

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS



(Please scan this QR Code to view the RHP)

This is an abridged prospectus containing salient features of the Red Herring Prospectus of FEDBANK FINANCIAL SERVICES LIMITED dated November 16, 2023 filed with the Registrar of Companies, Maharashtra at Mumbai including (the "RHP" or "Red Herring Prospectus"). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP.

THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Please ensure that you have read the RHP, this abridged prospectus ("Abridged Prospectus") and the general information document for investing in public issues ("GID") undertaken through the Book Building Process before applying in the Offer (as defined below). The investors are advised to retain a copy of the RHP/Abridged Prospectus for their future reference. You may obtain a physical copy of the Bid cum Application Form and the RHP from the Stock Exchanges, Syndicate Members, Registrar to the Offer, Share Transfer Agent ("RTA"), Collecting Depository Participants ("CDPs"), Registered Brokers, Bankers to the Offer, Investors' Associations or Self Certified Syndicate Banks ("SCSBs"). You may also download the RHP from the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in, the websites of National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), and together with NSE, the "Stock Exchanges" at www.nseindia.com and www.bseindia.com, respectively, the website of our Company at www.fedfina.com and the websites of the Book Running Lead Managers at www.icicisecurities.com, www.bnpparibas.co.in, www.equirus.com and www.jmfl.com.

FEDBANK
FINANCIAL SERVICES LIMITED

FEDBANK FINANCIAL SERVICES LIMITED

Corporate Identity Number: U65910MH1995PLC364635; **Date of incorporation:** April 17, 1995

Registered and Corporate Office	Contact Person	Email and Telephone	Website
Kanakia Wall Street, A Wing, 5 th Floor, Unit No. 511, Andheri Kurla Road, Andheri (East), Mumbai 400 093, Maharashtra, India	Rajaraman Sundaresan, Company Secretary and Compliance Officer	Email: cs@fedfina.com Telephone: +91 22 6852 0601	www.fedfina.com

THE PROMOTER OF OUR COMPANY IS THE FEDERAL BANK LIMITED

Details of Offer to Public

Type of Offer	Fresh Issue	Offer for Sale size	Total Offer Size	Issue Under 6(1)	Share Reservation among QIBs, Non-Institutional Bidders, RIBs and Eligible Employees			
					QIBs	Non-Institutional Bidders	RIBs	Eligible Employees
Fresh Issue and Offer for Sale	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 6,000.00 million	Offer for Sale of up to 35,161,723 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "Other Regulatory and Statutory Disclosures – Eligibility for the Offer" on page 440 of the RHP. For details in relation to share reservation among QIBs, NIBs, RIBs and Eligible Employees, see "Offer Structure" on page 461 of the RHP.	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares

The Equity Shares are proposed to be listed on the Stock Exchanges being BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") ("Designated Stock Exchange").

OFS: Offer for Sale

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholder	Type	Number of Equity Shares offered	Weighted average cost of acquisition per Equity Share (In ₹)*
The Federal Bank Limited	Promoter	Up to 5,474,670 Equity Shares	19.34
True North Fund VI LLP	Investor Selling Shareholder	Up to 29,687,053 Equity Shares	45.22

* As certified by M/s R U Kamath & Co by way of their certificate dated November 16, 2023.

For details of weighted average cost of acquisition at which Equity Shares were acquired by our Promoter and the Investor Selling Shareholder in the one year, eighteen months and three years preceding the date of the Red Herring Prospectus, see "Offer Document Summary - Weighted average cost of acquisition at which Equity Shares were acquired by our Promoter and the Selling Shareholders in the one year, eighteen months and three years preceding the date of the Red Herring Prospectus" on page 21 of the RHP.

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band [#]	₹ [●] per Equity Share to ₹ [●] per Equity Share of face value of ₹ 10 each.
Minimum Bid Lot Size [#]	A Minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Opens On	Wednesday, November 22, 2023
Bid/ Offer Closes On [^]	Friday, November 24, 2023
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Thursday, November 30, 2023
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about Friday, December 1, 2023
Credit of Equity Shares to demat accounts of Allottees	On or about Monday, December 4, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	On or about Tuesday, December 5, 2023

[#] For details of the Price Band and the basis for Offer Price, please refer to the price band advertisement and the section titled "Basis for Offer Price" on page 111 of the RHP.

[^] UPI mandate end time shall be at 5:00 PM on Bid/ Offer Closing Date.

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Disclaimer: The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities law. Accordingly, the Equity Shares are only being offered and sold outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, 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. There will be no offering of securities in the United States.

