS PATEL	2000
486	MANUBHAI NAROTTAMDAS PATEL	2000
487	PRADEEP AGGARWAL	500
488	VIRENDRA SAIGAL	2000
489	RENU GOEL	100
490	USHA DHUPPAD	2700
491	SUBHASH DHUPPAD	2700
492	ASHOK MAHAJAN	3375
493	ASHOK KUMAR GUPTA	9300
494	MAM CHAND JAIN	3750
495	SATYAVIR	600
496	PRAKASH KUMAR CHORDIA	2000
497	SUMESH GUPTA	450
498	DIMPLE	2400
499	ANIL KHANNA	2500
500	KEWAL KHANNA	2500
501	RENU MUNJAL	1135100
502	PAWAN MUNJAL	878850
503	SUMAN KANT MUNJAL	1135100
504	SUNIL KANT MUNJAL	1135100
505	BRIJMOHAN LALL MUNJAL	653650
506	NALLA MAHIPAL REDDY	3600
507	NALLA JAYAPRADHA	3600
508	MOHAN CHANDRA AGARWAL	2700
509	JAGDISH SHARAN AGARWAL	10000
510	MANMOHAN KUMAR MALHOTRA	3000
511	DEEPAKWADHAWAN	4000
512	ANJU DHINGRA	1000

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
513	BISHAMBER NATH KHURANA	34850
514	YOGESH CHANDER MUNJAL	7500
515	SANGEETA GUPTA	125
516	ASHOK KUMAR	50
517	NEELAM RANI	600
518	NEELAM TALUJA	300
519	ANUJ RAJESH CHOWDHRY	6000
520	CHETAN JAYANT JASANI	1350
521	KUNNAL DEWAN	1900
522	N KRISHNA RAO	3700
523	SUBODH CHHATWAL	200
524	RAKHI CHHATWAL	350
525	SUBODH CHHATWAL	300
526	SUBODH CHHATWAL	300
527	SUBODH CHHATWAL	200
528	SUBODH CHHATWAL	200
529	RAKHI CHHATWAL	200
530	RAKHI CHHATWAL	200
531	RAKHI CHHATWAL	200
532	DEEPAKJAIN	900
533	OM PRAKASH ARORA	2700
534	REENA KAKAR	2200
535	BABITA AGARWAL	1050
536	RACHNA SINGHAL	150
537	SUMER CHAND JAIN	1400
538	HARIPRASADA RAO TANDRA	1050
539	J SABITHA	1200
540	T SABITHA	1050
541	T SABITHA	1050
542	MANISHA AGARWAL	1000
543	POONAM KALRA	750
544	ANJU RAJIV KALRA	500
545	SHARAD RAO	1600
546	ABHINAV MATTA	700
547	RANJAN MITAL	100
548	NITIN BANSAL	3000
549	SARLA DEVI JAIN	300
550	ASIA PACIFIC CAPITAL INDIA PVT LTD	2250
551	SUNDEEP MALHOTRA	1500
552	B ARUNACHALAM	400
553	BRIJMOHAN LALL MUNJAL	915175
554	RENU MUNJAL	915150
555	PAWAN MUNJAL	703075
556	SUMAN KANT MUNJAL	915150
557	SUNIL KANT MUNJAL	915150
558	SUNIL KANT MUNJAL	6750
559	BRIJMOHAN LALL MUNJAL	70250
560	RENU MUNJAL	70250
561	PAWAN MUNJAL	54000
562	SUMAN KANT MUNJAL	70250
563	SUNIL KANT MUNJAL	70250
564	ANIL KUMAR	750
565	MOHAN KUMAR MOONDRA	650
566	VIJAY GROVER	600
567	KAMAL KISHORE KUKREJA	150
568	SUSHMA	150
569	ANIL KUMAR KHANDELWAL	2250
570	CHINTAN BIPINCHANDRA INTWALA	1500
571	ANU RAWAL HOUSE WIFE	600
572	PRITINDRA NATH SANYAL CONSULTANT	1500
573	NEETU GUPTA	750
574	SATISH KUMARI AGARWAL HOUSE WIFE	1400
575	PINKI SHARMA HOUSE WIFE	900
576	PAN KAJ AGARWAL	1500
577	GAUTAM SINGH SELF EMPLOYED	750
578	ASHOK SUD RETIRED	600
579	ISH ANAND	2500

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
580	BIKRAM JEET SINGH PURI	600
581	ASHISH DUBEY	9000

C.   Allotment dated August 7, 2015

Details of allottees as per Form PAS-3 filed with RoC.

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
1	HERO MOTOCORP LTD	16184700
2	PAWAN MUNJAL	375
3	RENU MUNJAL	750
4	GEETAANAND	13500
5	SUNIL KANT MUNJAL	101250
6	UJJWAL MUNJAL	82593
7	SHEFALI MUNJAL	16875
8	AKSHAY MUNJAL	64162
9	RENUKA MUNJAL	42656
10	SANTOSH MUNJAL	135000
11	ANIESHA MUNJAL	33750
12	PAWAN MUNJAL	33750
13	RENU MUNJAL	101500
14	SUPRIA MUNJAL	40000
15	VASUDHA MUNJAL	40000
16	RAHUL MUNJAL	101500
17	ABHIMANYU MUNJAL	118500
18	HERO MOTOCORP LTD	248025
19	BAHADUR CHAND INVESTMENT (P) LTD	5467996
20	SUNIL KANT MUNJAL	8437
21	BAHADUR CHAND INVESTMENT (P) LTD	135000
22	SUNIL KANT MUNJAL	5062
23	ANNUVRAT MUNJAL	23250
24	ANNUVRAT MUNJAL	23250
25	ANNUVRAT MUNJAL	93000
26	ANNUVRAT MUNJAL	93000
27	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	1757700
28	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	135000
29	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	31031
30	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	851325
31	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	686362
32	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	52687
33	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	52687
34	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	31031
35	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	851325
36	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	686362
37	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	659137
38	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	527306
39	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	30018
40	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	40500
41	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	52687
42	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	686381
43	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	490237
44	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	242700
45	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	149437
46	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	31031
47	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	851325
48	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	52687
49	BAHADUR CHAND INVESTMENTS PRIVATE LIMITED	686362
50	SUNIL KANT MUNJAL	3375
51	KARNA SINGH MEHTA	3600
52	MAHESH KR. AGARWAL	6000
53	DHRAMBIR BANSAL	9300
54	PANCHAPPA CHITRIKI	3000
55	PANCHAPPA CHITRIKI	750
56	ABHAY KUMAR KANAIHLAL DOSHI	1500
57	DHARMENDRA KANAIHLAL DOSHI	1500
58	JAYAKUMAR D DOSHI	8000
59	KAMALESH DUTTA	10125
60	MANOB DUTTA	10125
61	ANITA JAIN	1500
62	JAI KUMAR JAIN	1500
63	KAMLESH JAIN	1500

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
64	PRAVEEN JAIN	1875
65	SANTOSH JAIN	1350
66	SUDHISH CHAND JAIN	1350
67	JAYANT DEVENDRA JASANI	1687
68	GOPAL KRISHNA KAPOOR	8100
69	PRABHA KAPOOR	10725
70	SANJAY KAPOOR	6750
71	SUNIL KAPOOR	6750
72	SURYA NARAYAN REDDY KARRI	375
73	DEVENDER JEET KAUR	4350
74	NIKHIL KUSUMGAR	4000
75	PUNIT KUSUMGAR	4000
76	RASILABEN KUSUMGAR	4000
77	AUTORIDERS FINANCE LIMITED	11250
78	GOPAL LODHA	15000
79	ROSHNI LODHA	15000
80	SIVASANKARPRASAD MERUVA	11000
81	SARITA OSWAL	6750
82	JAIDEEP SINGH PATIL	2500
83	BIPIN R SHAH	4725
84	HITESH R SHAH	4725
85	JAYAKAR R SHAH	4725
86	KI RAN R SHAH	4725
87	MUKUND BHAGWANDAS SHAH	5024
88	ARWINDAR SINGH	3000
89	RANDHIR SINGH	4350
90	SATINDER SINGH	4350
91	M VEERENDRA	1250
92	JUGAL KISHORE BAJAJ	200
93	SUNITA BHAGAT	900
94	RAMESH CHAND	750
95	ANIL KUMAR CHAUDHARY	250
96	DEEPAK CHOUDHURY	4700
97	NINNAYCHUGH	3750
98	HITENDAR DAWAR	375
99	CHANDAN DUTTA	20250
100	SRILAKSHMI DEVI GALI	3300
101	HEMANT BALKRISHNA GARDE	375
102	PRAHLAD KUMAR GODARA	1350
103	KAILASH KUMAR GOENKA	3750
104	ASHA GUPTA	500
105	PIYUSH GUPTA	500
106	ANIL HARIDASS	750
107	ANJALI POWAR HARIDASS	750
108	VENKATESHWARA RAO JUVVADI	1525
109	HARI PRIYA JUVVADI	2000
110	S R KAKAR	450
111	ILAM C. KAMBOJ	1000
112	REVATHY KUMAR KANCHARLA	3000
113	M KARPAGAM	5000
114	ANIL KARWASRA	75
115	VISHAN KHANDELWAL	300
116	SUBHASH CHANDER KHANNA	1875
117	NAVAL KISHORE	750
118	RAJAT KUKAR	7500
119	LALIT KUMAR	500
120	NIKHIL KUSUMGAR	2000
121	SALONI KUSUMGAR	2000
122	SUSHMA KUSUMGAR	3000
123	BHUPESH MAHAJAN	375
124	VIJAY KUMAR MAHAJAN	750
125	SURINDER MAHENDRU	10000
126	ARUN MALHOTRA	375
127	SHIV PARKASH MEHTA	450
128	ALPANA MODI	1875
129	PRADEEP KUMAR MODI	1875
130	ARUN KUMAR M. UBRIANI	2750

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
131	AR MUTHIAH	5000
132	JAYAPRADHA REDDY NALLA	6750
133	MUKAND NARAIN	375
134	RAKESH CHANDER NEGI	75
135	VINAYAK PANSE	3225
136	MANOJ KUMAR PANT	375
137	AMIYA KUMAR PAUL	650
138	NEERAJ PODDAR	1500
139	DEV RAJ	750
140	J KARNAKAR RAO	500
141	RAJAN SATIJA	4950
142	PARMINDER KAUR SETHI	950
143	POONAM SHARMA	3562
144	RAVI SHARMA	500
145	BHARPUR SINGH	100
146	JAGPAL SINGH	200
147	M M SINGH	475
148	RANJIT SINGH	2343
149	SUSHIL SINGHAL	2000
150	K.L SURI	900
151	RAJESH NARAIN TANDON	2850
152	SHOBHA UBEROI	1000
153	DINESH KUMAR VERMA	750
154	NEERAJ WADHERA	500
155	RAJESH YADUVANSHI	2000
156	SHYAM LAL	150
157	ASHISH MUNJAL F/NG NEETI	33750
158	FANINDRA MANOHAR KHANAPURKAR	400
159	VINOD KUMAR AGGARWAL	1000
160	SUNITA ARORA	1125
161	PAWAN KR. BHALLA	800
162	RAMESH CHANDRA	200
163	KALI CHARAN	2000
164	KISHORE KUMAR DEWANI	375
165	ASHOK GUPTA	15000
166	RAJENDER GUPTA	2250
167	USHA GUPTA	2500
168	COLVYN JAMES HARRIS	1500
169	ABHAY KUMAR JAIN	3075
170	BHARAT BHUSHAN JAIN	7500
171	BHARTI JAIN	3000
172	DESH BHUSHAN JAIN	1500
173	DHARAM BHUSAN JAIN	3187
174	DIPTI JAIN	3000
175	SHRUTI JAIN	1900
176	TRIPTI JAIN	550
177	SANJAY JOSHI	2500
178	SANGEETA KHANDELWAL	500
179	VINOD KUMAR KHANDELWAL	1000
180	PRADEEP KUMAR LOHIA	300
181	RAM SARUP LUGANI	4000
182	SUNDEEP MALHOTRA	5625
183	RAJIV OJHA	6750
184	SANDEEP OJHA	12375
185	RITA OSWAL	2000
186	PRAKASH PURWAR	2500
187	ARJUN SAWHNY	1125
188	JOGINDER SINGH	1300
189	DEEPA SOOD	1350
190	KAMLESH SOOD	600
191	HARI PRASAD RAO TANDRA	6750
192	SUNITA VASHIST	375
193	SURENDRA KUMAR CHAWLA	1000
194	ATUL CHOPRA	2700
195	JAYANT DAVAR	16875
196	MONICA DAVAR	16875
197	ABHAY KUMAR JAIN	3750

