

Based on media reports, we understand that the Erstwhile Promoters are subject to various ongoing regulatory investigations by enforcement agencies including investigation by the Enforcement Directorate under the Prevention of Money Laundering Act, 2002 pertaining to their other business. As on the date of this Red Herring Prospectus, our Company has not received any such notice or intimation from the above law enforcement agencies in connection with the above matters. While we and our Promoter are not a party to any such proceedings, we cannot assure you that any such proceedings will not adversely impact our Company or our Promoter including adverse actions against Equity Shares held by our Promoter or will not have an impact on the market price of the Equity Shares of our Company.

**2. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.**

We are involved, from time to time, in legal proceedings that are incidental to our operations and these involve proceedings filed by and against us. These include among others, criminal and civil proceedings, tax proceedings, and criminal complaints filed by us under the Negotiable Instruments Act and applications under the SARFAESI Act challenging proceedings adopted by us towards enforcement of security interests. These proceedings are pending at different levels of adjudication before various courts and authorities. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. We have not made any provision as of December 31, 2023 for the ongoing legal proceedings, and there can be no assurance on the outcome of legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

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, Directors, Promoter and Subsidiary as of the date of this Red Herring Prospectus. According to the Materiality Policy, any outstanding litigation other than criminal proceedings, statutory or regulatory actions and taxation matters is considered material if (i) the monetary amount of claim by or against the entity or person in any such pending matter is in excess of 1% of the profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2023, i.e., ₹ 54.5 million; or (ii) outstanding litigation filed against our Company which are winding up petitions under the Companies Act, or are corporate insolvency resolutions processes under the Insolvency and Bankruptcy Code, 2016; or (iii) where the decision in one case is likely to affect the decision in similar cases; or (iv) if outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation of the Company.

Category of individuals and Entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million) <sup>(1)</sup>
<b>Company</b>						
By the Company	4,483 <sup>(2)</sup>	Nil	Nil	NA	1	3,863.0 <sup>(1)</sup>
Against the Company	32	16	1	NA	2	2,697.5
<b>Directors</b>						
By the Directors	-	-	-	NA	-	-
Against the Directors	1	-	1	NA	1	-
<b>Promoter</b>						
By Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiary</b>						
By Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Against Subsidiary	Nil	Nil	Nil	NA	Nil	Nil

(3) To the extent quantifiable

(4) Includes (a) 4,326 proceedings filed under section 138 of the Negotiable Instruments Act, 1881 involving an aggregate amount of ₹3,553.1 million; and (b) 145 criminal proceedings alleging fraud by customers involving an amount of ₹192.3 million, respectively.

We cannot assure you that any of the outstanding material litigation matters will be settled in favor of our Company or that no additional liability will arise out of these proceedings.

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. If a significant number of these disputes are determined against us and if we are required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition, cash flows and results of operations. For further details in relation to the proceedings involving our Company and Directors, see “Outstanding Litigation and Material Developments” on page 363.

**3. We depend on the accuracy and completeness of information provided by our potential borrowers and third-party**