(Continued from previous page...)

quarterly payment of interest, financial results for quarters ended September 30, 2020 and March 31, 2021 as required under the SEBI Listing Regulations. However, the Company has paid the penalty amount to BSE for delayed submission of financial results for quarter ended March 31, 2021 and other non- compliance wherever was required. Page no. 46 of RHP

9. **Risk related to inadequacy of substantial capital for our business and any disruption in our sources of capital may have an adverse effect on our business:** Our business relies on securing debt and equity from external sources on favorable terms and in a timely manner. We've historically met financing needs through various channels. However, accessing funds depends on factors like our financial performance, regulatory environment, and market conditions, including events like the COVID-19 pandemic. Failure to secure financing could adversely impact our operations and financial condition. Recent defaults among NBFCs have affected funding availability and cost. Economic, regulatory, and financial changes could further hinder our ability to access funds, potentially impacting our liquidity and financial stability. Page no. 51 of RHP

10. **Risk related to income tax searches & survey carried at Company premises and at it's promoters:** The income-tax authorities have conducted survey on November 23, 2022 at premises of the Company at 4-5 Subcity Centre, Savina, Krishi Mandi, Udaipur, and Search was carried out at its Promoter's and Promoter groups residence namely Nirmal Kumar Jain and Dipesh Jain and its Promoter Group member namely Jenisha Jain under Section 132 of the I.T. Act at 18, Tagore Nagar, Sector-4, Udaipur. As on date, no chargesheet has been filed in the matter. A penalty under Section 271 of the Income Tax Act, 1961 may be levied on the above persons in case of any adverse conclusions being arrived against such persons in the above proceedings inter-alia for concealment of particulars of income or furnishing of inaccurate particulars of income. We cannot assure you that such proceedings, will not result in a demand or imposition of penalty or prosecution in future. Adverse action, if any, taken by the income-tax authorities against our Company and / or the Promoters and/or our Promoter Group member arising from such survey and searches, may have an adverse effect on the operations and reputation of our Company and could have an adverse impact on our ability to conduct our business, our financial condition and our results of operations. Page no. 39 of RHP

11. **Risk related to credit rating:** Our credit ratings are presently low and any future downward revision in our credit ratings could adversely affect our ability to service our debts as well as raise funds in the future hence affecting our results of operations and financial conditions. We are currently rated ACUITE BBB / Stable (Upgraded) by Acuite Rating, upgraded from ACUITE BBB-. Any downgrade in our credit ratings could increase borrowing costs, result in an event of default under certain of our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. Page no. 39 of RHP

12. **Risk in relation to deviation in market capitalization:** The offer price, Market Capitalization to total revenue multiple and price to earnings ratio based on the offer price of our Company, may not be indicative of the market price of the Equity Shares on listing. Our revenue from operations and restated profit after tax for the period ended March 31, 2023, was ₹ 6,951.37 Lakhs and ₹1,580.27 Lakh, respectively. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations for the period ended March 31, 2023. Page no. 60 of RHP

Particulars	Price to earnings ratio	Market Capitalization to Revenue
At lower end of price band i.e. ₹114 per equity share.	19.49	1.80
At upper end of price band i.e. ₹120 per equity share.	20.51	1.90

Additonal Risk Factors:

1. This is the first Main Board Public Issue being handled by BRLM associated with Issue. The BRLM has handled 22 SME public issues in the past three Fiscal Years, out of which 5 issues closed below the Issue Price on the listing date.
2. The Price/Earnings ratio based on diluted EPS for March 31, 2023 for our Company at the upper end of the Price band is 20.51 as compared to the average industry peer group PE ratio of 23.68.
3. Weighted Average Return on Net Worth for Fiscal 2023, 2022 and 2021 is 7.92 %.
4. The risks to investors shall include weighted average cost of acquisition of all shares transacted in last 3 years and 1 year, from the date of RHP, in the following format. Kindly add the relevant details in the format given below:

   Weighted average cost of acquisition of all shares transacted* in last 3 years and 1 year, from the date of RHP

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price - highest price (in ₹)	
Last 1 year**	Nil	Not Applicable	Nil	Nil
Last 3 years	50.66	2.37	-	80.00

*By the Promoters and Promoter group and shareholders holding more than 1% Equity Shares of the Company as on the date of RHP

**Nil, since shares acquired by our Promoter Nirmal Kumar Jain through transmission

BID / ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE: TUESDAY 18, JUNE, 2024*

BID / ISSUE OPENS ON: WEDNESDAY 19, JUNE, 2024**

BID / ISSUE CLOSES ON#: FRIDAY 21, JUNE, 2024

**Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

***Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1(one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

#UPI mandate end time and date shall be at 5.00 pm on the Bid/ Issue Closing Date.

