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this Addendum cum
Corrigendum)

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FINBUD FINANCIAL SERVICES LIMITED
CIN: U67190KA2012PLC064767

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Finbud Financial Services Private Limited” bearing Corporate Identification Number U67190KA2012PTC064767 July 09, 2012, issued by the Registrar of Companies, Karnataka. Subsequently, the name of our Company was changed to “Finbud Financial Services Limited” and a fresh Certificate of Incorporation dated September 23, 2024, was issued by the Registrar of Companies, Karnataka. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U67190KA2012PLC064767. For further details, please refer to “*Our History and Certain Other Corporate Matters*” beginning on page 158 of the Draft Red Herring Prospectus.

Registered Office: No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India - 560075

Contact Person: Vivekananda Udaya Bhandarkar, Company Secretary & Compliance Officer; **Tel No:** +91 98862 32323 **Email:** cs@financebuddha.com; **Website:** www.financebuddha.com;

OUR PROMOTERS: (I) PARTH PANDE (II) VIVEK BHATIA AND (III) PARAG AGARWAL.

THE ISSUE COMPRISE OF A PUBLIC ISSUE OF 50,48,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FULLY PAID (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARES (INCLUDING A PREMIUM OF ₹ [●]/- PER EQUITY SHARE) AGGREGATING TO ₹ [●]/-LAKHS (“THE ISSUE”) BY OUR COMPANY. THE ISSUE COMPRISES A RESERVATION OF WHICH [●] EQUITY SHARES OF ₹10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER RESERVATIONS PORTION AND A NET ISSUE TO THE PUBLIC OF [●] EQUITY SHARES OF ₹10/- EACH IS HEREINAFTER REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN ALL EDITIONS OF A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER [●] AND REGIONAL NEWSPAPER KANNADA [●] (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED “NSE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS, PLEASE REFER TO “*ISSUE STRUCTURE*” BEGINNING ON PAGE 233 OF THIS DRAFT RED HERRING PROSPECTUS.

**NOTICE TO INVESTORS: ADDENDUM CUM CORRIGENDUM TO THE DRAFT RED HERRING PROSPECTUS
DATED JULY 27, 2025 (THE “ADDENDUM CUM CORRIGENDUM”)**

This is with reference to the DRHP dated July 27, 2025, filed with the National Stock Exchange of India (NSE) in relation to the Issue. In this regard, Potential Bidders may note the following:

- The Following Changes or Updation have been incorporated under the chapter “Definition and Abbreviations” of the Draft Red Herring Prospectus:**
 - Under ‘Conventional and General Terms and Abbreviations’, the disclosure for revenue from operations has been modified.
 - Under ‘Business & Industry Related Terms’, the term Lifetime Estimated Credit Loss has been added.
- The Following Changes or Updation have been incorporated under the chapter “Summary of the Issue Document” of the Draft Red Herring Prospectus:**

- a) Under the ‘Object of the Issue’ table, the amount allocated towards the prepayment or repayment of a portion of certain outstanding borrowings availed by our Company has been reduced.
- 3. The Following Changes or Updation have been incorporated under the chapter “Risk Factor” of the Draft Red Herring Prospectus:**
- a) The section titled “Risk Factors” beginning on page 24 of the Draft Red Herring Prospectus has been revised and updated.
- 4. The Following Changes or Updation have been incorporated under the chapter “Capital Structure” of the Draft Red Herring Prospectus:**
- a) Under the table ‘Details of the Alteration to Capital Structure till Date’, a column for cumulative number of equity shares and preference shares has been added.
- 5. The Following Changes or Updation have been incorporated under the chapter “Object of the Issue” of the Draft Red Herring Prospectus:**
- a) Under the ‘Fund Utilisation’ table, the amount allocated towards the prepayment or repayment of a portion of certain outstanding borrowings availed by our Company has been reduced.
- b) Under the object ‘Working Capital Requirement’, the disclosure has been revised and updated.
- c) Under the object ‘Funding for Part of Business Development and Marketing Activities’, the meaning of Subscription Charges has been added.
- d) Under the object ‘Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company’, the name of the bank for the unsecured loan from others has been removed from the table, and the earlier dated certificate has been updated with a new one.
- e) Under the ‘Schedule of Implementation’ table, the amount allocated towards the prepayment or repayment of a portion of certain outstanding borrowings availed by our Company has been reduced.
- 6. The Following Changes or Updation have been incorporated under the chapter “Our Business” of the Draft Red Herring Prospectus:**
- a) Under ‘Operational Measures’, notes have been added under the “Others” category in the revenue bifurcation table, and a new point (iv) relating to the number of agents has been included.
- b) Under ‘Intellectual Property of the Material Subsidiary’, notes have been added.
- 7. The Following Changes or Updation have been incorporated under the chapter “Outstanding litigations and material developments” of the Draft Red Herring Prospectus:**
- a) Under ‘Outstanding Taxation Matters involving our Company, Directors, Promoter, Promoter Group, KMP and Subsidiaries’, litigations involving key managerial personnel have been added.
- 8. The Following Changes or Updation have been incorporated under the chapter “Government and Other approval” of the Draft Red Herring Prospectus:**
- a) Under ‘Licenses/Approvals/Certificates under Industrial and Labour Laws’, the table has been updated and a confirmation has been added.