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
198	NIRUPAMAJAIN	6750
199	KEWAL KRISHAN KHOSLA	1350
200	SNEH KHOSLA	1350
201	ALKA MAHESHWARI	1687
202	KANCHAN NAHAR	1125
203	PAWAN KUMAR SALHOTRA	2075
204	ATUL H SUCHAK	750
205	RAJNI VERMA	3700
206	SAUBHAGYA SHREE	1000
207	SONIA RANI	750
208	USHA AHUJA	6750
209	ANIL KUMAR KHANNA	5000
210	BALDEV RAJ KHANNA	3750
211	KEWAL KRISHAN KHANNA	5000
212	RAJESH KHANNA	2000
213	RAJIVE KHANNA	2000
214	RAJUL KHANNA	2000
215	RAMKUMAR LOHIYA	2000
216	CHITRA RUDRA	3000
217	DEEPAK KUMAR RUDRA	4500
218	KALPESH SHROFF	2625
219	REKHA SHROFF	6000
220	SANGITA SHROFF	3750
221	JAYSHREE N	1900
222	MANINDER SINGH	8375
223	PRADEEP KUMAR DUGAR	750
224	BENITA SHARMA	1500
225	BENITA SHARMA	1500
226	GALI SRIHARI PRASAD	1950
227	RENU MALHOTRA	5156
228	KAMAL KUMAR KHANNA	2250
229	VIBHA KHANNA	750
230	KEWAL KRISHAN KHOSLA	2700
231	DAYANAND GUPTA	500
232	ANJU TRIPATHI	300
233	BHAGWATI PRASAD SHARMA	400
234	L R KALRA	450
235	SUMAN KUMAR BHAGAT	1500
236	SUMAN KUMAR BHAGAT	1125
237	ANITA GUPTA	13000
238	BHARAT PARGAL	400
239	TARUN KUMAR	550
240	KAMAL KARAMCHANDANI	250
241	ANITA KHANNA	10000
242	MANORAMA GUPTA	187
243	M M GUPTA	375
244	SMITA GUPTA	187
245	SUBODH CHHATWAL	600
246	RAKHI CHHATWAL	500
247	SUBODH CHHATWAL	600
248	RAKHI CHHATWAL	600
249	ANJALI AGARWAL	450
250	R D RAO	700
251	CHANDRAKANT BAJAJ	5000
252	AKTRIPATHI	375
253	RAJEEV KUMAR GUPTA	375
254	SANJEEV KUMAR GUPTA	375
255	MUKTESH LEKHI	937
256	S GANAPATHI SUBRAMANIAN	100
257	UMESH SHARMA	1500
258	RAJ RANI	900
259	PANKAJ MAHAJAN	150
260	PRAVIN KHANDUBHAI SARADHIA	300
261	MANOJ SINGHAL	1875
262	MADHU KHANNA	1500
263	RAVI SUD	2000
264	UMESH KOKANE	400

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
265	ARUNA GANBOTE	600
266	SUHAS GANBOTE	600
267	S M MEHTA & SONS HUF	9000
268	KOMAL SHAH	1125
269	DEEPA VIJAY SHAH	750
270	DIPITI SHAH	1500
271	DEEPA SHAH	375
272	TANUJA	600
273	PANKAJ BHOGILAL SHROFF	750
274	CHINU V SHAH	300
275	RAKESH NAHAR	1125
276	RAKESH GUPTA	375
277	PRADEEP AGGARWAL	600
278	BIPIN VASUDEO BATAVIA	150
279	RENU GOEL	225
280	ASHOK KUMAR GUPTA	15000
281	ANIL BAJAJ	450
282	SUTINDER KUMAR VARMA	2750
283	SUMESH GUPTA	562
284	ANIL KHANNA	3000
285	KEWAL KHANNA	3000
286	AMRIT GREWAL	750
287	ASHOK KUMAR MATHUR	1350
288	JAGDISH SHARAN AGARWAL	5000
289	MANMOHAN KUMAR MALHOTRA	2625
290	YOGESH CHANDER MUNJAL	10000
291	NEELAM RANI	750
292	CHETAN JAYANT JASANI	1687
293	SUBODH CHHATWAL	300
294	RAKHI CHHATWAL	400
295	SUBODH CHHATWAL	300
296	SUBODH CHHATWAL	300
297	SUBODH CHHATWAL	300
298	SUBODH CHHATWAL	300
299	RAKHI CHHATWAL	300
300	RAKHI CHHATWAL	300
301	RAKHI CHHATWAL	300
302	REENA KAKAR	2000
303	PRAMOD KUMAR MEGOTIA	1000
304	RACHNA SINGHAL	187
305	SUMER CHAND JAIN	1750
306	HARIPRASADA RAO TANDRA	1312
307	T SABITHA	1500
308	T SABITHA	1312
309	SHARAD RAO	2000
310	RANJAN MITAL	150
311	NITIN BANSAL	6000
312	ATUL CHOPRA	1125
313	SUNDEEP MALHOTRA	1875
314	RANJAN MITAL	150
315	AJAY KUMAR	375
316	VIJAY GROVER	500
317	ANIL KUMAR KHANDELWAL	2850
318	ANU RAWAL	1000
319	SATISH KUMARI AGARWAL	1650
320	PINKI SHARMA	1162
321	BABITA AGARWAL	750
322	ISH ANAND	3000
323	BIKRAM JEET SINGH PURI	1000
324	ASHISH DUBEY	10000
325	ORBIT MOTORS PRIVATE LIMITED	5000
326	LALIT KUMAR PODDAR	2000
327	RAVI SUD & SON HUF	2500
328	ANIL KUMAR	562
329	ASHISH SHIRIRAM DHAWAN	2650
330	SANCHI CHHABRA	250
331	PANKAJ AGARWAL	3525

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
332	PRAN NATH GUPTA	500
333	HARIPRASADA RAO TANDRA	787
334	VIMAL SURI	2250
335	ANOOP KUMAR MADAN	8100
336	N N SRINIVASAN	562
337	VIMAL SURI	1350
338	APC SECURITIES INDIA PVT LTD	1687
339	PRIYANKA JAIN	375
340	VARDHMAN JAIN	375
341	BHARAT BHUSHAN JAIN	1000
342	SUBODH CHHATWAL	200
343	PRACHI AGARWAL	2400
344	SHALINI SAIGAL	6980
345	RACHNA ANAND	900
346	APC SECURITIES INDIA PVT LTD	4050
347	MOTI CHAND JAIN	3000
348	N KRISHNA RAO	2600
349	NAKUL NATH	2700
350	RAMESH CHAND	200
351	NEETU GUPTA	750
352	ABHISHEK CHHATWAL	200
353	SUBODH CHHATWAL	200
354	SUBODH CHHATWAL	200
355	RAKHI CHHATWAL	200
356	SUBODH CHHATWAL	200
357	SUBODH CHHATWAL	200
358	RAKHI CHHATWAL	200
359	SUBODH CHHATWAL	200
360	SHEETAL YADAV	1100
361	RACHNA SINGHAL	112
362	DILIP C MORAKHIA	2700
363	TONI BHATIA	101
364	TONI BHATIA	2
365	RENUKA BHATIA	2
366	MOHAN CHANDRA AGARWAL	2500
367	ASIA PACIFIC CAPITAL INDIA PVT LTD	1687
368	ANIL KUMAR	562
369	PANKAJ AGARWAL	1125
370	PRAHLAD KUMAR GODARA	1125
371	DESH DEEPAK MALIK	3100
372	UMA MALIK	3000
373	RAMESH CHANDRA KALRA	100
374	SWAPNIL KHANAPURKAR	300
375	HARI PRASAD RAO TANDRA	600
376	HARMOHAN SINGH SAWHNEY	2500
377	SHYAM LAL	2100
378	SRIMAN REDDY ATHIVARAPU	1000
379	PRAHLAD KUMAR GODARA	150
380	SMITA B SHAH	750
381	BHARAT M SHAH	750
382	SHANTI DEVI JAJU	1000
383	A D KIKAGANESHWALA HUF	600
384	A HARIKISHAN RAO	900
385	A HARIKISHAN RAO	2625
386	A HARIKISHAN RAO	787
387	A HARIKISHAN RAO	1312
388	ABHISHEK CHHATWAL	100
389	ABHISHEK CHHATWAL	100
390	ABHISHEK CHHATWAL	100
391	ABHISHEK CHHATWAL	100
392	AJAY KUMAR	375
393	AKANKSHA MALIK	3000
394	AMANDEEP SINGH ARORA	500
395	ANITA AGARWAL	2500
396	ANOOP KUMAR MADAN	5400
397	APARNA ADVISORY SERVICES PVT LTD	1125
398	ARJUN BHANDARI	1500

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
399	ARJUN BHANDARI	1500
400	ARUNA JAIN	500
401	ASHNA SURI	300
402	ASHU ARORA	200
403	BABARIA KHODABHAI	500
404	BINAL DESAI	300
405	BINAL DESAI	150
406	DEEPIKA JAIN	3750
407	DHRUVA KUMAR	1000
408	DIMPLE H DOSHI	4631
409	HEM PRAKASH MEHTA	1500
410	HEMALI PRAKASH MEHTA	1700
411	ILAM C KAMBOJ	500
412	JAGVIR SINGH FAUZDAR	500
413	JAGVIR SINGH FAUZDAR	500
414	JUHI BHATIA	5
415	KOKILA R	600
416	L.R KALRA	300
417	LAKKA SHILPA REDDY	1500
418	LAVLEEN LUTHRA	1400
419	MADHUR SHARMA	500
420	MAHESH H SHAH	5000
421	MAHESH KUMAR AGARWAL	2500
422	MANIK KUMAR JAIN	600
423	MANIK SINGHAL	6000
424	MANISH KUMAR AGARWAL (HUF)	2500
425	MANJU KHANNA	150
426	MANJU KHANNA	150
427	MANOJ KUMAR MAHESHWARI	3600
428	MANU KHANNA	2000
429	MAYANK GOEL	2000
430	MEENA HIMATLAL SUCHAK	843
431	MEENAKSHI FOTEDAR KILAH	6750
432	NALLA JAYAPRADHA REDDY	4050
433	NALLA MAHIPAL REDDY	4050
434	NALLA MAHIPAL REDDY	4050
435	PANKAJ KUMAR	1000
436	PANKAJ KUMAR SHROFF	750
437	POONAM KEDIA	10000
438	PRACHI CHHABRA	250
439	PRAGNA P SALOT	1125
440	PRAKASH KANTILAL MEHTA	3000
441	PRAMOD KUMAR KANDOI	400
442	PRANAB BHALLA	1000
443	PRASHANT JAIN	2500
444	PREM CHAUDHARY	4500
445	PRERNA CHHATWAL	100
446	PRERNA CHHATWAL	100
447	PRERNA CHHATWAL	100
448	RACHNA SING HAL	75
449	RAKESH RASIKLAL MEHTA	1500
450	RAKESH RASIKLAL MEHTA	4275
451	RAKESH RASIKLAL MEHTA	1275
452	RAMESHWAR DAYAL RAO	700
453	RICHA BANSAL	1750
454	RITA MEHRA	3375
455	RUCHITA AGARWAL	2250
456	RUCHITA AGARWAL	1350
457	SANGEETA JAIN	3000
458	SAPANA VIMAL JHAJARIA	450
459	SHALINI SAIGAL	5775
460	SHALINI SAIGAL	4650
461	SHALINI SAIGAL	4650
462	SHREEKANT PHUMBHRA	60000
463	SHUBHANKAR GARG	600
464	SUBODH CHHATWAL	100
465	SUBODH CHHATWAL	100

S. No.	Name of the Shareholder*	No. of Equity Shares Allotted
466	SUBRAHMANYAM JALLIPALLI HUF	12500
467	SURESH CHANDRA KHUNTETA	1500
468	SUSHMA GOMBER	1000
469	TONI BHATIA	100
470	TRILOK KUMAR AGARWAL	2500
471	TRILOK KUMAR AGARWAL (HUF)	2500
472	TUSHAR BHALLA	1000
473	UMA SHIV SINGLA	900

D. Allotment dated August 23, 2018.

Details of allottees as per Form PAS-3 filed with RoC.

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1.	MAHESH KR. AGARWAL	2,240
2.	HARSUKH AGRAVAT	384
3.	JAYASHRIBEN AGRAVAT	560
4.	NITIN KUMAR AGRAVAT	560
5.	DHRAMBIR BANSAL	3,570
6.	KAMALESH DUTTA	3,780
7.	MANOB DUTTA	3,780
8.	ANU GUPTA	740
9.	RAJESH GUPTA	411
10.	RADHA. J	1,500
11.	ANITA JAIN	640
12.	ARUN KUMAR JAIN	160
13.	JAI KUMAR JAIN	1,040
14.	KAMLESH JAIN	640
15.	MEENA JAIN	148
16.	PRADEEP JAIN	592
17.	RAJNI JAIN	148
18.	RAMESH KUMAR JAIN	80
19.	SANJEEV JAIN	592
20.	SUMAN JAIN	995
21.	GOPAL KRISHNA KAPOOR	2,000
22.	PRABHA KAPOOR	1,500
23.	SANJAY KAPOOR	2,520
24.	SUNIL KAPOOR	2,520
25.	VIJAI NARAIN KAPOOR	200
26.	DEVENDER JEET KAUR	1,336
27.	GUNWANT KAUR	320
28.	BIPIN KUMAR KUBAVAT	560
29.	G BABY VIJAYA LAKSHMI	1,481
30.	AUTORIDERS FINANCE LIMITED	4,200
31.	K MANOHARAN	1,481
32.	SIVASANKARPRASAD MERUVA	461
33.	ASHISH P MODI	800
34.	PRAMOD CHANDRA M MODI	400
35.	USHA P MODI	800
36.	NARENDRA KUMAR NIRANJANI	560
37.	M JWALA PRASAD	800
38.	RAMBABU REDDY M	320
39.	RAJIV SABHLOK	2,081
40.	SONIA SABHLOK	1,653
41.	SANJAY SACHDEVA	80
42.	ANIL KR. RAMANIKLAL SHAH	1,600
43.	ARWINDAR SINGH	960
44.	RANDHIR SINGH	640
45.	SATINDER SINGH	640
46.	BINDIGANAVLE SRINIVAS	1,200
47.	INDIRA DEEPAK THAKER	411
48.	ROJALI VIOLET	720
49.	NEHA AHUJA	80
50.	PAMELA AHUJA	80
51.	RAJIV AHUJA	80