BASIS FOR ISSUE PRICE

The Price Band will be determined by our Company, in consultation with the BRLM, and the Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each, the Issue Price is 11.40 times of the face value at the lower end of the Price Band, and 12.00 times of the face value at the higher end of the Price Band. Investors should refer to *"Risk Factors"*, *"Our Business"*, *"Restated Financial Information"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 33, 225, 293 and 361 respectively, to have an informed view before making an investment decision.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for the Issue Price, are:

- Proven execution capabilities with a strong rural focus;
- Well established Vehicle Finance, small businesses lending business;
- Stable and experienced management team;
- Customer centric approach and deep understanding of target customers;
- Access to Diversified Sources of Capital and Effective Asset Liability Management;
- Robust underwriting process and risk management policies;
- Hub and Spoke business model that improves efficiencies and decreases costs.

For further details, see *"Risk Factors"* and *"Our Business"* beginning on pages 33 and 225 respectively

QUANTITATIVE FACTORS

Some of the information presented in this chapter is derived from the Restated Financial Information. For further information, see *"Financial Information"* beginning on page 293.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic Earnings and Diluted Earnings per Equity Share (EPS) as per Indian Accounting Standard 33

As per Restated Financial Statements

For the Fiscal	Basic & Diluted EPS (in ₹)	Weights
March 31, 2021	6.68	1
March 31, 2022	1.68	2
March 31, 2023	5.85	3
Weighted Average	**4.60**	
For the nine months period ended December 31, 2023*	**3.87**	

**not annualized*

2. Price/Earning ("P/E") ratio in relation to price band of ₹ 114 to ₹ 120 per Equity Share:

S. No.	Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
1	Based on basic EPS for the financial year ended March 31, 2023	**19.49**	**20.51**
2	Based on diluted EPS for the financial year ended March 31, 2023	**19.49**	**20.51**

3. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 33.52, the lowest P/E ratio is 14.73 and the average P/E ratio is 23.68.

4. Average Return on Net Worth as per Restated Financial Statements

Sr. No.	For the Fiscals	RoNW (%)	Weight
1	March 31, 2021	13.57	1
2	March 31, 2022	3.09	2
3	March 31, 2023	9.25	3
	Weighted Average	**7.92**	
	For the nine months period ended December 31, 2023*	5.81	

**Not annualized*

5. Net Asset Value (NAV) per Equity Share

As per Restated Financial Statements

Financial Year	NAV (₹)
As on March 31, 2023	64.65
As on December 31, 2023	68.51
After the completion of the Issue	
- At the Floor price	80.24
- At the Cap Price	81.78
- At the Issue Price	[●]*

**Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*

Key financial and operational performance indicators ("KPIs"):

The tables below set forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 11, 2024 and the Audit Committee has confirmed that verified and audited details (by our Statutory Auditors) of all the KPIs pertaining to the 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 the Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by our Statutory Auditors, by their certificate dated June 11, 2024.

The certificate dated June 11, 2024 issued by Statutory Auditors has been included in *"Material Contracts and Documents for Inspection-Material Documents"* on page 470 of RHP.

Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational metrics, to make an assessment of our Company's performance and make an informed decision.