Weighted average cost of acquisition of all shares transacted in three years, eighteen months and one year immediately preceding the 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 1 year	52.44	-	30.00 – 72.37
Last eighteen months	51.79	-	30.00 – 72.37
Last 3 years	65.30	-	30.00 – 72.37

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and the Offer Price, as determined and justified by our Company in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, as stated under “Basis for Offer Price” on page 111 of the RHP 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 investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 27 of the RHP and on page 9 of this Abridged Prospectus.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchange, Syndicate Members, Registrar to the Offer, Registrar and Share Transfer Agent (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Bankers to the Offer, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”).

If you wish to know about processes and procedures applicable to the Offer, you may request for a copy of the RHP and/or the GID from the BRLMs or download it from the websites of SEBI at www.sebi.com, NSE at www.nseindia.com and BSE at www.bseindia.com and from the websites of the BRLMs at www.icicisecurities.com, www.bnpparibas.co.in, www.equirus.com and www.jmfl.com.

PRICE INFORMATION OF BRLMs

Sr. No.	Issue Name	Merchant Banker(s)	+/- % change in closing price, +/- % change in closing benchmark		
			- 30 th calendar days from listing	90 th calendar days from listing	180 th calendar days from listing
1	ASK Automotive Limited	I-Sec, JM	NA*	NA*	NA*
2	Protean eGov Technologies Limited	I-Sec, Equirus	NA*	NA*	NA*
3	ESAF Small Finance Bank Limited	I-Sec	NA*	NA*	NA*
4	Cello World Limited	I-Sec, JM	N.A.*	N.A.*	N.A.*
5	Blue Jet Healthcare Limited	I-Sec	N.A.*	N.A.*	N.A.*
6	JSW Infrastructure Limited	I-Sec, JM	+41.34% [-2.93%]	N.A.*	N.A.*
7	Signatureglobal (India) Limited	I-Sec	+35.79%, [-4.36%]	N.A.*	N.A.*
8	TVS Supply Chain Solutions Limited	BNP Paribas, Equirus	8.71% [1.53%]	N.A.*	N.A.*
9	Zaggle Prepaid Ocean Services Limited	JM, Equirus	+30.95%, [-0.67%]	N.A.*	N.A.*
10	Adani Wilmar Limited	BNP Paribas	+48.00%, [-5.34%]	+180.96%, [-4.95%]	+193.26%, [+0.76%]
11	Anand Rathi Wealth Limited	BNP Paribas	+12.38%, [+5.22%]	+4.46%, [-4.42%]	+19.55%, [-6.56%]
12	Netweb Technologies India Limited	Equirus	+73.20% [-2.08%]	+67.87% [-2.56%]	N.A.*
13	Divgi TorqTransfer Systems Limited	Equirus	+12.04% [+4.30%]	+39.64% [+8.16%]	+67.75% [+14.51%]
14	Inox Green Energy Services Limited	Equirus	-30.77% [-1.11%]	-32.77% [-1.33%]	-26.85% [+0.36%]
15	Harsha Engineers International Limited	Equirus	+31.92% [+3.76%]	+10.68 [+4.65%]	-2.18% [-0.42%]
16	Honasa Consumer Limited	JM	N.A.*	N.A.*	N.A.*
17	Samhi Hotels Limited	JM	15.16% [-0.93%]	N.A.*	N.A.*
18	R R Kabel Limited	JM	34.45% [-1.75%]	N.A.*	N.A.*

Source: www.nseindia.com; www.bseindia.com

*Data not available

Notes:

- Disclosures subject to 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each BRLMs with common issues disclosed once.
- Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable.
- Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- 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.

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6. NA means Not Applicable - period not completed.

For further details, please refer to "Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs" on page 447 of the RHP.

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited Tel: +91 22 6807 7100 E-mail: fedfina.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com	BNP Paribas Tel: +91 22 3370 4000 E-mail: DL.Fedfina.IPO@bnpparibas.com Investor Grievance E-mail: indiainvestors.care@asia.bnpparibas.com	Equirus Capital Private Limited* Tel: +91 22 4332 0700 E-mail: fedfina.ipo@equirus.com Investor Grievance E-mail: investorsgrievance@equirus.com	JM Financial Limited Tel: +91 22 6630 3030 E-mail: fedfina.ipo@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com
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* Equirus has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. Equirus and our Company are associates in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations read with Regulation 23(3) of the SEBI ICDR Regulations, Equirus would be involved only in the marketing of the Offer.