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
52.	RAKESH AHUJA	80
53.	SANJEEV AHUJA	80
54.	SHASHI AHUJA	576
55.	GEETA ANAND	3,600
56.	ANIL ARORA	176
57.	SUNIL ARORA	165
58.	ARUN AWASTHY	82
59.	ANIL KUMAR BAANATHIA	2,221
60.	ANJU BERRY	329
61.	ARUN BERRY	329
62.	YUDHISTHER BHATIA	33
63.	INDIRA BHATT	99
64.	HARNISH BINDRA	1,440
65.	RAVNEESH BINDRA	1,440
66.	KISHAN CHAND	823
67.	RAMESH CHAND	280
68.	UMA SHAKTI CHANDEL	165
69.	AKHILESH KUMAR CHATURVEDI	49
70.	ASEEM CHOPRA	148
71.	JATINDER KUMAR CHOPRA	444
72.	ASHOK KUMAR CHOUDHARY	33
73.	HITENDAR DAWAR	144
74.	UDAYAN DAYAL	32
75.	LAXMI DEVI	99
76.	PREM LATA DEVI	494
77.	SUNITA DUA	66
78.	ANIL DUSEJA	288
79.	CHANDAN DUTTA	7,560
80.	AJAY KUMAR GARG	64
81.	PRAHLAD KUMAR GODARA	518
82.	KAILASH KUMAR GOENKA	1,400
83.	SULOCHANA GOENKA	800
84.	KAMLA GUPTA	32
85.	VED PRAKASH GUPTA	123
86.	RAM KISHOR GUPTA	99
87.	VINOD KUMAR GUPTA	33
88.	YOGESH KUMAR GUPTA	66
89.	ANIL HARIDASS	165
90.	ANJALI POWAR HARIDASS	165
91.	SATISH JADHAV	1,152
92.	BHARAT JAGGI	320
93.	ROHIT JAIN	80
94.	MEENA JOSHI	64
95.	MAHENDRA PAL KAMBOJ	33
96.	SATISH KUMAR KAMRA	855
97.	SURESH KAPOOR	96
98.	SANJAY KATHURIA	82
99.	MANJIT KAUR	80
100.	KANCHAN KAWATRA	33
101.	RAJESH KHANDELWAL	64
102.	VISHAN KHANDELWAL	82
103.	ASHOK KUMAR KHATRI	165
104.	NAVAL KISHORE	152
105.	NAWAL KISHORE	99

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
106.	HARPREET KOHLI	928
107.	DINESH KOHLI	16
108.	KEWAL KRISHAN	80
109.	K N KRISHNAMURTHY	144
110.	ASHOK KUMAR	16
111.	NARENDER KUMAR	33
112.	SUNIL KUMAR	64
113.	VINOD KUMAR	132
114.	MOHAN LAL	33
115.	ASHOK MAGO	165
116.	BHUPESH MAHAJAN	80
117.	VIJAY KUMAR MAHAJAN	280
118.	BRAJESH MALHOTRA	128
119.	KANWAL KANT MALHOTRA	82
120.	SUMAN MALHOTRA	33
121.	NIRMAL KUMARI MATTA	296
122.	NIDHI KAPOOR	592
123.	OM PARKASH NAGPAL	16
124.	USHA NAGPAL	66
125.	NEERU NAGPAL	132
126.	CHARU NAGRATH	48
127.	JAYAPRADHA REDDY NALLA	2,520
128.	MAHIPAL REDDY NALLA	864
129.	PRAN NATH	132
130.	SOM NATH	240
131.	NARESH KUMAR PAHWA	115
132.	RAMESHWAR PAL	32
133.	SATISH PARNAMI	66
134.	RAJENDAR PARSAD	16
135.	AVINASH CHAND POPLI	64
136.	N.UMESH PRABHU	160
137.	AMBELAL HIRALAL PRAJAPATI	214
138.	SUSHILA AMBELAL PRAJAPATI	214
139.	ATUL RAHEJA	576
140.	BENU RAHEJA	2,160
141.	MINI RAHEJA	576
142.	NAVIN RAHEJA	1,489
143.	VANDANA RAHEJA	304
144.	VIPIN RAHEJA	1,920
145.	KALYANI RAI	720
146.	P RAJMOHAN	144
147.	KASHI RAM	49
148.	REVTI RAMAN	32
149.	V. RANGANATHAN	720
150.	MEERA RANI	16
151.	SHAKUNTLA RANI	115
152.	RANJIT	66
153.	NAVEEN RASTOGI	64
154.	RUCHI RASTOGI	165
155.	KIRAN RAWAL	33
156.	K RUKMANI	48
157.	NELLAIAPPAN S	64
158.	PARVEEN SACHDEVA	64
159.	NEELAM SARDANA	115

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
160.	MANOJ SAXENA	64
161.	TARVINDER SEHGAL	120
162.	KRISHNASWANY SESHADRI	64
163.	PARMINDER KAUR SETHI	350
164.	SHAKUNTALA	296
165.	ASHOK KUMAR SHARMA	16
166.	BHAGIRATH SHARMA	40
167.	CHAMAN LAL SHARMA	48
168.	CHANDER MOHAN SHARMA	80
169.	HARSH KUMAR SHARMA	96
170.	ANUPAM SHARMA	165
171.	PARMA NAND SHARMA	288
172.	POONAM SHARMA	1,367
173.	RAI SINGH SHARMA	66
174.	RAJESH KUMAR SHARMA	64
175.	RAJIV SHARMA	148
176.	RAM DHARI SHARMA	120
177.	RANJEEV KUMAR SHARMA	82
178.	ROHIT SHARMA	16
179.	SANJIV KUMAR SHARMA	16
180.	TARUN CHANDRA SHARMA	165
181.	VINEET KUMAR SHARMA	296
182.	DARSHAN LAL SINDWANI	33
183.	AMITA SINGH	16
184.	GURCHARAN SINGH	160
185.	IQBAL SINGH	128
186.	M M SINGH	181
187.	PREM SINGH	16
188.	SANJAY SINGH	80
189.	VIJAY PAL SINGH	148
190.	H SRIRAM	400
191.	ANITA SRIVASTAVA	160
192.	AMITA SRIVASTVA	16
193.	NARESH TANDON	206
194.	PREM SHANKER TRIPATHI	64
195.	SHOBHA UBEROI	1,332
196.	NITA UPPAL	296
197.	VIRENDER UPPAL	428
198.	VIKAS	66
199.	RAKESH VYAS	16
200.	NEERAJ WADHERA	165
201.	ANIL YADAV	16
202.	BABU LAL YADAV	197
203.	BIRENDER SINGH YADAV	66
204.	NIHAL SINGH YADAV	66
205.	VEDPAL YADAV	96
206.	MAHESH YADAVA	99
207.	RAJRANI	32
208.	SATBIR BHARDWAJ	144
209.	RAJNI KAPOOR	64
210.	ONKARSINGH MINHAS	329

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
211.	SUNIL KANT MUNJAL	37,800
212.	ASHISH MUNJAL F/NG NEETI	12,600
213.	SHEFALI MUNJAL	6,300
214.	KULDEEP SINGH THAKUR	360
215.	CHUNNI LAL AGGARWAL	148
216.	SONALI MOHANISH AGNI	80
217.	VINOD AHUJA	5,202
218.	NAMITA ANAND	658
219.	SUNITA ARORA	432
220.	MEHRA ASHOK	329
221.	KAVITA BHATIA	1,481
222.	HARISH BHATT	66
223.	ARUN CHADHA	400
224.	KRISHAN CHAND CHAWLA	80
225.	VANDANA CHOPRA	115
226.	KISHORE KUMAR DEWANI	144
227.	KAMAL DHABA	48
228.	DALBIR SINGH GULATI	740
229.	URMIL GULATI	370
230.	JOGINDER PAUL GUPTA	256
231.	H D S MALHOTRA	280
232.	VIRENDER KUMAR	16
233.	BHARTI JAIN	144
234.	DHARAM BHUSAN JAIN	1,223
235.	VINOD KUMAR KHANDELWAL	329
236.	PATRI LAXMI	362
237.	PRADEEP KUMAR LOHIA	99
238.	RAM SARUP LUGANI	1530
239.	RENU LUTHRA	82
240.	SMITA MALHOTRA	160
241.	MOHAN KUMAR MOOHDRA	460
242.	RITA OSWAL	640
243.	NEERAJ PANDIT	160
244.	PAMULAPARTHI RADHIKA	4,448
245.	B JYOTHIRMAYEE RAJESHWAR	8,400
246.	MRIDULA REDDY	304
247.	DEVINDER KUMAR SAINI	144
248.	HARISH CHANDRA SAMTANI	444
249.	BHARAT SANEJA	2,221
250.	ASHOK KUMAR SEHGAL	99
251.	RANJANA MATHUR	165
252.	ANIL KUMAR MATHUR	82
253.	VIKAS SHARMA	160
254.	BHIM SAIN SHARMA	296
255.	RAJ KUMAR SHARMA	66
256.	HARJEET SINGH	80
257.	JASVINDER SINGH	165
258.	RASBIHARI SINGHAL	1,357
259.	MADHURI SINHA	370
260.	DEEPA SOOD	144
261.	KAMLESH SOOD	64

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
262.	SUNITA VASHIST	140
263.	VIJAY KANTA VIJ	66
264.	SUNIL DHIR	2,880
265.	VIPIN KUMAR GUPTA	494
266.	NIRUPAMA JAIN	1,440
267.	KIRON KHOSLA	165
268.	LOVE KUMAR KHOSLA	288
269.	S K MEHTA HUF	800
270.	S.S SAINI	214
271.	SNEH LATA SHARMA	362
272.	RANJIT SHETH	128
273.	RAVINDER SINGH	165
274.	ATUL H SUCHAK	247
275.	PANKAJ GUPTA	288
276.	SHASHI GUPTA	576
277.	AMITAV VIRMANI	296
278.	DEVIKA VIRMANI	296
279.	SHALEEN VIRMANI	296
280.	SITA VIRMANI	296
281.	OM PRAKASH AGRAWAL	148
282.	SUNITA AHUJA	576
283.	USHA AHUJA	2,591
284.	RAMAN GUPTA	165
285.	BALDEV RAJ KHANNA	1,439
286.	KEWAL KRISHAN KHANNA	1,875
287.	RAJESH KHANNA	781
288.	RAJIVE KHANNA	781
289.	RAJUL KHANNA	781
290.	CHITRA RUDRA	1,152
291.	DEEPAK KUMAR RUDRA	1,727
292.	ANITA SURI VENKATARAMAN	165
293.	N SURYA KUMARI	707
294.	GEETA ANAND	1,440
295.	PRIYA PAUL LAKHANPAL	640
296.	ADITYA PAUL	160
297.	BENITA SHARMA	640
298.	MANISHA GUPTA	576
299.	SANJIV GUPTA	64
300.	ASHA MALHOTRA	82
301.	RAJ KUMAR MALHOTRA	66
302.	RISHI KUMAR MALHOTRA	41
303.	HARVINDER SINGH	48
304.	K. RUKMANI	32
305.	S CHELLIAH	144
306.	ANUPAMA KOHLI	16
307.	G R VARADARAJA	115
308.	M R KHOWAL	148
309.	NEELAM KUMAR	16
310.	FIROZ P DARUWALA	148
311.	VANDNA MEHTA	132
312.	ANJU TRIPATHI	112

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
313.	DEEPAK	66
314.	V K SRIVASTAVA	304
315.	MOOL CHAND KHURANA	64
316.	AWDESH KUMAR	100
317.	HARSUKH AGRAWAT	320
318.	RANJINI RAJAN	48
319.	SARLA DEVI	160
320.	PUSHPALATHA	494
321.	ANIL ANAND	66
322.	JAY DAYAL	132
323.	RAJEEV KUMAR AGARWAL	197
324.	KASHMIRI LAL	32
325.	KISHAN LAL	192
326.	ASHA REWARI	592
327.	MANORAMA GUPTA	72
328.	M M GUPTA	144
329.	SMITA GUPTA	72
330.	ANJALI AGARWAL	168
331.	NARESH TULI	192
332.	M SUNIL KEERTHI	320
333.	VIJAY KUMAR MEHTA	33
334.	SUDHA MUNDRA	64
335.	A K TRIPATHI	140
336.	SANJAY UPADHYAY	33
337.	UMESH SHARMA	510
338.	MITA ASHVIN KIKAGANESHWALA	132
339.	RAJENDRA THAKORLAL RAVAL	32
340.	RAMILABEN KHODABHAI BABARIA	214
341.	RANJINI RAJAN	48
342.	N N MATHUR	82
343.	NIKHIL BECTOR U/G OF AJAY BECTOR	80
344.	MANOJ SINGHAL	700
345.	GURPARSHAD CHOPRA	165
346.	ALKA GUPTA	329
347.	VIPIN KUMAR	247
348.	SUNIL DEWAN	1,513
349.	BIJENDER SINGH	32
350.	SUNITA	16
351.	GULSHAN LAL	32
352.	ALKA GUPTA	123
353.	RAJESH JALAN	263
354.	SAVITA ANAND	82
355.	PARESH BHOGILAL SHROFF	428
356.	PANKAJ BHOGILAL SHROFF	280
357.	ANURAG KUMAR	370
358.	JATINDER KUMAR CHOPRA	197
359.	FIROZ P DARUWALA	181
360.	ANKU KAMRA	176
361.	NIRMALA YADAV	132
362.	H P MOHAN	576
363.	B S BHANDARI	329

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
364.	NUTAN BHARGAVA	1,184
365.	PREM NATH AHUJA	123
366.	INDU CHAUDHARY	16
367.	ISHWAR SINGH YADAV	176
368.	NANDITA	197
369.	VISHAL SETH	41
370.	PARUL SETH	100
371.	VANDANA SHARMA	32
372.	RAJBALA YADAV	16
373.	PARSOT LAL NASA	33
374.	SACHIN JAIN	80
375.	PUNEET CHAUDHARY	82
376.	VARTIKA MALINI	123
377.	KEWAL KHANNA	1,152
378.	SANJIV K CHANDRA	24
379.	NALLA MAHIPAL REDDY	864
380.	NALLA JAYAPRADHA	864
381.	SURUCHI CHOWDHARY	148
382.	RAMAN MALHOTRA	144
383.	RAJAT MALHOTRA	144
384.	SUMAN JAIN	592
385.	KUNNAL DEWAN	477
386.	VASANTHA KURAPATI	288
387.	RACHNA SINGHAL	69
388.	LALIT KUMAR DUA	66
389.	MEERA RANI	49
390.	USHA P MODI	400
391.	AAYUSH GUPTA	165
392.	SHRUTI GUPTA	165
393.	PRAN NATH KUMAR	99
394.	SANT KUMAR	49
395.	VIJAY KUMAR MEHTA	16
396.	SUNIL KANT MUNJAL	3,149
397.	MOHAN KUMAR MOONDRA	168
398.	SUSHMA BAJAJ	864
399.	LOVE KAPOOR	16
400.	ANU RAWAL	329
401.	ANUPAM ASTHANA	120
402.	BHIM SAIN SHARMA	33
403.	ANIL KUMAR	216
404.	KUNAAL DEWAN	329
405.	RAJAN JOSHI	96
406.	MANISH DAKUJA	216
407.	N N SRINIVASAN	216
408.	SUNIL KANT MUNJAL	1889
409.	PRIYANKA JAIN	140
410.	VARDHMAN JAIN	140
411.	KALPANA ATUL SUCHAK	185
412.	SHEETAL YADAV	400
413.	MUKESH KUMAR	16
414.	RACHNA SINGHAL	41