Particulars	Details as on December 31, 2023					
	Akme Fintrade (India) Limited	MAS Financial Services Limited	Shriram Finance Limited	Cholamandalam Investment and Finance Company Limited	Arman Financial Service Limited	CSL Finance Limited
Customers (in lakhs)	0.33	NA	82	33.1	7.6	NA
AUM (₹ in lakhs)	37,946.28	9,67,203.00	2,14,23,347.00	1,33,79,400.00	2,43,700.00	94,400.00
Net Worth (₹ in lakhs)	21,701.25	1,70,287.00	46,94,991.00	18,59,800.00	50,440.00	45,631.00
Tangible Net Worth (₹ in lakhs)	21,349.08	1,70,287.00	45,64,775.00	18,59,800.00	50,440.00	45,631.00
Leverage (AUM/ Net worth)	1.75	5.68	4.55	7.19	4.83	2.07
AUM/ Tangible Net Worth	1.78	5.68	4.69	7.19	4.83	2.07
Profit After Tax for the Year / Period (₹ in lakhs)	1,224.66	17,970.00	5,24,462.00	2,36,466.00	2,628.60	4,478.00
RoA (%)	2.93%	2.20%	3.11%	1.99%	4.32%	6.85%
ROE (%)	5.64%	10.55%	15.38%	19.80%	30.51%	13.09%
Return on Tangible Equity	5.89%	10.55%	11.98%	15.04%	7.23%	11.27%
Branches	12	181	3037	1309	394	29
Employees	125	NA	73485	52408	3604	NA
AUM per branch (₹ in lakhs)	3,162.19	5,343.66	7,054.13	10,221.08	618.53	3,255.17
AUM per employee (₹ in lakhs)	303.57	NA	291.53	255.29	67.62	NA
Disbursement per branch per month (₹ in lakhs)	53.27	NA	NA	542.74	45.91	279.31
Disbursement per employee per month (₹ in lakhs)	5.11	NA	NA	2,782.86	267.51	NA
Gross NPA ratio(%)	3.94%	2.23%	5.66%	3.92%	2.83%	0.40%
Net NPA ratio (%)	1.94%*	1.48%	2.72%	2.56%	0.33%	0.23%
Operating Expenses to Average AUM (%)	3.32%	1.99%	2.04%	2.44%	1.20%	2.94%
Average cost of borrowing (%)	11.07%*	9.86%	NA	6.78%	10.87%	NA
Cost to income ratio (%)	37.09%	21.50%	26.00%	39.54%	25.70%	26.45%
Provision Coverage Ratio (%)	50.85%	NA	53.37%	35.58%	NA	292.00%
Average yield on Gross Loan Book (%)	13.84%*	NA	NA	NA	NA	NA
Net Interest Margin (%)	8.22%	5.22%	8.77%	7.40%	13.10%	10.81%
Total Interest income (₹ in lakhs)	5,077.23	75,555.00	24,52,239.00	12,67,959.00	8,877.03	10,466.40
Finance Cost (₹ in lakhs)	2,063.86	45,264.00	10,81,629.00	6,65,127.00	3,498.32	2,948.10
Revenue from operation (₹ in Lakhs)	5,340.49	89,801.00	25,48,075.00	13,42,498.00	9,577.33	11,900.30
EBITDA (in ₹ in lakhs)	3,618.83	69,572.00	18,27,117.00	9,91,767.00	6,977.96	9,270.40
EBITDA margin (%)	67.76%	77.47%	71.71%	73.87%	72.86%	77.90%
Debt equity Ratio (times)	0.91	3.99	3.77	NA	0.72	1.09
Total debt ((in ₹ in lakhs)	19,518.94	NA	1,79,63,401.00	NA	38,120.00	NA
Debt EBITDA Ratio (times)	5.39	NA	9.83	NA	5.46	NA
Capital Employed ratio (%)	8.69%	7.91%	7.88%	6.89%	7.91%	NA
PAT Margin (%)	22.93%	20.01%	20.58%	17.61%	27.45%	37.63%

Particulars	Details as on March 31, 2023					
	Akme Fintrade (India) Limited	MAS Financial Services Limited	Shriram Finance Limited	Cholamandalam Investment and Finance Company Limited	Arman Financial Service Limited	CSL Finance Limited
Customers (in lakhs)	0.32	10	73	25	6.3	NA
AUM (₹ in lakhs)	35,416.11	8,09,256.00	1,85,68,286	1,06,49,800.00	1,94,300.00	73,600.00
Net Worth (₹ in lakhs)	20,478.11	1,50,573.00	43,20,207	14,29,605.00	22,936.28	36,251.97
Tangible Net Worth (₹ in lakhs)	20,217.46	1,50,573.00	41,89,991	14,29,605.00	22,936.28	36,251.97
Leverage (AUM/ Net worth)	1.73	5.37	4.29	7.89	8.47	2.03
AUM/ Tangible Net Worth	1.75	5.37	4.43	7.89	8.47	2.03
Profit After Tax for the Year / Period (₹ in lakhs)	1,580.27	20,096.00	5,97,934.00	2,66,620.00	2,836.15	4,562.84
RoA (%)	4.05%	2.93%	2.89%	2.72%	6.34%	6.94%
ROE (%)	7.72%	13.35%	14.84%	20.60%	32.40%	12.56%
Return on Tangible Equity	9.37%	13.35%	17.63%	20.51%	15.32%	13.34%
Branches	7	149	2922	1191	336	26
Employees	114	1154	64052	44922	2805	257
AUM per branch (₹ in lakhs)	5,059.44	5,431.25	6,354.65	9,469.52	578.27	2,830.77
AUM per employee (₹ in lakhs)	310.67	701.26	289.89	251.06	69.27	286.38
Disbursement per branch per month (₹ in lakhs)	93.26	NA	NA	465.52	43.82	243.18
Disbursement per employee per month (₹ in lakhs)	5.73	NA	NA	2,208.35	212.58	2460.00

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