Name of Syndicate Members	Equirus Securities Private Limited, JM Financial Services Limited and Sharekhan Limited
Name of Registrar to the Offer	Link Intime India Private Limited Tel: +91 22 4918 6000; E-mail: fedbankfinancialservices.ipo@linkintime.co.in Investor grievance E-mail: fedbankfinancialservices.ipo@linkintime.co.in
Name of Statutory Auditor	B S R & Co. LLP, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	Not applicable
Name of Debenture Trustee	Not applicable
Self-Certified Syndicate Banks	The banks registered with SEBI, which offer the facility of ASBA services, (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 www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=40 or such other website as updated from time to time.
Registered Brokers	The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx and www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm , respectively, 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/2019/76 dated June 28, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 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 issues 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&intmld=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate Self-Certified Syndicate Banks' Branches	In relation to Bids (other than Bids by Anchor Investor) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) 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 http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.
Non-Syndicate Registered Brokers	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx and www.nseindia.com/products/content/equities/ipo/asba_procedures.htm , respectively, as updated from time to time.
Details regarding website address(es)/link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx and www.nseindia.com/products/content/equities/ipo/asba_procedures.htm , respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx and on the website of NSE at www.nseindia.com/products/content/equities/ipo/asba_procedures.htm , as updated from time to time. For further details, see "Offer Procedure" at page 465 of the RHP.

PROMOTER OF OUR COMPANY

Sr. No.	Name	Individual/ Corporate	Corporate Information
1	The Federal Bank Limited	Corporate	The Federal Bank Limited ("Federal Bank") was incorporated on April 23, 1931, under the Travancore Companies Regulation, 1 of 1902. The registered office of Federal Bank is Federal Towers, P B No. 103, Aluva, Ernakulam – 683 101, Kerala, India. Federal Bank is a professionally managed company and does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act. Federal Bank is a listed company having its equity shares listed on BSE and NSE. It was incorporated as 'Travancore Federal Bank Limited, Nedumpram' under the Travancore Companies Regulation, 1 of 1902 on April 23, 1931. It was renamed to 'The Federal Bank Limited', and the certificate of incorporation on change of name was obtained on December 2, 1949. Federal Bank was thereafter registered under the Companies Act, 1956 on April 1, 1956.

OUR BUSINESS OVERVIEW AND STRATEGY

Company Overview: We are a retail focused non-banking finance company (“NBFC”) promoted by The Federal Bank Limited. We have the second and third lowest cost of borrowing among the micro, small and medium enterprises (“MSMEs”), gold loan and MSME & gold loan peer set in India in Fiscal 2023 and three-months period ended June 30, 2023, respectively. (Source: CRISIL Report) As on March 31, 2023, we are the fastest growing gold loan NBFC in India among the peer set and we had the third fastest AUM growth among NBFCs in the peer set in India with a three year CAGR of 33% between Fiscals 2020 and 2023. We had the fourth fastest year-on-year AUM growth of 42% and fastest year-on-year growth among gold loan NBFCs in India for three-months period ended June 30, 2023. (Source: CRISIL Report) We are one among five private bank promoted NBFCs in India. (Source: CRISIL Report). As on June 30, 2023, 86.24% of our total Loan Assets are secured against tangible assets, namely gold or customer’s property.

Product/ Service Offerings: We are largely focused on a collateralized lending model for our retail finance segment, targeting emerging self-employed individuals (“ESEI”) consumers and the emerging MSME sector.

For further information, see “Our Business – Description of our business and operations” on page 211 of the RHP.

AUM segmentation by product/ service offering:

(₹ in million)

Product Wise AUM (in terms of Amount)	As of and for the three-months period ended June 30,		As of and for Fiscal		
	2023	2022	2023	2022	2021
Gold Loan	31,241.72	24,247.85	29,860.46	22,475.30	19,177.87
Mortgage Loan	47,024.46	31,550.06	45,063.78	29,324.50	21,506.12
Medium Ticket LAP	23,892.28	15,925.68	22,884.02	15,258.50	13,324.13
Small Ticket LAP	17,219.25	11,940.28	16,661.56	10,864.10	6,768.62
Housing Loan	5,912.92	3,684.10	5,518.20	3,201.90	1,413.37
Unsecured Business Loan	14,872.49	9,892.28	14,542.80	9,010.18	4,978.89
Others*	1,203.42	954.03	1,229.12	1,062.06	2,961.43
Total	94,342.08	66,644.22	90,696.04	61,872.04	48,624.31

* Others includes wholesale portfolio exposure and partnership business, which is being wound down due to reduced focus on these businesses.