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
415.	NEELAM TALUJA	49
416.	ABHINAV MATTA	115
417.	ANIL KUMAR	216
418.	PRAHLAD KUMAR GODARA	432
419.	SUMIT DUA	160
420.	NILESH BORADE	197
421.	PRAHLAD KUMAR GODARA	58
422.	HEMANT KUMAR	16
423.	AMANDEEP SINGH ARORA	82
424.	DHRUVA KUMAR	165
425.	JUHI BHATIA	1
426.	MADHUR SHARMA	82
427.	MANIK SINGHAL	987
428.	MEENA HIMATLAL SUCHAK	139
429.	NALLA JAYAPRADHA REDDY	648
430.	NALLA MAHIPAL REDDY	1296
431.	PANKAJ KUMAR SHROFF	120
432.	RACHNA SINGHAL	12
433.	RAMESHWAR DAYAL RAO	370
434.	SUNIL KANT MUNJAL	540
435.	TONI BHATIA	16
436.	LOVE KUMAR KHOSLA	2256
437.	RAVI KUMAR	49
438.	RAVINDER VERMA	48
439.	PANKAJ AGARWAL HUF	33
440.	PRAN NATH	99
441.	MANOJ KHOSLA	888
442.	ADITYA JAIN	66
443.	AKASH JAIN	66
444.	AMAR JAIN	66
445.	ASHA	33
446.	VIMAL BIPINCHANDRA INTWALA	214
447.	TILAK RAJ VERMA	33
448.	RANJEET SINGH BASOOR	400
449.	NAMAN CHAUDHARY	480
450.	SHARAT CHAUDHARY	720
451.	RUSI A KARANJIA	360
452.	ARJUN SURI	64
453.	ARJUN SURI	48
454.	ARJUN SURI	32
455.	ARJUN SURI	32
456.	PRANAY DEWAN	160
457.	RACHNA SINGHAL	16
458.	LALIT BHANDARI	1024
459.	POOJA KALRA	400
460.	NATASHA KALRA	400
461.	SUBHASH GUPTA	80
462.	MANOJ KUMARI	16
463.	MANOJ KUMARI	96
464.	PRAMOD KUMAR KANDOI	160
465.	SAURIN SHROFF	32

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
466.	ABHINAV MATTA	144
467.	ABHINAV MATTA	144
468.	DEVENDRA SINGH JADON	280
469.	SADHANA GUPTA	108
470.	DEEPANSHU MEHTA	16
471.	PRACHI CHHABRA	40
472.	ABHIMANYU MUNJAL	7000
473.	ABHIMANYU MUNJAL	50400
474.	ASHOK MEHRA	48
475.	SACHIN KUMAR	32
476.	PUNEET JAIN	288
477.	NITIN JAIN	288
478.	URVASHI AMIT PACHISIA	494
479.	ANKITA UTTAM BAGRI	165
480.	ARCHANA BAGRI	82
481.	INDRA KUMAR BAGRI	197
482.	C PANCHAPPA	1645
483.	BHAGWATI PRASAD SHARMA	264
484.	SUSHMA GARG	1200
485.	POONAM AGARWAL	82
486.	NARENDRA CHANDRA GARG	800
487.	JIGISHABEN KIRANBHAI GHADIYALI	41
488.	HEMANT SHARMA	82
489.	SUBODH SARAOGI	160
490.	PRAKASH SUNDERLAL GUPTA	329
491.	KANCHAN PRAKASH GUPTA	288
492.	SANTOSH MANGATRAM GUPTA	329
493.	SADHANA RAKESH MEHRA	1892
494.	RAHUL RAKESH MEHRA	494
495.	SUMAN BHANDARI .	16
496.	KISHORE T CHELLANI	49
497.	KAMAL RAMCHAND JADHWANI .	118
498.	A D KIKAGANESHWALA HUF .	99
499.	ARATI UMESH DESAI	82
500.	SATINDERJIT SINGH MALIK	128
501.	MARWAH USHA SATISHCHANDRA .	123
502.	JASBIR KAUR .	230
503.	KHODABHAI MULJIBHAI BABARIA .	82
504.	RAJENDRAPRASAD THAKORLAL RAVAL .	32
505.	KAILASH GUPTA .	452
506.	NISHA GUPTA .	452
507.	RAHUL KOTHARI .	461
508.	VINAY KUMAR .	33
509.	RAHUL KAPOOR .	2528
510.	MADHU OSWAL .	247
511.	NIRAV BHUSHAN MEHTA .	82
512.	BABU LAL AGARWAL .	144
513.	MYTHILI ARUNACHALAM .	329
514.	RACHANA ADITYA MOHTA .	33
515.	SUNITA ARVIND MARULKAR	33
516.	SHARMILA CHARUDATTA JOSHI	32

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
517.	ABHIJIT MAHAVIR MAGDUM	32
518.	SARITHA SHRINIVAS JELLAWAR	33
519.	URVI NITIN MODAK	2
520.	KAUSTUBH CHINTAMANI AURANGABADKAR .	32
521.	SAVITA JAIN	160
522.	RAJ KUMAR JAIN .	320
523.	YOGESH ANANT GODBOLE	165
524.	VARSHA YOGESH GODBOLE	165
525.	MANISHA . KHAJANCHI	16
526.	EKVITY VENTURES LLP	16
527.	ANITA PRASHANT KOTI	49
528.	H R SANJAY	640
529.	H R KASTURIBAI	640
530.	HARISH SHYAM CHOUDHARY HUF	8
531.	NARENDRA RAMANLAL SHAH	41
532.	CHETAN NAVINCHANDRA SHAH	41
533.	KRISHAN LAL CHADHA	1
534.	VED PARKASH LUTHRA	181
535.	PADAM KUMAR JAIN	1036
536.	DHRUV RELAN	362
537.	MANIK KUMAR JAIN	99
538.	VIJAY TOLEY	49
539.	MAYANK KALRA	128
540.	L R KALRA	222
541.	JAI KARNAKAR RAO	707
542.	MOOL CHAND CHORADIA (HUF)	2
543.	VIJAYCHAND KHIVRAJ GHODAWAT	82
544.	SHAILESH PUKHRAJ MEHTA	40
545.	SHAILESH MEHTA H.U.F	40
546.	SANTOSH JAIN	504
547.	BHAVANA JAIN	72
548.	JAGVIR SINGH FAUZDAR	165
549.	ANITA GUPTA	3455
550.	JUHI BHATIA	4
551.	HEMANT SAINI	80
552.	SANDIP GINODIA	1120
553.	ALTIUS INVESTECH PRIVATE LIMITED	296
554.	NAND LAL KOTHARI	2139
555.	JASPAL SINGH KHURANA	49
556.	BHUPESH GOVINDJI HALAI	8
557.	DIVYA MAHESHKUMAR SHAH .	165
558.	SHARAD WADHAWAN .	1600
559.	DEVIKA WADHAWAN .	1280
560.	RANI JAIN	444
561.	RAJ RANI	337
562.	NIRANJAN VASANTLAL MANIAR	115
563.	ANITA KHANNA	3290
564.	RAJESH SHARMA AND SONS (HUF)	123
565.	PARVEEN VIJAN	165
566.	SUBHASH AGARWAL	720
567.	ASHISH AGGARWAL	1296

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
568.	SAKSHI SHARMA	210
569.	ANOOP KUMAR MADAN	5040
570.	DALIP KHANNA	2400
571.	KAMLESH SOOD	96
572.	MANOJ VERMA	336
573.	TANVI BHAGAT	280
574.	BIMAL VASANTRAI SHAH	296
575.	PRANAV PAHWA	99
576.	PARTH PAHWA	99
577.	RAKESH KESHRIMAL NAHAR	432
578.	KANCHAN KESHRIMAL NAHAR	432
579.	RAKESH BIDYASAGAR KEDIA	272
580.	YASH HARESH MEHTA	8
581.	LALITA RAKESH SANGHVI	48
582.	VARDHAN A. SHAH (HUF) .	8
583.	SUSHILA DEVI	5
584.	ABHAY P DAGLI	16
585.	MUKUL GROVER	33
586.	JAYABEN DAHYALAL PANDYA	11
587.	GAURAV AGARWAL	25
588.	DINESH JAIN HUF	16
589.	DINESH JAWAHARLAL BORA	8
590.	T S VINUTHA	296
591.	HASSAN VENKATESH MURTHY SAPTHAGIRIR	592
592.	SUDHA K S	296
593.	VIVAAN JAJOO	10560
594.	TARA BAI	49
595.	PUSHPA LADDHA	7
596.	SUDHIR LAKHOTIA	165
597.	VIRAL RAJENDRA JHAVERI	123
598.	NAGENDRA KUMAR RAWAT	40
599.	MAYANK GOEL	477
600.	MAHESH HARAKCHAND SHAH	823
601.	VIRENDER KUMAR HUF .	247
602.	SUSHILA BAGRI	1
603.	DEEPREKHA BAGRI	1
604.	KRITI MALINI	477
605.	SHABBIR KURBAN MUSTAFA	1481
606.	REHANA BANU MUSTAFA	1481
607.	SUNIL KUMAR SAH	494
608.	ROHAN KUMAR SAH HUF .	1608
609.	ARJUN SAWHNY	420
610.	DEEPAK CHOUDHURY	1546
611.	AMIT DANG	99
612.	NIKUNJ KAUSHIK SHAH	82
613.	JAIRAM GOBINDRAM CHANCHLANI	111
614.	HARESH GOBINDRAM CHANCHLANI	82
615.	PRITI M JAIN	40
616.	NARESH KUMAR JAIN	112
617.	RAMA SHANKAR KAPOOR	576
618.	ASHA KAPOOR	576

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
619.	ADITI ANAND GUPTA	33
620.	PARUL KAMESH GANDHI	16
621.	MANISH KAPOOR	576
622.	G DINAKARAN HUF	118
623.	BHAVESH K MODI	7
624.	SANKET PANKAJKUMAR SHROFF	280
625.	AMIT AGGARWAL	368
626.	NALINI RATILAL MUCHHALA	101
627.	ASHOK PREMCHAND SHETH	41
628.	PREMCHAND GALALCHAND SHETH	136
629.	ARVIND PRADYUMNA TILAK	49
630.	RAJIV MAHESHWARI	1
631.	NEELAM RANI	16
632.	SANGITA BHASIN	264
633.	S S COMPONENTS PRIVATE LIMITED	16768
634.	SNEHAL MAHENDRAKUMAR SHAH HUF	21
635.	MAHENDRAKUMAR RATILAL SHAH HUF	21
636.	GUGALE MAHAVIR MANSUKHLAL	8
637.	NEETU GUPTA	288
638.	NANDA KHEMKA	329
639.	AASHNA AGGARWAL	33
640.	ASHISH SHIRIRAM DHAWAN	1384
641.	SUNITA DINESH NAHAR	82
642.	SACHIN MOHAN MORE	1
643.	SHASHI GUPTA	320
644.	BHARAT BHUSHAN GUPTA	160
645.	KULBUSHAN RAMNATH KHANNA	2
646.	KUSHAGRA AGRAWAL	160
647.	JAIMIN VIKESH SHAH	33
648.	A. RAVIMUTHIAH .	294
649.	RAVINDER KUMAR PUGLA	1006
650.	D PRAKASH DEVI .	165
651.	D SUNIL KUMAR .	165
652.	D RISHAB SINGHVI .	165
653.	S VANDANA SINGHVI .	165
654.	R RISHA .	165
655.	DIMPLE H DOSHI .	642
656.	FALGUNI DOSHI .	740
657.	RAM SABEREY VERMA	4
658.	SURINDER MANOHARLAL SABLOK	1645
659.	AMIN HASANALI MERCHANT	16
660.	PRAKASH JETHANAND BABANI	452
661.	VIDISHA BIRJU MORAKHIA .	160
662.	CHHAYA D. MORAKHIA .	1008
663.	VIMALKISHORE MOTILAL JHAJARIA .	72
664.	MOTILAL M JHAJARIA	96
665.	BHARAT SHAH	288
666.	SMITABEN BHARATBHAI SHAH	288
667.	BIPINCHANDRA SHANTILAL SHAH	400
668.	KALPESH BHOGILAL SHROFF	34
669.	GAURAV SINGHVI	82