Point to be Noted:

There may be additional changes in the relevant pages of the RHP, in order to incorporate the above stated changes.

The information in this Addendum cum Corrigendum supplements and updates the information in the Draft Red Herring Prospectus, as applicable, and the aforementioned changes are to be read in conjunction with the Draft Red Herring Prospectus. Accordingly, appropriate references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum cum Corrigendum. Unless further updated, the changes pursuant to this Addendum cum Corrigendum, including the consequent changes to the relevant portions of the Draft Red Herring Prospectus, as a result of the above mentioned changes, there will be suitable updating in the Red Herring Prospectus and the Prospectus, as and when they are filed with the RoC, the SEBI and the Stock Exchange. Investors should not rely on the Draft Red Herring Prospectus or this Addendum cum Corrigendum for any investment decision and should read the Red Herring Prospectus, as and when it is filed with the RoC, the SEBI and the Stock Exchange before making an investment decision with respect to the Issue.

The Equity Shares issued in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as “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 in compliance with Regulation S under the U.S.

Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”. 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 Issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

All capitalised terms used in this Addendum cum Corrigendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

<p>Date: 16-09-2025 Place: Bangalore</p>	<p>On behalf of Finbud Financial Services Limited</p> <p>Vivekananda Udaya Bhandarkar Company Secretary and Compliance Officer</p>
<p>BOOK RUNNING LEAD MANAGER TO THE ISSUE</p>	<p>REGISTRAR TO THE ISSUE</p>
	
<p>SKI CAPITAL SERVICES LIMITED SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005 Telephone No: +91-011-41189899 Website: skicapital.net Email ID: ffsl@skicapital.net Contact Person: Mr. Ghanisht Nagpal/ Ms. Swati Jha</p>	<p>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 Address: D-000A, First Floor, Okhla Industrial Area, Phase-I New Delhi -110020 Telephone No: 011-40450193-97 Email: ipo@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Anuj Rana</p>
<p>ISSUE PROGRAMME</p>	
<p>ANCHOR INVESTOR BIDDING DATE</p>	<p>[●]</p>
<p>ISSUE OPENS ON: [●]</p>	<p>ISSUE CLOSES ON: [●]</p>
<p>Our Company may, in consultation with the Book Running Lead Manager, 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, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.</p>	

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

CONVENTIONAL AND GENERAL TERMS AND ABBREVIATIONS

Term	Description
Revenue from Operations	Revenue from operations is the total revenue generated by our Company from the sale of Services.

BUSINESS & INDUSTRY RELATED TERMS

Term	Description
Lifetime Estimated Credit Loss	Lifetime Expected Credit Loss represents the estimated potential non-performing assets from loans issued by the subsidiary. This calculation is based on credit bureau data analytics and our industry experience. The Lifetime Expected Credit Loss must be deducted from the customer interest rate to determine the net return on loan portfolios.