Key Performance Indicators:

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

(₹ in million, unless otherwise specified)

Particulars	As at and for the three-months period ended June 30, 2023	As at and for the three-months period ended June 30, 2022	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Capital					
Shareholder Equity	14,149.03	12,025.27	13,556.82	11,535.18	8,347.34
Capital Adequacy Ratio	19.71%	20.90%	17.94%	23.04%	23.52%
Profitability					
Total Revenue	3,678.68	2,560.48	12,146.80	8,836.37	6,975.66
Net Interest income	1,776.47	1,357.78	6,380.18	4,742.41	3,449.17
Fee and Other income	207.32	207.89	918.90	572.07	374.77
Profit After Tax	538.83	437.57	1,801.33	1,034.59	616.84
Profit After Tax (%) [*]	14.65%	17.09%	14.83%	11.71%	8.84%
NPA / Asset Quality					
Gross NPA (%)	2.26%	2.05%	2.03%	2.23%	1.01%
Net NPA (%)	1.76%	1.57%	1.59%	1.75%	0.71%
Earning per share[‡]					
Basic	1.67	1.36	5.60	3.32	2.19
Diluted	1.67	1.36	5.59	3.31	2.18
Scale					
AUM	94,342.08	66,644.22	90,696.04	61,872.04	48,624.31
AUM Growth (%)	4.02%	7.71%	46.59%	27.25%	26.68%
Capital					
Total Borrowings to Shareholder Equity ratio	5.39	4.57	5.26	4.35	5.18
Cost of Borrowings	2.22%	1.86%	7.77%	7.44%	8.30%
Profitability					
Yield on Average Net Advances	3.94%	3.81%	15.17%	15.59%	15.47%
Spread	1.81%	1.94%	7.40%	8.15%	7.17%
NPA / Asset Quality					
Provision Coverage Ratio	22.33%	23.72%	22.19%	22.07%	29.88%
Return Ratio					
Net Interest Income to Average AUM	1.92%	2.11%	8.36%	8.58%	7.93%
Net Interest Margin	1.92%	2.00%	8.17%	7.89%	7.22%
Operating Expenses to Average AUM	1.31%	1.41%	5.71%	5.66%	5.40%
Credit cost to Average AUM	0.12%	0.15%	0.64%	1.52%	1.64%
PAT to Average AUM	0.58%	0.68%	2.36%	1.87%	1.42%
Return on Total Average Assets (%)	0.58%	0.65%	2.31%	1.72%	1.29%
Return on Average Equity (%)	3.89%	3.71%	14.36%	10.41%	8.08%
Distribution					
States and Uts	16	15	16	15	15
Branches	584	516	575	516	359
Productivity					

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Particulars	As at and for the three-months period ended June 30, 2023	As at and for the three-months period ended June 30, 2022	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
AUM/Branch	161.54	129.16	157.73	119.91	135.44
AUM/Employee	25.28	21.81	25.41	21.69	22.83
Credit ratings					
CARE – NCDs	AA/stable	AA-/stable	AA/stable	AA-/stable	AA-/stable
CARE – Long-term / Short-term bank facilities	AA/stable, A1+	-	AA/stable, A1+	-	-
CARE – Long-term instruments – Subordinated debt	AA/stable	-	-	-	-
India Rating and Research Private Ltd. – Bank loans	AA-/positive	AA-/stable	AA-/stable	AA-/stable	AA-/stable
India Rating and Research Private Ltd. – NCDs	AA-/stable	AA-/stable	AA-/stable	AA-/stable	AA-/stable
India Rating and Research Private Ltd. – NCDs – Subordinated debt	AA-/positive	AA-/stable	AA-/stable	AA-/stable	AA-/stable
CRISIL – Commercial paper	A1+	A1+	A1+	A1+	A1+
ICRA Limited – Commercial paper	A1+	A1+	A1+	A1+	A1+
Acute Ratings & Research Limited – Commercial paper	-	-	-	A1+	A1+

* Profit After Tax (%) represents the Profit after tax for a period to the Total Revenue for the period, represented as a percentage.

Not annualised.

For details of our KPIs disclosed, see “Basis for Offer Price” on page 111 of the RHP.

Geographies Served: As of June 30, 2023 we are present in 17 states and union territories across India, covering 190 districts through 584 branches, with a strong presence in Southern and Western regions.