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
670.	AKSHAY AJAYKUMAR AGARWAL	206
671.	PRAVIN KHANDUBHAI SARADHIA	115
672.	S. PONNUSWAMY .	2080
673.	REENA KAKKER	987
674.	SHEELA AGARWAL	608
675.	MANISHA AGARWAL	230
676.	ANUJ KALIA	160
677.	ARJUN PAUL LAKHANPAL	288
678.	RAJESH KUMAR SHAW HUF .	1
679.	PRAKASH RADHAKRISHNA RATHI	82
680.	DEEPAK BAJAJ	296
681.	OM SANTOSH VYAWAHARE	4
682.	SWAMI SANTOSH VYAWAHARE	4
683.	ARUN CHOPRA	200
684.	MOHAN DAS KHANDELWAL	494
685.	RASHMI KHANDELWAL	329
686.	SANGEETA KHANDELWAL	165
687.	GURJIT SINGH DHABA	32
688.	USHA BAHL	1645
689.	ANIL KUMAR BAHL	823
690.	TILAK RAJ ARORA	3200
691.	PROFOUND CONSULTING PRIVATE LIMITED	165
692.	RAMABHAI KACHARABHAI PRAJAPATI	3
693.	MEHTA NAYANABEN VIPINCHANDRA	4
694.	VISHNUPRASAD KODARBHAI SUTHAR	4
695.	MEHTA ANJANABEN D	8
696.	URVASHI KIRITBHAI SHAH	41
697.	SONIA ARORA	80
698.	DEEPAK MEHTA	41
699.	BHAVIK DEEPAK SHAH HUF	82
700.	SUNIL MALHOTRA	329
701.	SHANTI DEVI JAJU	329
702.	RAJ KUMARI KHOSLA	296
703.	KARNA SINGH MEHTA	986
704.	AGYA NAHATA	24
705.	DHAN RAJ NAHTA	41
706.	PAN MAL DHAN RAJ .	16
707.	SUNIL KUMAR DEVAKONDA	3545
708.	HARIKISHAN RAO AMARAVADI	881
709.	KOUSHIK AMARAVADI	2249
710.	DARSHANA BHAVIN ZAVERI	320
711.	SUHAS VASANTRAO GANBOTE	239
712.	MADHURA SUHAS GANBOTE	66
713.	ARUNA SUHAS GANBOTE	222
714.	SAMKIT SURENDRA SHAH	49
715.	ROMIL RAJENDRA AGRAWAL	16
716.	S GOPALAKRISHNAN NAIR	82
717.	DALJIT SINGH	2
718.	DALJIT SINGH	1
719.	DALJIT SINGH	1
720.	DEVENDRA KUMAR JAIN	800

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
721.	NIRAJ JAIN	800
722.	ASHA JAIN	800
723.	DUGAR AND SONS PVT LTD	58
724.	TANISHA AMITABH AGARWAL	165
725.	JAGDEEP NATWARLAL SHAH	66
726.	ANSUYA J SHAH	165
727.	ASHOK KUMAR GUPTA	329
728.	ASHA SURESH PAREKH	160
729.	MANISHA SAMBHAJI PATIL	160
730.	MADAN LAL SIDANA	16
731.	JAYADEVI SHIVANANDA	3
732.	ROSHNI DEVI LODHA	5758
733.	GOPAL KUMAR LODHA	5758
734.	KREENA PARESH PANCHAMIA	8
735.	NIKITA PARESH PANCHAMIA	8
736.	RENUKA UMESH SHAH	16
737.	VIJAYSHREE RAJESHKUMAR KHAJANCHI	16
738.	SATISH KUMAR GUPTA	1440
739.	PAYAL GUPTA	247
740.	JAGDISH CHAND GUPTA (HUF) .	823
741.	GROWFAST SECURITIES & CREDIT LIMITE	230
742.	AMAR ALLIANCE CONSULTANTS PRIVATE L	3
743.	DVANKARR INFOTECH PRIVATE LIMITED	12
744.	NIGAM MITESHBHAI DESAI	8
745.	MANISH BHIKHABHAI PATEL	2
746.	MANAN YOGENBHAI DALAL	16
747.	UNNI KRISHNAN K G	66
748.	MUKESH SHARMA	880
749.	SHAUNAK SUDIN NAIK .	165
750.	GAURAV KHANDELWAL .	33
751.	SHIKHA KHANDELWAL .	45
752.	DURGA DASS CHOPRA	214
753.	PAYAL AMIT AGARWAL	329
754.	NAVIN H AGARWAL	16
755.	MANOJ NARENDRA RANE	3
756.	SUJATA BHALLA	115
757.	PRIYANKA SIDDHARTH SANCHETI	32
758.	KANCHAN ANAND KUBER	16
759.	SUMAN VASANT KUBER	21
760.	LAKSHMITHULASI KANTIPUDI	16
761.	RAKESH GUPTA	140
762.	GARLAPATI SINDHU	1
763.	PRATIBHA P PORE	16
764.	NEERU GARG	419
765.	DIPTI JAIN	640
766.	PREMCHANDRA CHAUDHARI	2
767.	AJAY KUMAR	206
768.	KIMTI LAL KAKKAR	33
769.	RACHIT MUKESH SHAH	8
770.	PREETI MUKESH SHAH	494
771.	VIPINCHANDRA LAHERCHAND SHAH	16

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
772.	ANUP VIPINCHANDRA SHAH	16
773.	HIMANSHU VIPINCHANDRA SHAH	16
774.	ANUP VIPIN SHAH	16
775.	DIMPI HIMANSHU SHAH	16
776.	HIMANSHU VIPIN SHAH	16
777.	HIRAL ANUP SHAH	33
778.	CHANDRIKA VIPIN SHAH	16
779.	VIPIN LAHERCHAND SHAH	16
780.	CHUNILAL DHARAMSHI NAGDA	114
781.	MAHENDRA RAJMAL GADIA	1
782.	KANUBHAI PRATAPBHAI DODIA	8
783.	DEVIKABEN A PATEL	2
784.	VIRENDRA DWARKANATH PARALIKAR	329
785.	PATEL BHAVNABEN CHANDRAKANT	2
786.	MIHIR NAVINCHANDRA SHAH	75
787.	HEMANT THAKORBHAI DESAI	480
788.	KALPANA HEMANT DESAI	320
789.	PATEL NAIYA HEMESHKUMAR	2
790.	MIHIR NAVINCHANDRA SHAH	255
791.	PRAVIN CHHOTALAL TAPIAWALA	200
792.	SHILA TAPIAWALA	200
793.	DHAVAL M TAILOR	320
794.	MUKESHKUMAR MAHENDRABHAI TAILOR	160
795.	SULOCHANA DHANANJAY GANDHI	494
796.	MURUGAPPAN ALAGAPPAN .	500
797.	K.P. DEEPAK RAO .	400
798.	V.NAGAPPAN .	500
799.	RAJENDRA SANKALCHAND SHAH	40
800.	ANITA RAJENDRA SHAH	40
801.	INDRA KUMAR BAGRI	1
802.	ARUNAGOWRI A SHAH	1600
803.	AJAY ANIKUMAR SHAH	2192
804.	SANJAY ANILKUMAR SHAH	2126
805.	DEEPIKA AJAY SHAH	1929
806.	ROSHINI SANJAY SHAH	1929
807.	PARAG CHANDRAKANT MODI	41
808.	ARUN KUMAR RATANCHAND AHUJA	16
809.	JAYMIN MAHESH DESAI	45
810.	LEELA DHAR	16
811.	JAYASURYA N HEGDE	18
812.	RAJKUMAR VS	66
813.	M HARIHARAN	116
814.	BALAJI SWAMINATHAN	49
815.	KUSUM YESHWANT MORE	112
816.	NILESH K SHAH	63
817.	G GANESH PAI	116
818.	KAVITHA PARLESHA	60
819.	SMITHA AJAY NAIR	47
820.	DEEPANJAN GHOSH	38
821.	VINOD KUMAR GARG	128
822.	ABHA VINOD GARG	224

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
823.	AJAY KUMAR GARG	165
824.	RAJSHREE AJAY GARG	247
825.	KAUSHIK KIRIT DESAI	33
826.	INDRA KUMAR BAGRI	1
827.	VINAY BAGRI	1
828.	K P SANDEEP RAO	400
829.	VINOD S DHANKANI	21
830.	SAUMIL SAILESH MEHTA	165
831.	PRACHI SOHIL SHAH	16
832.	CREDIT SUISSE (SINGAPORE) LIMITED	223255
833.	EXCEL DEBT BROKING PVT LTD	247
834.	HERO MOTOCORP LTD	6643998
835.	PAWAN KANT MUNJAL	1496
836.	SUSHILA BAGRI	1
837.	SUSHILA BAGRI	1
838.	INDRA KUMAR BAGRI	1
839.	ILAM C KAMBOJ	288
840.	SANGEETA DHINGRA	526
841.	RAKESH DHINGRA	691
842.	INDRA KUMAR BAGRI	328
843.	ALKA KAMBOJ	256
844.	SANTOSH NARAYAN SHIDHAYE	41
845.	VINAY BAGRI	1
846.	PARESH SHRIVASTAVA	16
847.	VINEET LUTHRA	16
848.	RAMSETTY VIDYARANI	10
849.	KALIGOTLA PADMAJA	16
850.	INDRA KUMAR BAGRI	6
851.	UTKARSH GOEL	1968
852.	RAM BABU KABRA	99
853.	PRASHANT JAIN	411
854.	ASIT JAIN	494
855.	SAROJ JAIN	165
856.	MAM CHAND JAIN	823
857.	SUKESHNA RELAN	362
858.	MOHIT JAIN	128
859.	RAMESH CHANDRA	49
860.	SANGEETA JAIN	494
861.	CHETAN CHADHA	13
862.	SUNITA JAIN	80
863.	SAIBAL KUMAR DUTT	1
864.	DEEPIKA JAIN	617
865.	SUNDEEP MALHOTRA	2800
866.	SUNITA CHADHA	1
867.	HIMANSHU CHADHA	4
868.	JYOTI CHADHA	1
869.	HARMOHAN SINGH SAWHNEY	340
870.	ANAND KUMAR	82
871.	SAVITA AGARWAL	33
872.	SHALINI SAIGAL	8091
873.	SHABNAM MALHOTRA	400

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
874.	ANUJ KUMAR SOMANI	256
875.	RASHMI MITTAL	313
876.	NIKUNJ SOMANI	128
877.	V SRINIVASA RANGAN	855
878.	INTEGRATED FINCAP PRIVATE LIMITED	8
879.	RASHMI NIRMAL TOPRANI	165
880.	RAVI G. DOLE	9
881.	SANJAY JOSHI	658
882.	M.PALANIAPPAN	2500
883.	AJAY KUMAR	11143
884.	SAYEEDA ZUZER	24
885.	KIRIT MATHURADAS VED	82
886.	AMRIK KAUR	82
887.	JOGINDER SINGH	448
888.	CHHAYA KIRIT VED	82
889.	ALBERT MATHEWS	41
890.	AKSHAT M SHAH	165
891.	REVATHY KUMAR KANCHARLA	1152
892.	VIJAY KUMAR SHARMA	352
893.	RAJNI JAGGI	320
894.	SATVINDER SINGH TANWAR	82
895.	OTTER LIMITED	1266875
896.	RAMAN KUMAR SURI	1069
897.	JYOTI N HINGORANI	4480
898.	NARESH H HINGORANI	2680
899.	DINESH N HINGORANI	80
900.	ALKA BHARAT MEHTA	33
901.	EKTA DINESH HINGORANI	80
902.	DEVANGI MIHIR MEHTA	123
903.	SANDHYA MAYAWALA	99
904.	PARAG BHARAT MEHTA	33
905.	ANIL MAYAWALA	148
906.	POONJI NARESH HINGORANI	480
907.	VENKATA RATNAM JUPUDY	165
908.	SUDHIR KUMAR MIDHA	954
909.	KARPAGAM. M	280
910.	RITA MEHRA	1275
911.	RAKESH KUMAR DHAWAN	1028
912.	DR RAKESH SONDHI	280
913.	PRAKASH CHANDRA K PATEL	16
914.	SHIV GUPTA	160
915.	HARSHA N HINGORANI	160
916.	RENU MALHOTRA	1979
917.	USHA BETALA	33
918.	HARISHCHAND BETALA	49
919.	PHILIP FLORENCE FERNANDES	121
920.	SUSHIL SANGHI	33
921.	NEERAJ KHEMKA	329
922.	VED PARKASH	296
923.	J V RAMA GOPAL	66
924.	SWEATA BANSAL	155

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
925.	PAWAN KUMAR BHALLA	806
926.	RAJAN MALIK	192
927.	SUSHMA GOMBER	82
928.	VIJAY GROVER	296
929.	TUSHAR BHALLA	325
930.	KAMNA MALIK	128
931.	ATUL SATSANGI	33
932.	RENU MUNJAL	58022
933.	SHAILJA KHEMKA	944
934.	BINAL DESAI	150
935.	JIGNASA PARIMAL SHAH	16
936.	NIMESH SUDHIR KAMPANI	99
937.	DEEPA PAHWA	66
938.	M S SARAVANA DEVI	1481
939.	NIDHI SUMIT AGARWAL	206
940.	GEETA ANAND	8883
941.	SUPRIA MUNJAL	26978
942.	ANIL HARIDASS	123
943.	ANJALI POWAR HARIDASS	123
944.	RAMA SHANKER KHEMKA	1234
945.	HEMANT PATWA	2468
946.	AKSHAY MUNJAL	26462
947.	JANAK DINKARRAI DESAI	82
948.	BAHADUR CHAND INVESTMENTS PVT LTD	5451923
949.	VENKATRAMAN SUBRAMANIAN IYER	33
950.	PRAN NATH GUPTA	400
951.	MAHENDRA KUMAR KHETSHI SHAH	3529
952.	RAHUL MUNJAL	31666
953.	K ASHOKAN	1481
954.	SEEMA SANGWAN	312
955.	ARUN KUMAR SARAF	1152
956.	SANJAY RAMGOPAL SHARMA	8
957.	M VEERENDRA	436
958.	JANAK SINGH BAJWA	49
959.	RATNA SUBRAMANIAN	33
960.	SANGEETA VENKATRAMAN	428
961.	SANTHOSH MYSORE SRINIVASARAO	16
962.	PALKASH JAYANTILAL SHAMJI SHAH	1481
963.	ANAND KUMAR KHEMKA	230
964.	JAYSHREE HAMIR KAPADIA	132
965.	HERO INVESTCORP PRIVATE LIMITED	763066
966.	ISHITA ANAND HUNDIA	82
967.	BINDU KHEMKA	658
968.	POPATLAL KASTURCHAND SHAH	41
969.	MANJULABEN POPATLAL SHAH	82
970.	PINKY KARUL SHAH	82
971.	JATINKUMAR NAVNITLAL DANI	49
972.	ANAND AKHILESWARAN IYER	41
973.	MAHENDRA KUMAR KHETSHI SHAH	823
974.	SAMIKSHA SARAF	329
975.	KALPA RAJEEV AGARWAL	5