SECTION II – SUMMARY OF THE ISSUE DOCUMENT

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds for the following objects:

Sr. No.	Particulars	Amount (Rs. in Lakhs)
4.	Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company	403.00

SECTION III – RISK FACTORS

Risk Factor (Old Reference)	Risk Factor (New Reference)	Changes
1	1	
11	2	<p>Approximately 15% of our revenue is generated through our online operations, making our digital platforms critical to our business performance. Any cyberattack, data breach, or other cybersecurity incident could adversely impact our business, financial condition, and results of operations.</p> <p>As a participant in the digital financial industry, we are inherently exposed to cybersecurity risks, including unauthorized access, hacking, ransomware attacks, phishing, malware infections, and other malicious activities. To mitigate these risks, we have implemented a range of preventive measures, including:</p> <p>ISO/IEC 27001;2022 certification, ensuring adherence to recognized information security standards;</p> <ul style="list-style-type: none"> • Multi-factor authentication and role-based access controls to limit unauthorized internal or external access; • Data encryption at rest and in transit, protecting sensitive customer and business information; • Periodic employee training and awareness programs to reduce risks related to phishing and social engineering; and • Data backup and disaster recovery protocols to ensure business continuity in case of an incident. <p>To date, we have not experienced any material cyberattack or significant data breach that has affected our operations or compromised customer data. However, there can be no assurance that these measures will be sufficient to fully prevent or mitigate future cyber incidents, as threats continue to evolve in sophistication and frequency.</p> <p>The Company does not currently maintain insurance coverage specifically for cybersecurity risks. In the event of a cyberattack or data breach, our online operations and revenue streams could be severely disrupted. This may lead to substantial financial losses, increased operational costs, regulatory investigations or penalties, potential legal liabilities, and reputational harm, any of which could materially and adversely affect our business, financial condition, and operational results.</p>
10	3	<p>Additionally, our agreements with these partners include restrictive covenants relating to service standards, data security, and compliance obligations. Breach of these covenants could result in penalties, reputational harm, or unilateral termination of agreements by our partners. Such termination would not only affect our operations but could also impair our ability to secure or maintain similar partnerships in the future.</p> <p>We confirm that, to the best of our knowledge, there have been no terminations, material modifications, or adverse changes in the terms of our agreements with any of our top Lending Partners, including Banks and Non-Banking Financial Companies (NBFCs), that could materially impact our operations, financial performance, or growth prospects. Further, we are not aware of any circumstances that would reasonably be expected to result in such termination or adverse modification.</p>
18	4	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
17	5	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
2	6	<p>Our Company has not complied with certain statutory provisions under the Companies Act, 2013. Such non-compliances may attract penalties or other regulatory actions against our Company and its Directors, which could adversely affect our financial position to the extent of such penalties or actions.</p> <p>During an internal compliance review, our Company identified certain irregularities and administrative lapses in corporate governance and statutory reporting obligations, spanning multiple financial years. These issues primarily relate to discrepancies in disclosures in statutory filings, particularly with respect</p>