AUM segmentation by geographies:

(₹ in million, except percentages)

AUM by State/ Territory	As of and for the three-months period ended June 30,				As of and for Fiscal					
	2023		2022		2023		2022		2021	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Karnataka	17,205.19	18.24%	14,327.05	21.50%	16,894.62	18.63%	13,829.24	22.35%	12,464.75	25.63%
Tamil Nadu	15,001.57	15.90%	11,818.31	17.73%	15,063.91	16.61%	11,230.86	18.15%	9,378.86	19.29%
Maharashtra	18,391.65	19.49%	12,098.05	18.15%	17,548.46	19.35%	11,159.55	18.04%	9,109.56	18.73%
Gujarat	11,493.36	12.18%	8,601.01	12.91%	11,071.91	12.21%	7,980.50	12.90%	6,349.14	13.06%
Telangana	8,529.53	9.04%	6,014.00	9.02%	8,186.43	9.03%	5,483.00	8.86%	4,061.77	8.35%
Andhra Pradesh	5,786.57	6.13%	4,570.26	6.86%	5,688.76	6.27%	4,154.79	6.72%	2,983.84	6.14%
Delhi	11,506.23	12.20%	5,807.78	8.71%	10,816.48	11.93%	4,997.62	8.08%	2,821.69	5.80%
Rajasthan	2,179.87	2.31%	1,371.57	2.06%	2,073.85	2.29%	1,268.34	2.05%	736.15	1.52%
Punjab	563.25	0.60%	334.72	0.50%	531.13	0.59%	304.58	0.49%	145.07*	0.30%*
Uttar Pradesh	845.73	0.90%	413.71	0.62%	673.97	0.74%	372.11	0.60%	139.66	0.29%
Haryana	565.66	0.60%	337.38	0.51%	525.21	0.58%	288.56	0.47%	60.73	0.12%
Goa	316.75	0.34%	146.01	0.22%	260.56	0.29%	133.90	0.22%	74.29	0.15%
Madhya Pradesh	817.86	0.87%	274.65	0.41%	651.36	0.72%	180.16	0.29%	118.78	0.24%
Pondicherry	436.43	0.46%	29.86	0.04%	42.02	0.05%	25.55	0.04%	0.04	0.00%
Chandigarh	682.93	0.72%	499.84	0.75%	662.63	0.73%	463.29	0.75%	179.05*	0.37%*
Dadra & Nagar Haveli	19.51	0.02%	0.00	0.00%	4.72	0.01%	0.00	0.00%	0.00	0.00%
Others**	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.93	0.01%
Total	94,342.08	100.00%	66,644.22	100.00%	90,696.04	100.00%	61,872.04	100.00%	48,624.31	100.00%

Client Profile: We are focused on catering to the MSMEs and ESEIs.

Industries Served: Retail credit industry. For details, see “Industry Overview” on page 128 of the RHP.

Intellectual Property: Our Company has two registered trademarks under class 36, with the Registrar of Trademarks. For further details, see “Our Business – Intellectual Property” on page 225 of the RHP.

Market Share: We have the second and third lowest cost of borrowing among the MSME, gold loan and MSME & gold loan peer set in India in Fiscal 2023 and three-months period ended June 30, 2023, respectively (Source: CRISIL Report).

Manufacturing plant, if any: Not applicable

Employee Strength: As of June 30, 2023, we employed 3,732 people. 77.12% of our staff are in the sales function, while 11.87% of the employees are dedicated for credit, risk management, audit and quality functions. For further information, see “Our Business – Description of our business and operations – Employees” on page 226 of the RHP.

BOARD OF DIRECTORS				
Sr. No.	Name	Designation	Experience & Educational Qualification	Directorships in other companies
1	Balakrishnan Krishnamurthy	Chairman and Independent Director	He holds a bachelor’s degree in commerce (honours) from Faculty of Commerce, Osmania University. He is a qualified chartered accountant and company secretary. He has experience in the financial services sector. Currently, he serves as the chairman of Kriscore Financial Advisors Private Limited and director of Kriscore Ventures Private Limited. Previously, he has been associated with Lazard India Private Limited as Managing Director.	Indian Companies: <ul style="list-style-type: none"> Kriscore Financial Advisors Private Limited Kriscore Ventures Private Limited XPRO India Limited Foreign Companies: Nil