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
976.	BHAGWATIBEN BHANWERLAL HUNDIA	82
977.	SAPNA RAJESH HUNDIA	82
978.	MAMTA SANJAY HUNDIA	82
979.	ATUL SAVJI VITHAL PARMAR	411
980.	UJJWAL MUNJAL	31702
981.	BINA HARESH MEHTA	8
982.	DHANESHWARI DEVI AGARWAL	411
983.	DINESH UMMEDMALJI BOHRA	32
984.	KANTADEVI MULUKCHAND JAIN	132
985.	MANISH KUMAR AGARWAL	411
986.	VASUDHA DINODIA	26978
987.	TEJ SAROOP MATTA	444
988.	NIRMAL MATTA	148
989.	TRILOK KUMAR AGARWAL	411
990.	ANITA AGARWAL	411
991.	MAHESH KUMAR AGARWAL	411
992.	MITHU AGARWAL	411
993.	MANISH KUMAR AGARWAL	411
994.	TRILOK KUMAR AGARWAL	400
995.	MUNISH KUMAR DHIR	247
996.	NEETA DHIR	247
997.	RUCHITA AGRAWAL	592
998.	PANKAJ AGRAWAL	1320
999.	PAWAN MUNJAL	37672
1000.	ANNUVRAT MUNJAL	48445
1001.	SHILPI KHEMKA	240
1002.	MONICA GAJENDRA BHANDARI	8
1003.	MUKESH JAIN	52
1004.	SATTI KRISHNA REDDY	320
1005.	AARTI MONISH BHANDARI	329
1006.	KAPIL BHANDARI	165
1007.	SEEMA MANOJ MUNOT	8
1008.	MONISH PARASMAL BHANDARI	329
1009.	SWEETY KAPIL BHANDARI	329
1010.	HEET MONISH BHANDARI	49
1011.	DHAITIK AMIT BHANDARI	115
1012.	SANDEEP SAHASRABUDHE	48
1013.	VIJAY GUPTA	1
1014.	YOGESH VIRENDRABHAI SHAH	8
1015.	BHAVIKA MAYUR MANGHRANI	52
1016.	DAVE DHARMENDRA DINESHCHANDRA	16
1017.	SAURABH SURENDRA SHAH	592
1018.	RAMESH KAPOOR	16
1019.	VIRENDER KUMAR AHUJA	82
1020.	MANJU BHARGAVA	1
1021.	ANIESHA MUNJAL	12954
1022.	NEELAM THAPAR	165
1023.	ARUN THAPAR	313
1024.	SHASHI TANEJA	329
1025.	SURINDER MOHAN TANEJA	329
1026.	HARSH KUMAR PATEL	658

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1027.	SIVA SANKAR PRASAD MERUVA	3751
1028.	RADHIKA UPPAL	14805
1029.	MUKESHKUMAR S JAIN	21
1030.	AMIT DAS	80
1031.	VADILAL CHHAGANLAL PARMAR	48
1032.	OMPARKASH TARKAR	82
1033.	N LAKSHMIPATHI	10
1034.	SUMANAJI	400
1035.	AMBRISH B DANI	165
1036.	VAISHALI DHANKANI	121
1037.	RADHIKA KISHORE VAHI	1
1038.	KISHORE AMARNATH VAHI	2
1039.	BHADRESH VALLABHBHAI SHAH	82
1040.	VAIRAVAN R	1513
1041.	MAHESH SHAH	32
1042.	KUSUM GUPTA	33
1043.	SHYAM SUNDER BAGRODIA	58
1044.	MUKUNDBHAI BHAGWANDAS SHAH	1378
1045.	RAJAT KUKAR	2800
1046.	PRADEEP AGGARWAL	222
1047.	KUSUM KHERA	31
1048.	PIYUSH GUPTA	165
1049.	ROHAN S SHAH	345
1050.	SUMIT MEHRA	640
1051.	KUMUDINI CHANDRAKANT SHAH	16
1052.	PRAMOD GUPTA	82
1053.	SITA RAM	33
1054.	HEMANT BALKRISHNA GARDE	144
1055.	RATANLAL DUGAR	33
1056.	DEEPAK PATIL	576
1057.	MAYURPANKH COMMERCIAL P LTD	49
1058.	SUSHILA AGRAWAL	2
1059.	AADEESH JAIN	16
1060.	PRABODH GUPTA	263
1061.	PRADIP JAIN	16
1062.	DINESH KUMAR VERMA	247
1063.	KSHITIJ KUMAR JAIN	16
1064.	NEEL KAMAL MEHRA	82
1065.	DEEPAK PARIKH	165
1066.	KAMLESH SOOD	208
1067.	VEENA MALHOTRA	144
1068.	SOMNATH MALHOTRA	144
1069.	BIPINCHANDRA RAMBHAI INTWALA	1152
1070.	ARUN KUMAR GOEL	80
1071.	TULIKA INVESTMENTS PRIVATE LIMITED	480
1072.	PRADEEP KUMAR DUGAR	288
1073.	POONAM KALRA	200
1074.	ANJU RAJIV KALRA	160
1075.	V SRINIVASA RANGAN	823
1076.	APURVA SONTHALIA	12
1077.	VINAYAK PANSE	1238

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1078.	PANKAJ MADHUKUMAR DOSHI	16
1079.	JASWANTBHAI NAROTTAMDAS PATEL	800
1080.	RAJENDRAKUMAR NAROTTAMDAS PATEL	800
1081.	PRAVINKUMAR NAROTTAMDAS PATEL	823
1082.	MANUBHAI NAROTTAMDAS PATEL	800
1083.	SURESH PRABHAKAR KANADE	8
1084.	DIWYESH M DAVE	25
1085.	PANKAJ MAHAJAN	58
1086.	ALKA GOEL	132
1087.	KULDEEP RASTOGI	288
1088.	RENU CHANCHAL BHANDARI	8
1089.	S M MEHTA	2700
1090.	DURAIRAJ KANNAN	123
1091.	VIKASH JOSHI	49
1092.	RAMAN KAPOOR	691
1093.	AMIT SANYAL	33
1094.	NIRAL JAGAT CHOKSHI	33
1095.	SHAILENDRA NIRANJANLAL SHARMA	8
1096.	SANKETKUMAR M SOLANKI	1
1097.	RASHI AGARWAL	165
1098.	PRADEEP KUMAR MODI	720
1099.	ALPANA MODI	720
1100.	ASHOK JAJU	165
1101.	NEERAJ PODDAR	494
1102.	ALKA JAIN	64
1103.	VIMAL BIPINCHANDRA INTWALA	1120
1104.	NARESH SUNDERDAS JAGASIA	41
1105.	MANISH P KAPADIA	16
1106.	MUKESH GUPTA	16
1107.	SARITA CHAUDHRY	49
1108.	MITA NIKHIL SHETH	4
1109.	NARENDAR SINGH	115
1110.	ANITA SANJAY SHAH	82
1111.	SHINDE YATIN GANPAT	16
1112.	JAGRUTI NAVIN DALMIA	115
1113.	RAVINDRA JAGASIA	16
1114.	MUKESH KUMAR GANDHI	120
1115.	ASHA GOKUL AMRUTKAR	32
1116.	BINDIYA SANJAY SHAH	160
1117.	HAMENDRA S DOSHI	411
1118.	SHAKIL CHANDRA	66
1119.	G.R.BALASUBRAMANIAN	2
1120.	G KAVITHA	494
1121.	VIJAYA GUPTA	148
1122.	RAJ GUPTA	165
1123.	NISHIT KUMARPAL MODY	123
1124.	KEWAL NISHIT MODY	41
1125.	RAJESH BALDEVRAJ CHOWDHRY	10160
1126.	SHREYA RAJESH CHOWDHRY	905
1127.	ANUJ RAJESHKUMAR CHOWDHRY	1645
1128.	SARITA HASMUKH SHAH	165

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1129.	Q A INFOTECH PVT.LTD	560
1130.	UDDIPTO SHANKAR BHATTASALI	41
1131.	MILAN HIMATBHAI LATHIYA	4
1132.	PRATIK HASMUKH SHAH	165
1133.	SHRIPAL SINGH MOHNOT	2
1134.	SANTOSH NASA	33
1135.	RAJESH YADUVANSHI	160
1136.	DALJIT SINGH	1
1137.	ABHA YADUVANSHI	160
1138.	JASBIR SINGH	1
1139.	SURJIT PAL SINGH	1
1140.	MANI PAL SINGH	1
1141.	TEJINDER BIR KAUR	1
1142.	JINDER PAL KAUR DANDONA	1
1143.	RAJVEER SUHAG	49
1144.	GURKIRAT KAUR	1
1145.	ANKIT SINGH YADUVANSHI	160
1146.	PRAKASH CHANDRA AGRAWALA	66
1147.	THAKUR DASS	504
1148.	REKHA GOEL	136
1149.	MAHESH GOEL	82
1150.	PRABHUDEV V KULKARNI	82
1151.	JAGRUTI SHANTILAL SHAH	4
1152.	PARAS NAVINCHANDRA SANGHVI	165
1153.	NARENDRA MADANLAL BHACHAWAT	12
1154.	FALGUNI V JHAVERI	33
1155.	NAINAZ HOMIYAR SUBEDAR	25
1156.	KAMAL KUMAR KHANNA	864
1157.	VIBHA KHANNA	288
1158.	MONICA KAPAHI	148
1159.	BHISE NITA DILIP	4
1160.	BHISE DILIP VINAYAK	4
1161.	SHAH HEAVEN M.	16
1162.	ANJANA HASMUKH RAICHURA	8
1163.	SUVARNA KETAN JOG	2
1164.	KIRITKUMAR B SHROFF	1661
1165.	MADHUKANT SUNDERLAL KHADEPAUN	82
1166.	ESHA SAURIN SHROFF	329
1167.	JAYANT DAVAR	6300
1168.	MONICA DAVAR	6300
1169.	GEETA SURI	329
1170.	SANTOSH KUMARI VERMA	32
1171.	KOMAL MOHINDRA	148
1172.	KAUSHIKA KADAKIA	1
1173.	DILSHAD HOMIYAR SUBEDAR	33
1174.	SAMIR RAMESH PALOD	757
1175.	VIVEK B KHURANA	3290
1176.	SADHANA KHOSLA	2056
1177.	RAJIV KHOSLA	2583
1178.	USHA DIDWANIA	82
1179.	SUMAN KUMAR GUPTA	49

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1180.	ASHOK KUMAR GUPTA	165
1181.	SHAM SUNDER GUPTA	49
1182.	KIRAN GUPTA	49
1183.	RANJANA GUPTA	49
1184.	USHA DEVI MEGOTIA	500
1185.	PRAMOD KUMAR MEGOTIA	247
1186.	RAKESH SYAL	262
1187.	SHWETA SHENOY	66
1188.	ARUN SHENOY	8
1189.	HARSHAD SARDESAI	165
1190.	S.N. MEHTA.	576
1191.	SANJEEV MEHTA.	329
1192.	MADHU MEHTA	1316
1193.	NVS CORPORATE CONSULTANCY SERVICES	6
1194.	AMITAV VIRMANI	296
1195.	JOGINDER SINGH	214
1196.	ASHOK KUMAR	96
1197.	ISH ANAND	987
1198.	AVINASH GUPTA	320
1199.	PUSHPA RANI	165
1200.	BHARAT BHUSHAN	280
1201.	NIRMAL KUMAR JAIN	49
1202.	VED PARKASH CHAWLA	132
1203.	PRAMOD KUMAR KANDOI	16
1204.	MADHUP JAIN	16
1205.	BIMLA GUPTA	494
1206.	NITIN ARJUN	954
1207.	R P SHARMA	33
1208.	ASHISH DUBEY	3290
1209.	RAJESHWAR DAYAL GOEL	82
1210.	SUDHISH CHAND JAIN	504
1211.	NITIN BANSAL	1645
1212.	JATINKUMAR DANI	62
1213.	HEMA JATIN DANI	62
1214.	LEELAVATHI JALLIPALLI	2000
1215.	SUBRAHMANYAM JALLIPALLI	2468
1216.	PIYA PARAS SHAH	21
1217.	SUMER CHAND JAIN	452
1218.	DEEPAK MITTAL	165
1219.	GOBINDSINGH DHAWDA	6941
1220.	DHAWDA BALJINDERKAUR JASBIRSINGH	477
1221.	DHAWDA ASHAKAUR GOBINDSINGH	107
1222.	JASBIRSINGH DHAWDA	11297
1223.	SURINDER MAHENDRU	4800
1224.	RENU MAHENDRU	1280
1225.	SHIRISH TINGARE	8
1226.	ANU RATAN AGARWAL	1152
1227.	KIRAN JAYKUMAR PATIL	1645
1228.	SANJAY MURARKA	25
1229.	PRAGNA P SALOT	185
1230.	NIPUL P SALOT	240