BOARD OF DIRECTORS				
Sr. No.	Name	Designation	Experience & Educational Qualification	Directorships in other companies
2	Anil Kothuri	Managing Director and Chief Executive Officer	He holds a bachelor's degree of technology in computer science and engineering from Andhra University and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 28 years of experience across various asset businesses including mortgage, SME financing, auto loans, housing finance and unsecured lending. Prior to joining our Company, he has served at Edelweiss Housing Finance Limited as President, and at Citibank N.A.	Indian Companies: Nil Foreign Companies: Nil
3	Shyam Srinivasan	Non-Executive Director	He holds a bachelor's degree in engineering from the Faculty of Engineering, University of Madras and post-graduate diploma in management from the Indian Institute of Management, Calcutta. He currently serves as director of Ageas Federal Life Insurance Company Limited and managing director and chief executive officer of The Federal Bank Limited.	Indian Companies: • Ageas Federal Life Insurance Company Limited • The Federal Bank Limited Foreign Companies: Nil
4	Maninder Singh Juneja	Non-Executive Nominee Director	He holds a bachelor's degree in civil engineering from Maharaja Sayajirao University of Baroda and a post graduate diploma in management from Indian Institute of Management Society, Lucknow. He has over 25 years of experience in the banking and finance industry. He has previously been associated with Godrej GE Appliances Limited, SRF Finance Limited as business manager of corporate finance, Whirlpool of India Limited as business manager, ICICI Bank Limited as group executive and National Bulk Handling Corporation Private Limited as managing director and chief executive officer.	Indian Companies: • Fincare Business Services Limited • Home First Finance Company India Limited • Indifi Technologies Private Limited • Niva Bupa Health Insurance Company Limited (formerly known as Max Bupa Health Insurance Company Limited) Foreign Companies: Nil
5	Ashutosh Khajuria	Non-Executive Nominee Director	He holds a bachelor's degree in law from Jiwaji University, Gwalior and a master's degree in arts from Doctor Harisingh Gour Vishwavidyalaya, Sagar. Previously, he has served at The Federal Bank Limited in various designations including president and head of treasury, following which he was the executive director and chief financial officer. He has also served as the director of Ageas Federal Life Insurance Company. Presently, he is serving as the Chief Mentor at The Federal Bank Limited and oversees the functions of treasury, credit underwriting, credit monitoring and collections, ESG, and the IFSC banking unit (IBU) in GIFT City, Gujarat.	Indian Companies: Nil Foreign Companies: Nil
6	Gauri Rushabh Shah	Independent Director	She holds a bachelor's degree in commerce from University of Bombay. She has passed the final examination held by the Institute of Chartered Accountants of India. She secured the 44th rank in the intermediary examination held by the Institute of Chartered Accountants of India. She was associated with CC Choksi Advisors Private Limited.	Indian Companies: Nil Foreign Companies: Nil

For further details in relation to our Board of Directors, see "Our Management" beginning on page 252 of the RHP.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 6,000.00 million by our Company and the Offer for Sale of up to 35,161,723 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.

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. For further details of the Offer for Sale, see "The Offer" beginning on page 73 of the RHP.

Net Proceeds

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

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Fresh Issue	Up to 6,000
(Less) Estimated Offer related expenses in relation to the Fresh Issue to be borne by the Company	[●] ⁽¹⁾⁽²⁾
Net Proceeds	[●]

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

⁽²⁾ For details, see "Objects of the Offer - Offer Expenses" on page 107 of the RHP.

Proposed Implementation and Deployment of Funds

The Net Proceeds are proposed to be deployed over the course of Fiscals 2024 and 2025. 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 scaling-up branch infrastructure and technology and other general corporate purposes, the Net Proceeds will be temporarily invested in accordance with the SEBI ICDR Regulations.

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Means of Finance: Not applicable

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years: Not Applicable.

Terms of Issuance of Convertible Security, if any: Not Applicable.

Name of Monitoring Agency: ICRA Limited.

Shareholding Pattern as on the date of the RHP:

Category of shareholder	Pre-Offer number of shares (Number of fully paid up Equity Shares held)	% Holding of Pre-Offer (Shareholding as a % of total number of shares)
Promoters and Promoter Group	235,685,332	72.28
Public	90,390,608	27.72
Total	326,075,940	100.00

Number/amount of equity shares proposed to be sold by selling shareholders: 35,161,723 Equity Shares aggregating up to ₹ [●] million

RESTATED SUMMARY STATEMENT

Summary of Financial Information

A summary of the financial information of our Company as per the Restated Consolidated Financial Information is as follows: (in ₹ million)

Particulars	As at and for the three-months period ended June 30, 2023	As at and for the three-months period ended June 30, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
Equity Share capital	3,219.12	3,215.48	3,219.12	3,215.18	2,899.23
Net worth ⁽¹⁾	14,149.03	12,025.27	13,556.82	11,535.18	8,347.34
Revenue from operations	3,613.92	2,475.07	11,788.00	8,693.15	6,918.25
Profit for the year	538.83	437.57	1801.33	1,034.59	616.84
Earnings per equity share					
Basic	1.67*	1.36*	5.60	3.32	2.19
Diluted	1.67*	1.36*	5.59	3.31	2.18
Return on Net Worth (%) ⁽²⁾	3.81	3.64	13.29	8.97	7.39
Net asset value per Equity Share ⁽²⁾	43.95	37.40	42.11	35.88	28.79
Total Borrowings ⁽³⁾	76,195.16	54,974.36	71,358.23	50,168.35	43,280.92

* Not annualised.

Notes:

- (1) Net worth is the aggregate of our Equity Share capital and other equity.
- (2) Return on Net Worth (%) = Net profit after tax, as restated / Net worth as restated as at year end.
- (3) Net asset value per Equity Share is net worth of our Company as at the end of the relevant period divided by the number of Equity Shares outstanding at the end of the relevant period.
- (4) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities outstanding as of the last day of the relevant period.

For further details, see “Summary of Offer Document - Summary of Restated Financial Information” on page 16 of the RHP.

INTERNAL RISK FACTORS

Below mentioned risks are the top 5 risk factors as per the RHP:

1. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.
2. We have had negative cash flows in the past and may continue to have negative cash flows in the future.
3. As on June 30, 2023, 93.65% of our gross AUM was located in Gujarat, Maharashtra, Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, Puducherry and Delhi. Accordingly, our operations are concentrated in six states and two union territories and any adverse developments in these regions could have an adverse effect on our business and results of operations.
4. Because we handle high volumes of cash and gold jewelry in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.
5. Our inability to maintain our capital adequacy ratio could adversely affect our business, results of operations and our financial performance.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. A summary of outstanding litigation proceedings involving our Company, Promoter and Directors, in terms of the SEBI ICDR Regulations, as on the date of the Red Herring Prospectus, 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 Litigation	Aggregate Amount (₹ in million)
Company						
By our Company	1,625 ⁽¹⁾	Nil	N.A.	N.A.	3	3,634.68
Against our Company	3	3	1	N.A.	Nil	4.66
Directors						
By the Director	Nil	Nil	N.A.	N.A.	Nil	Nil
Against the Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Promoter						
By the Promoter	60	Nil	N.A.	N.A.	2	16,006.11
Against the Promoter	1	12 ⁽³⁾⁽⁵⁾	Nil	1	2	17,411.82 ⁽²⁾⁽⁴⁾

- (1) Includes 1,623 proceedings initiated by our Company against its borrowers in the ordinary course of business under the Negotiable Instruments Act, 1881.

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- (2) Excludes the amount paid by our Promoter pursuant to a fine imposed by NSE. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Promoter – Disciplinary actions including penalties imposed by SEBI or the Stock Exchanges” on page 434 of the RHP.
- (3) There are 19 outstanding direct tax proceedings involving our Promoter, as on the date of the Red Herring Prospectus, pertaining to three categories of disputes, namely, (i) disallowances of certain expenses and deductions; (ii) disallowances of certain provisions created; and (iii) other disallowances, including club fees and other purposes written off, etc.
- (4) Includes the aggregate tax impact of the outstanding direct tax proceedings involving our Promoter. However, the amounts which have been disallowed in these outstanding direct tax proceedings aggregate to ₹ 37,039.45 million.
- (5) There are 44 outstanding indirect tax proceedings involving our Promoter, as on the date of the Red Herring Prospectus. While eight outstanding indirect tax proceedings relate to distinct issues, the remaining outstanding indirect tax proceedings involving our Promoter all pertain to appeals filed by our Promoter challenging the rejection of GST refunds by the competent authorities. There are 36 such outstanding proceedings with an aggregate amount of ₹ 65.93 million involved.