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1231.	GHANSHYAM TOSHNIWAL	411
1232.	SUKHJINDER SINGH BATRA	477
1233.	MAN MOHAN KUMAR MALHOTRA	1008
1234.	GURPREET KAUR BATRA	115
1235.	SHIVA MITTAL	82
1236.	SURYA PRAKASH GUPTA	64
1237.	DAVINDER JAIN	337
1238.	SAVITRI SHARMA	82
1239.	BALBIR SINGH	16
1240.	KARAN SINGH THANDI	411
1241.	GULSHAN RAI	1
1242.	J K MEHTA	6480
1243.	RAJAN SATIJA	1900
1244.	GURMEET SINGH KHURANA	8
1245.	RAJEEV MEHTA	160
1246.	KAMAL KUMAR SARAF	41
1247.	RAM AVTAR BANGA	724
1248.	PRADIP KUMAR RAJPUT	165
1249.	RAMA DHIR	2160
1250.	NAMITA JAIN	526
1251.	BALDEV RAJ	263
1252.	KALICHARAN	740
1253.	RAJNI VERMA	1398
1254.	KALI VOHRA	148
1255.	AJAY VOHRA	148
1256.	RAJENDRA DINKAR POTDAR	12
1257.	CHARU GUPTA	214
1258.	NIHAR K MODY	3208
1259.	ANIL KUMAR HIRJEE	1645
1260.	DHIREN KISANLAL DOSHI	132
1261.	REVA AHUJA	165
1262.	SHAH MANDAKINI MAHESHKUMAR	8
1263.	SHAH KAUSHAL MAHESHKUMAR	8
1264.	FANINDRA MANOHAR KHANAPURKAR	640
1265.	JAIDEEPSINGH RANJEETSINGH PATIL	4113
1266.	CHAITALI DEEPAK PARIKH	82
1267.	SATISH KUMAR	400
1268.	AMRUTA GIRISH JOSHI	16
1269.	NIRMAL SINGH GILL	165
1270.	CHIRAG M LADDHA	82
1271.	RAMAKRISHNA POOSARLA	16
1272.	MITEN KIRIT SHAH	81
1273.	AVNISH KUMAR OBERAI	2880
1274.	KAWAL JAIN	987
1275.	PUJA JUNEJA	1600
1276.	RAJEEV JUNEJA	9312
1277.	RAHUL SIWACH	296
1278.	JAI PAL SINGH	148
1279.	ASHOK SUD	115
1280.	PARAS SHANTIBHAI SHAH	21
1281.	HERSH SHRINIVAS SHENAI	4

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1282.	PUNITABEN NIKHILBHAI SHAH	1
1283.	GEETHA MENON	148
1284.	SUNITA BHAGAT	313
1285.	SHANTILAL SANGHVI	80
1286.	SANDEEP KUMAR SHARMA	7
1287.	SHIRISH JADHAV	3456
1288.	AMRUTA SHENOY	16
1289.	A S SHENOY	8
1290.	PURSHOTTAM HARWANI	66
1291.	PRABHSHARAN SINGH	16
1292.	ABHINEET TIWARI	4
1293.	BISHAMBER N KHURANA	2468
1294.	PRACHI PAREEK	8
1295.	JAIRAM GOBINDRAM CHANCHLANI	48
1296.	JAI MALA JAIN	41
1297.	SHIKHA JAIN	41
1298.	GIRISH BAGHEL	8
1299.	SHWETA ANAND PACHIGAR	2468
1300.	PRADNYA RAJENDRA CHANGEDE	16
1301.	VIVEK BATRA	320
1302.	ANIL AGARWAL	1152
1303.	SUNIL AGRAWAL	1184
1304.	NILESH PRAVIN GANDHI	99
1305.	HITESH N DHARAWAT	288
1306.	ARUN MALHOTRA	144
1307.	MAHENDRA TAPULAL BHAMMER	5600
1308.	NAROTTAM DHARAWAT	82
1309.	BABITA AGARWAL	288
1310.	EKVITY VENTURES LLP	3
1311.	BALA CHHABRA	1472
1312.	SATISH KUMAR MISHRA	320
1313.	PARIVESH KUMAR AGARWAL	280
1314.	SRIRAM	8
1315.	RAHUL SHAH	329
1316.	SUBHASH B DALAL	17
1317.	SHEKHAR RAMKUMAR LOHIYA	1184
1318.	DALAL SUBHASHBHAI BHAGWANDAS	16
1319.	BHARAT BAJAJ	288
1320.	CHANDRAKANT BAJAJ	3290
1321.	PURVI NARENDRABHAI JOSHI	74
1322.	MAMTA BHARAT BAJAJ	41
1323.	TRUPTI SALILBHAI DALAL	33
1324.	MANISH GOPAL MUNDHADA	82
1325.	RUJUTA MANISH MUNDHADA	82
1326.	HASMUKHBHAI RAMSINH THAKOR	33
1327.	FALGUNI RAHUL SHAH	658
1328.	KRUNAL RAHULKUMAR SHAH	296
1329.	SAKET MUNDHADA	82
1330.	SARANG SUSHIL MUNDHADA	82
1331.	SUSHIL SHRIVALLABH MUNDHADA	82
1332.	SUNITA SUSHIL MUNDHDDA	82

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1333.	CHETAK NANDKUMAR GANDHI	90
1334.	RAJENDRA ISHVERBHAI PATEL	263
1335.	MANAV ANIL GHAI	18
1336.	PRAKASHKUMAR BACHUBHAI LIMBACHIYA	16
1337.	SACHIN RAVINDRABHAI PATEL	49
1338.	SHILPA RAHUL CHAVDA	15
1339.	NAVINBHAI RAMANBHAI PATEL	16
1340.	ILESHKUMAR PATEL	49
1341.	VAIBHAVI PATEL	33
1342.	NAVGHANSINH NATVARSINH CHUDASAMA	33
1343.	JITENDRAKUMAR MANGWANI	16
1344.	ASHISH TULSIRAM TEKWANI	52
1345.	ABHISHEK GINODIA	10000
1346.	ALTIUS INVESTECH PRIVATE LIMITED	774
1347.	NINA PAUL	576
1348.	JUEE JAYANT SAWANT	80
1349.	BHARAT N SHAH	1328
1350.	MUKTESH LEKHI	349
1351.	AJAY VOHRA	148
1352.	JAYAKUMAR DOSHI	2796
1353.	SUSHIL KUMAR	35
1354.	NAVNEET MALHOTRA	200
1355.	RITU MALHOTRA	200
1356.	SUNIL CHANDAK	165
1357.	RAVI SINGH	444
1358.	RAKESH GUPTA	41
1359.	PADMA PRAVINBHAI MISTRY	132
1360.	KETAN KISHOR PARIKH	16
1361.	JOHN ANTHONY SILVEIRA	16
1362.	VISHNUBHAI MANILAL PATEL	208
1363.	SANDEEP BHATT	32
1364.	YOGESH B PANDE	25
1365.	SUDHA KAMRA	1933
1366.	ARCHANA THAKAR	165
1367.	DALJIT SINGH	41
1368.	ULHAAS N BHOLE	53
1369.	VENKATA RAMANA REDDY ERATAPALLI	320
1370.	VIJAY P SAWARDEKAR	156
1371.	SHRUTI DHRUVA	971
1372.	DEEPREKHA BAGRI	1
1373.	BIPUL SAH	480
1374.	R SIVAKUMAR	4320
1375.	SOHINI GUPTA	66
1376.	BHARTI JAIN	976
1377.	ABHAY JAIN	2548
1378.	SANDEEP OJHA	4750
1379.	TRIPTI JAIN	728
1380.	DIPTI JAIN	480
1381.	SWAPNIL FANINDRA KHANAPURKAR	247
1382.	CHANDRAVADAN DHANJI SHAH	165
1383.	KAPIL ANIL PATHAK	80

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1384.	SUMESH GUPTA	209
1385.	NEERAJ GUPTA	600
1386.	DHAIRYA NARENDRA SHAH	6
1387.	SAURABH MALHOTRA	320
1388.	RAJESH GARG	296
1389.	VIHANG Y GODBOLE	82
1390.	SAUMIL JITENDRA PATEL	82
1391.	ASHU ARORA	153
1392.	PATRI KODANDARAM	288
1393.	RAMU VENKATRAMAN ANANTHARAMAN	123
1394.	TUSHAR KANTI CHOPRA	123
1395.	BHUSHAN MADHUKARRAO FUSE	6
1396.	JOHN EMMANUEL MURRAY	241
1397.	VIVEK KAUL	66
1398.	VIKAS SRIVASTAVA	19292
1399.	DHAVAL SATRA	96
1400.	KETAKI SAMIR PARIKH	33
1401.	FRIENDLY FINANCIAL SERVICES PVT LTD	288
1402.	NICHE FINANCIAL SERVICES PVT LTD	368
1403.	BHUSHAN MADHUKARRAO FUSE	504
1404.	MANJU PURI	16
1405.	KISHORE MANOHAR MUSALE	7897
1406.	RAM KHANNA	247
1407.	PANKAJ KUMAR MATHUR	33
1408.	ANADKAT ANKIT YOGENDRA	49
1409.	CHHAYA KISHORE MUSALE	2139
1410.	SANCHI CHHABRA	90
1411.	MANJU RAM AGARWAL	1440
1412.	MOHIT OSWAL	1440
1413.	ADITI AGGARWAL	823
1414.	ANIL KHANNA	1974
1415.	SHAILESH VILAS RANE	112
1416.	ARTI WALIA	823
1417.	LOHIT GOGOI	2
1418.	MANSI DHIREN DOSHI	33
1419.	MANISHA ASHOK GARG	66
1420.	GIRISH ASHOK GARG	99
1421.	CHINTAN BIPINCHANDRA INTWALA	378
1422.	SARITA OSWAL	2520
1423.	GITABEN B INTWALA	1152
1424.	MEENAKSHI FOTEDAR KILAM	1080
1425.	USHA KHANNA	1053
1426.	SUPRIYA MAHESH GHATAGE	160
1427.	MANJU AGGARWAL	1440
1428.	MANJU AGGARWAL	800
1429.	JAYSHREE RAHUL BHADRADIYA	8
1430.	ARVIND KUMAR OBERAI	2880
1431.	SONAL KETAN PAREKH	5
1432.	VEENA KAPAHI	148
1433.	SHIV KUMAR SHARMA	49
1434.	RAVI KAPOOR	1000

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1435.	NIRUPMA JAIN	1080
1436.	BHARAT BHUSHAN JAIN	3168
1437.	KISHORE GANGARAM MAHTANI	2496
1438.	RAJAN HARIKARAN MALIK	2000
1439.	SHAILESH AGARWAL	80
1440.	APARNA ADVISORY SERVICES PVT LTD	4618
1441.	HARI KAPOOR	872
1442.	V PETERSAMUEL	8
1443.	B KAJAL	16
1444.	KOKILA R	99
1445.	PRAFULBHAI BHAGWANDAS GADANI	2
1446.	JUHI SINGHAL	8
1447.	NEHA MAHAJAN	168
1448.	MANVI SINGHAL	176
1449.	ANANTHA SUBRAHMANYA DHANANJAYA	99
1450.	MILAN DHAR	2
1451.	SALINI GUPTA	296
1452.	AJAY KUMAR GUPTA	2057
1453.	TONI BHATIA	4
1454.	KAMLA CHANDNA	40
1455.	RAKESH KUMAR GARG	192
1456.	KENIL DEVENDRABHAI SHAH	640
1457.	NEERAJ BHARGAVA	1
1458.	TARUN GUPTA	96
1459.	ISHWARI PARSHAD GUPTA	13
1460.	ABHIMANYU MUNJAL	34463
1461.	PATEL KRISHNABEN MANUBHAI	800
1462.	PATEL LILABEN JASWANTBHAI	800
1463.	PATEL PRAGNABEN R	800
1464.	PATEL MANJULABEN P	823
1465.	RAM PAL JAIN	444
1466.	VIMAL SURI	987
1467.	AMANDEEP AHUJA	82
1468.	RENU KHANNA	2100
1469.	SANJANA GUPTA	64
1470.	GOPAL KRISHAN KOTHARI	4032
1471.	MADHU KOTHARI	1728
1472.	SANJAY ANAND	82
1473.	GULSHAN NAKRA	888
1474.	RANDHIR SINGH KUKREJA	696
1475.	SATISH NAGPAL	6
1476.	SUMAN KUMAR BHAGAT	925
1477.	SUNILJIT KAUR	432
1478.	PRITPAL SINGH	432
1479.	CHANDER KANTA KHANNA	500
1480.	RAM PARKASH NAGPAL	48
1481.	ANKIT KUMAR	16
1482.	SATISH NAGPAL	8
1483.	VINEET SURI	240
1484.	ANKITA KHANNA	512
1485.	RAVINDER VERMA	64

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1486.	AMIYA KUMAR PAL	296
1487.	AMRIT GREWAL	123
1488.	PANKAJ KUMAR	165
1489.	SHREYANSH DHARMESH CHHEDA	80
1490.	KISHORE S. CHHEDA	40
1491.	BHAVESH KISHORE CHHEDA	40
1492.	N USHA RANI	9
1493.	CHITRA J BATHIJA	4
1494.	SHRINIVAS PRABHAKAR SHENAI	8
1495.	SUDERSHAN NASA	16
1496.	MAHESH KUMAR KABRA	329
1497.	HARI PRAKASH GUPTA	148
1498.	AJAY KUMAR JAIN	32
1499.	NAVAL KISHOR	8
1500.	PARMOD TANDON	165
1501.	NAROTTAM DHARAWAT	4
1502.	NARENDRA KUMAR PATWARI	7
1503.	HIRAL HIMANSHU PARIKH	32
1504.	PARAG B. PATEL	165
1505.	PARUL HEMANT DESAI	32
1506.	JATIN M. AGRAWAL	32
1507.	PRAKASHBHAI CHANDULAL PARIKH	32
1508.	MEGHANA KEDARKUMAR PATEL	16
1509.	JAYA RASIKLAL MEHTA	609
1510.	RASIKLAL JETHALAL MEHTA	280
1511.	NISHITH RASIKLAL MEHTA	165
1512.	RAKESH RASIKLAL MEHTA	1160
1513.	ARUN KUMAR	8
1514.	ARUNA JAIN	80
1515.	PARVEEN JAIN	780
1516.	ARUN KUMAR JAIN	336
1517.	POONAM JAIN	400
1518.	ARPAN JAIN	72
1519.	SHWETA GARG	96
1520.	ATUL KUMAR	8
1521.	DINESH KUMAR GARG	120
1522.	USHA GARG	160
1523.	UMA SHIV SINGLA	148
1524.	KHUSHBU SINGLA	192
1525.	KISHAN GOPAL MOHTA	82
1526.	LAKSHMAN CHANDRA SAHA	16
1527.	YATIRAJ KARWA	2
1528.	KAMAL KISHORE KUKREJA	66
1529.	SHIVA PRASAD KORDALE	66
1530.	VIJAY RAJ PITALIYA	512
1531.	ASLAM SHARIFF	5
1532.	BHUPENDRA J PANCHOLI	165
1533.	LAVLEEN LUTHRA	526
1534.	SUNITA SUNDERDAS DAMANI	578
1535.	JATIN K KADAKIA	82
1536.	SAJU RAMCHAND KIMATRAI	247

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1537.	PRADEEP KANTILAL VAKHARIA	411
1538.	AXIS HOLDINGS UNIT OF AXIS LOGISTIC	247
1539.	ANAND PRAFULL VORA	165
1540.	MEENAL D ROOPCHAND	99
1541.	METEOR WEALTH MANAGEMENT PRIVATE LI	16
1542.	NILESH SHAH	494
1543.	M LAL TRADE ADVISORY LLP	720
1544.	SAFIR ANAND	387
1545.	AAGAM DHARMENDRA SHAH	165
1546.	RUSHABH VIJAY SHAH	165
1547.	DIPTI DHARMENDRA SHAH	576
1548.	DEEPA VIJAY SHAH	432
1549.	HARSHIL DHARMENDRA SHAH	165
1550.	HEET VIJAY SHAH	165
1551.	DHARMENDRA K SHAH	82
1552.	KOMAL A SHAH	432
1553.	DARSHAN A SHAH	165
1554.	ABHAY KANAIYALAL SHAH	247
1555.	SHOBHANA GUPTA	397
1556.	POONAM GUPTA	129
1557.	SATISH KUMAR BANSAL	160
1558.	NEERU JAIN	16
1559.	NARENDRA KUMAR KEDIA	180
1560.	DESH DEEPAK MALIK	872
1561.	DESH DEEPAK MALIK	296
1562.	HARSHAVARDHAN VASANT SAHASRABUDHE	16
1563.	ADITYA ATAL	66
1564.	BIPINCHANDRA RAOJIBHAI PATEL	33
1565.	SANDEEP SISODIA	1
1566.	RITA GUPTA	74
1567.	JAGDISH CHANDER GUPTA	82
1568.	RAHUL YOGESH CHUGH	1400
1569.	VIKRAM MATHUR	123
1570.	COLVYN JAMES HARRIS	206
1571.	S P PURWAR	823
1572.	COLVYN JAMES HARRIS	247
1573.	RAVINDRA KUMAR GUPTA	214
1574.	NAISHADH BHUPENDRA SHAH	461
1575.	GARGI NAISHADH SHAH	3290
1576.	ALZO INVESTMENTS (P) LTD	1280
1577.	ALKA NATH	4064
1578.	S P KHANDELWAL	16
1579.	NAKUL NATH	4208
1580.	ARTI SINGH	40
1581.	KAMAL KUMAR BUBNA	16
1582.	POOJA BUBNA	16
1583.	KAMAL KUMAR	16
1584.	PRATULYA BUBNA	16
1585.	ANUVRINDA BUBNA	16
1586.	GOPIRAM AGARWAL	197
1587.	SHRI PARASRAM HOLDINGS PVT.LTD	752

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1588.	VIPAN GUPTA	96
1589.	ASTHA FOILS PVT LTD	901
1590.	ANUPAM	16
1591.	SHRI PARASRAM INDUSTRIES PVT. LTD.	64
1592.	PAWAN GARG	5704
1593.	ROOPA GARG	176
1594.	RAMESH CHANDER GUPTA	82
1595.	RENUKA BHATIA	4
1596.	RENUKA BHATIA	5
1597.	RAJ KUMAR	64
1598.	LOK NATH BHATIA	144
1599.	TONI BHATIA	38
1600.	PRASHANT BHATIA	16
1601.	JUHI BHATIA	4
1602.	RAJENDER PARSHAD	864
1603.	NARENDER ARYA	24
1604.	DHIRAJ JAIN	16
1605.	ASHA JAIN	48
1606.	ANJALI KAPOOR	128
1607.	SH.ASHOK KUMAR GARG	280
1608.	RAJVI KANAK SHAH	16
1609.	SHRI PARKASH	66
1610.	3A FINANCIAL SERVICES LTD	76
1611.	SUMITRA B SHAH	2
1612.	SHASHI BHARGAVA	206
1613.	KISHORE GANGARAM MAHTANI	440
1614.	SUMIT DASS	288
1615.	ARUN KUMAR M UBRIANI	822
1616.	JALPA PARAG JHAVERI	33
1617.	VIVEK AGARWAL	370
1618.	SURENDER KUMAR CHHABRA	32
1619.	AMIT KUMAR GOEL	165
1620.	SUMAN KANT MUNJAL	26068
1621.	ABEL CHARLES MK AMOS	82
1622.	NARESH HIRANAND HINGORANI	80
1623.	VINOD KUMAR KHANNA	144
1624.	RAJENDRA PRATAP SINGH	59
1625.	YOGESH CHANDER MUNJAL	3600
1626.	RENUKA MUNJAL	16373
1627.	V SRINIVASAN	41
1628.	RATANLAL MOHANLAL MEHTA	82
1629.	N S SHETTY	128
1630.	TARUN KUMAR	300
1631.	RANJAN MITAL	58
1632.	RANJAN MITAL	49
1633.	RENU GOEL	70
1634.	K V SATISH	80
1635.	VIDYADHAR NIVRUTTI NAKHATE	16
1636.	NEELAM TALUJA	16
1637.	GIRISH KUMAR SINGH	13
1638.	SUMAN AJAY GOYAL	200

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1639.	NAROTTAM DHARAWAT	16
1640.	KRUNAL PRAFULCHANDRA PATEL	25
1641.	GIRIJA SANKAR PATNAIK	82
1642.	ASHOK KUMAR GUPTA	10035
1643.	SANJIV SHRIRAM DHAVAN	1000
1644.	SUBHASH NIVRUTTI NAKHATE	16
1645.	ANJU DHINGRA	230
1646.	SATYAWATI GUPTA	510
1647.	VINOD MITTAL KUMAR	148
1648.	UMA MALIK	740
1649.	APARNA D PATHAK	2
1650.	SUDHA SARAOGI	80
1651.	AJIT SHANKAR BAPAT	16
1652.	ROHIT HIMATSINGKA	72
1653.	MANU KHANNA	946
1654.	MOLUKUTLA VENKAT RAVI KIRAN	112
1655.	S P BAJAJ	1728
1656.	SUNIL RAMCHANDRA HASABNIS	80
1657.	SRIDHAR H RANGARAJAN	25
1658.	NANDISH UMESH MEHTA	16
1659.	NIRAJ MAHESH ASHER	33
1660.	SACHI ANIL AGGARWAL	160
1661.	HARIPRIYA JUVVADI	583
1662.	VENKATESHWARA RAO JUVVADI	495
1663.	SREELAKSHMI DEVI G	1267
1664.	VEERA SURYA KANTHAM DASARI	214
1665.	SAI KRISHNA DASARI	214
1666.	DHIRAJ BHATIA	82
1667.	NEERAJ ADHIKARI	165
1668.	SHREY MALIK	82
1669.	RAVI MALHOTRA	66
1670.	MANIK MADAN	107
1671.	K N PILLAI	49
1672.	S RAJGANESH	41
1673.	SUBODH MALHOTRA	123
1674.	AJAY KUKRETI	57
1675.	VIJAYA LAKSHMI C	37
1676.	RAMULU C	37
1677.	BHUPENDRA P SHAH	82
1678.	PRADEEP KUMAR	41
1679.	KIRAN KUMARI AGARWAL	52
1680.	ALKA MAHESHWARI	629
1681.	CHIRALA VENKATA PANDURANGA RAO	1707
1682.	MANIKA MATHUR	33
1683.	NITIKA	49
1684.	MEGHNA AMISH CHANDARANA	16
1685.	AKANKSHA MALIK	494
1686.	PRITAM CHAND GUPTA	165
1687.	JATINDER KUMAR KAKKAR	115
1688.	DHEERAJ THIRTHANI	16
1689.	PRITINDRA NATH SANYAL	800

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1690.	SANTOSH KALRA	16
1691.	NEERA AGGARWAL	329
1692.	GRISHMA NIRAJ	33
1693.	RASESH PANKAJBHAI SHAH	16
1694.	PARU PANKAJBHAI SHAH	49
1695.	DHANANJAY BAGRODIA	165
1696.	JANMEJAI BAGRODIA	165
1697.	PRAGNA PRAVIN SHAH	640
1698.	BIREN GHANSHYAM BHAVSAR	25
1699.	PANKAJ GUPTA	165
1700.	SHESH KARAN SINGHI	1645
1701.	MOTI CHAND JAIN	913
1702.	SAUBHAGYA SHREE	576
1703.	DHIRENDRA JAIN	160
1704.	DOMNIC JACOB FROZ	24
1705.	A KISHORE KUMAR	148
1706.	CHEENU MADAN	107
1707.	VINAY BAGRI	1
1708.	PURSHOTAM KUMAR SHARMA	32
1709.	DINESH KUMAR GUPTA	192
1710.	RUMA RAO	419
1711.	RAJENDRA NIVRUTTI NAKHATE	16
1712.	PAWAN GHAVRI	8
1713.	NIHAL JAMBOTKAR	58
1714.	USHA AGARWAL	66
1715.	INDRA KUMAR BAGRI	1
1716.	NARINDER KUMAR	115
1717.	K S T RAJESH SUNDAR	49
1718.	VRISHAB CHANDAN T	33
1719.	NIDHI JASHVANTLAL VORA	90
1720.	ARUN DINKAR RAO	118
1721.	DEEPREKHA BAGRI	1
1722.	SUSHILA BAGRI	1
1723.	DIMPLE MALIK	82
1724.	KALYANI SESHADRI	576
1725.	SUNDARAM SESHADRI	296
1726.	SUMIT AGGARWAL	272
1727.	CHHABILDAS GULABCHAND SHAH	82
1728.	PRACHI AGARWAL	592
1729.	RAJIV OJHA	2520
1730.	CHANDER MOHAN	33
1731.	KOKILA CHHABILDAS SHAH	82
1732.	LEKSHMANA PERUMAL PILLAI ARUNACHALA	148
1733.	AVINASH ANANT JOSHI	400
1734.	VIKRAM SUBHASH NAKHATE	16
1735.	PRASAD SUBHASH NAKHATE	16
1736.	KANDAMALLI SURESH BABU	148
1737.	TEJINDER SINGH	165
1738.	SUSHMA RANI	82
1739.	BIREN YASHVANTRAI VAKIL	32
1740.	ARTI AGRAWAL	494

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1741.	KIRTI AKSHAYKUMAR AGARWAL	165
1742.	SUNIL KUMAR GUPTA	80
1743.	AJAY AGARWAL	49
1744.	ANKIT JAIN	99
1745.	RAMESH CHAND	66
1746.	BHAVNA AGARWAL	49
1747.	SHAMMI GOEL	24
1748.	ANIL KUMAR GOEL	2176
1749.	GARIMA GOYAL	8
1750.	ANIL GOEL	99
1751.	MADAN GOPAL AHUJA	66
1752.	KEWAL KRISHAN KHOSLA	1555
1753.	SNEH KHOSLA	518
1754.	KIRON KHOSLA	132
1755.	SHAMIM JABIR PAREKH	33
1756.	KARTHIK R	8
1757.	SATHISHKUMAR R	8
1758.	PRABAKARAN N	8
1759.	RAJESH NARAIN TONDON	1086
1760.	RAJAT DALMIA	2136
1761.	RAJENDRA PRASAD KHANDELWAL	165
1762.	SURESH CHANDRA KHUNTETA	247
1763.	NITA KHANDELWAL	1056
1764.	LALIT KUMAR PODDAR	946
1765.	MADHU KHUNTETA	82
1766.	DHEERAJ AHLAWAT	576
1767.	PRASHANT GEHLAWAT	262
1768.	MOHIT GUPTA	16
1769.	DEEPAK ARORA	114
1770.	KSHMA JASWANT SHAH	160
1771.	R ROOPKUMAR	24
1772.	NISHA RANGERA	192
1773.	BHASKAR BANERJEE	80
1774.	INDU RAJENDRA BOHRA	48
1775.	MEENU AGRAWAL	8
1776.	RISHIKA BAID	8
1777.	SHAMBHU KUMAR MEGOTIA	256
1778.	SANJAY KUMAR MEGOTIA	320
1779.	HEMANT KULKARNI	165
1780.	RATANLAL DUGAR	25
1781.	BIKRAMJEET SINGH PURI	165
1782.	RACHNA	82
1783.	AMIT JAIN	240
1784.	DEEPAK JAIN	440
1785.	SANGEETA GUPTA	12
1786.	VINAY BAGRI	1
1787.	KRITI MALINI	1629
1788.	RAVI SUD	526
1789.	RAVI SUD	823
1790.	SHYAM LAL	532
1791.	MANOJ KUMAR MAHESHWARI	329

S. No.	Name of the Shareholder	No. of Equity Shares Allotted
1792.	MOHIT MUNJAL	300
1793.	PRAGATI MARWAH	16
1794.	RAMESH CHANDER KALRA	25
1795.	REKHA GUPTA	607
1796.	SUDHIR KUMAR GUPTA	181
1797.	VENUGOPALAN SWAMINATHAN	40
1798.	MURZASH MANEKSHANA	329
1799.	SURINDER MOHAN JALOTA	160
1800.	DHANI ARORA	40
1801.	ROHINTON FRAMROZE BATIWALA	2