C. Brief details of top 5 material outstanding litigation/legal proceedings initiated against our Company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved
1.	A criminal complaint has been filed by Anandraj (“Anandraj”) before the Chief Metropolitan Magistrate Court, Bangalore (“Court”) under section 200 of CrPC read with sections 406 and 420 of the IPC against our Company and Binny Shibu. The Company has not received any notice, summons or copy of any first information report (“FIR”) in this matter as yet. Anandraj and his counsel have been given a final opportunity to submit a sworn statement in the Court on November 7, 2023.	Anandraj	Pending	Not quantifiable
2.	A criminal complaint has been filed by Zaveri Constructions (“Zaveri”) and others before the Chief Metropolitan Magistrate, Esplanade Court, Mumbai under section 420 of the IPC and sections 193, 200 and 340 of the Essential Commodities (Special Provisions) Act, 1981 (“Essential Commodities Act”), against 7 parties, which includes our Company. Our Company has not received any notice, summons or copy of any first information report in this matter as yet. Zaveri and their counsel have not appeared in the matter, as on the date of this letter. The matter has been adjourned to November 30, 2023.	Zaveri Constructions	Pending	Not quantifiable
3.	G. Panduranga Kamath, R. Lalitha, K.C.S. Nair and others (collectively, the “Petitioners”) have filed a criminal revision petition (“Petition”) under Sections 397 and 399 of the CrPC against our Company and other respondents (“Other Respondents”, and collectively “Respondents”) before the City Civil and Sessions Judge at Bengaluru to seeking the setting aside of the order dated March 16, 2021 (“Order”) passed by the XXXVII Additional Chief Metropolitan Magistrate Court, Bengaluru (“Authority”). Pursuant to the Order, the Authority allowed the interim application filed by our Company under Section 14 of the SARFAESI Act for taking possession of property (“Property”) of the Other Respondents. The Petitioners have alleged that they had purchased Property from the Other Respondents and that the Property was not under any encumbrance at the time of sale. The Petitioners have further alleged <i>inter alia</i> that the Respondents have colluded to harass the Petitioners and that our Company has not followed due process and procedure under the SARFAESI Act.	G. Panduranga Kamath, R. Lalitha, K.C.S. Nair and others	Pending	Not quantifiable
4.	BSE has, pursuant to an email dated October 30, 2023, imposed a fine of ₹ 0.01 million on our Company for alleged non-compliance with Regulation 60(2) of the SEBI Listing Regulations, which require intimation to the stock exchanges of the record date for purposes of payment of interest, dividend and payment of redemption or repayment amount or for such purpose as specified by the stock exchanges. In relation to the alleged non-compliance with Regulation 60(2) for delay in furnishing intimation to BSE about the record date, our Company, pursuant to email dated October 31, 2023, submitted that the said regulation had been duly complied with and there had been no non-compliance by the Company. The matter is currently pending.	BSE	Pending	₹ 0.01

C. Disciplinary action taken by SEBI or the Stock Exchanges against the Promoter in last 5 financial years including outstanding action, if any:

Our Promoter has received a notice (“Notice”) dated September 27, 2022, from the National Stock Exchange of India Limited (“NSE”) for alleged non-compliance with Regulations 52(7) and 52(7A) of the SEBI Listing Regulations, which provides for, inter alia, the obligation to submit to the Stock Exchanges, a statement indicating utilization of issue proceeds of non-convertible securities, along with a statement disclosing material deviations, if any. Pursuant to the Notice, the NSE has directed our Promoter to pay a fine of ₹10,620 within 15 days of the notice. In response to the Notice, our Promoter has submitted a waiver request with the NSE. The waiver request was not accepted by the NSE, and our Promoter paid the penalty on March 17, 2023.

D. Brief details of outstanding criminal proceedings against the Promoter:

A criminal complaint under Section 156(3) of CrPC was filed before the Court of Chief Judicial Magistrate, Gurgaon by Balwinder Kaur (“Complainant”) against our Promoter and two of its employees alleging criminal breach of trust and thereby requesting to initiate proceedings under Sections 323, 406, 420, 467, 468, 471 and 506 read with Section 34 of the IPC. The Complainant had obtained a loan of ₹1.01 million and had pledged gold ornaments as a security towards the loan for a period of one year upto July 22, 2015. However, the loan was not received by our Promoter and therefore, the pledged gold ornaments were auctioned. Aggrieved by the aforesaid complaint, our Promoter has filed an application under Section 482 of CrPC before the High Court of Punjab and Haryana seeking the quashing of the criminal proceedings. By way of its order dated October 30, 2018, the High Court of Punjab and Haryana stayed the proceedings before the Court of Chief Judicial Magistrate, Gurgaon. The matter is currently pending.

For further details of the outstanding litigation proceedings, see “Outstanding Litigation and Material Developments” on page 431 of the RHP.

ANY OTHER IMPORTANT INFORMATION AS PER BRLMs/COMPANY – Nil

DECLARATION BY OUR COMPANY

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations/rules issued by the Government of India or the guidelines/regulations issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.

DECLARATION BY THE SELLING SHAREHOLDERS

Each of the Selling Shareholders hereby confirm that all statements, disclosures and undertakings made or confirmed by them in the Red Herring Prospectus about or in relation to themselves, as the Selling Shareholder and their respective portion of the Offered Shares, are true and correct. Each of the Selling Shareholders assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to our Company or any other Selling Shareholder or any person(s) in the Red Herring Prospectus.