		<p>to the reporting of Board meetings in Form MGT-7 (Annual Return) as compared to the disclosures made in the Directors' Report. The details are as follows:</p> <p>Our Company has initiated corrective actions to strengthen compliance processes, including filing the required forms for adjudication, responding to notices, and enhancing internal checks to prevent recurrence of such lapses. While these irregularities have not had a material adverse impact on our operations to date, any penalties imposed by the Registrar of Companies or other regulatory authorities may impact our financial position to the extent of such penalties.</p>
New Addition	7	<p><i>Our business operations rely on various software solutions, including open-source and third-party components. Any vulnerabilities, licensing non-compliance, or discontinuation of support for such software could adversely impact our technology infrastructure and business continuity.</i></p> <p>We depend on proprietary, open-source, and commercially licensed software to operate our platform, manage customer data, and integrate with lender systems. If any such software contains security vulnerabilities, coding errors, or becomes unsupported by the provider, our technology systems may face interruptions, cybersecurity threats, or increased costs of replacement. In addition, non-compliance with licensing terms of open-source or third-party software could result in legal action or operational restrictions. Any of these factors may disrupt our business processes, impair service delivery, and negatively impact our financial performance.</p> <p>Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.</p>
8	8	
New Addition	9	<p><i>Instances of mis-selling, document discrepancies, or improper handling of customer data by our agents or Direct Selling Agents (“DSAs”) could expose us to regulatory penalties, partner claims, or reputational damage.</i></p> <p>We rely on our extensive agent network and DSAs for customer acquisition and document handling. Despite providing regular training, implementing monitoring measures, and maintaining strict operational guidelines, we cannot assure that every agent or DSA will adhere to our prescribed standards at all times. Any mis-selling of loan products, document discrepancies, or improper handling of customer information could result in regulatory scrutiny, penalties, claims by our lending partners, and loss of customer trust. Such incidents may also adversely affect our brand image, customer relationships, and overall business performance.</p> <p>Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.</p>
3	10	
New Addition	11	<p><i>Our platform may use algorithms and automated processes for credit assessment and product recommendations. Any perceived or actual bias in these algorithms could lead to regulatory scrutiny, reputational harm, and potential legal liabilities.</i></p> <p>We use proprietary algorithms and automated decision-making tools to assess customer creditworthiness and generate personalized loan recommendations. These systems are trained on historical data, which may inadvertently include errors or biases. If these models produce outcomes perceived as discriminatory or inaccurate, regulators, lending partners, or customers may challenge our practices. Increasing regulatory focus on transparency and fairness in algorithmic decision-making could subject us to additional compliance requirements or audits. Any such developments may harm our reputation, lead to legal liabilities, and require significant resources to rectify.</p> <p>Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.</p>
16	12	<p>Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources.</p>

		If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further information please refer to the chapter titled “ <i>Restated Financial Information</i> ” beginning on Page 183 of this Draft Red Herring Prospectus and to the chapter titled “ <i>Management’s Discussion and Analysis of Financial Condition and Results of Operation</i> ” subheading <i>Cash Flow</i> on page no 200 of this this Draft Red Herring Prospectus.
New Addition	13	<p><i>A significant portion of our customer acquisition may depend on digital marketing and search engine visibility. Any changes in search engine algorithms, increased advertising costs, or restrictions on digital marketing could adversely affect our ability to attract customers.</i></p> <p>Our digital channel relies on online marketing strategies such as search engine optimization, search engine marketing, social media campaigns, and targeted advertising to acquire customers. Search engines and digital platforms frequently update their algorithms and advertising policies, which may reduce our website visibility or increase the cost of acquiring leads. Any restrictions on digital marketing, heightened competition for online ad space, or reduced effectiveness of our campaigns could adversely affect customer acquisition, revenue growth, and profitability.</p> <p>Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.</p>
20	14	The Company has not experienced any material instances of customer dissatisfaction, miscommunication, delays in loan disbursement, inaccurate loan information, technical glitches, or perceived mis-selling by agents to date. However, there can be no assurance that such issues will not arise in the future.
5	15	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
9	16	
19	17	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
6	18	
15	19	
27	20	
21	21	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
29	22	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
7	23	
22	24	
24	25	
32	26	
4	27	Our Company has entered into related party transactions with our Promoters, Directors, and Promoter Group during the last three financial years. While these transactions have been conducted on an arm’s length basis in compliance with the Companies Act and other applicable rules and regulations, <i>as supported by a certificate from our Statutory Auditors dated on July 23, 2025</i> , there can be no assurance that they could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Further, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For more details, refer to the “Restated Financial Statements” on page 183 of this Draft Red Herring Prospectus.”
12	28	
13	29	
14	30	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
31	31	
23	32	
25	33	
26	34	

30	35	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
28	36	
33	37	
34	38	
35	39	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
36	40	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
37	41	
38	42	
39	43	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
40	44	
41	45	
42	46	
43	47	Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.
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**SECTION IV – INTRODUCTION
CAPITAL STRUCTURE**

B. CLASS OF SHARES

(a) NOTES TO THE CAPITAL STRUCTURE

1. Details of the Alteration to Capital Structure till Date

Date of Allotment	Cumulative No of Equity Shares allotted	Cumulative No of Preference Shares allotted
09/07/2012	10,000	0
01/03/2016	10,048	0
01/03/2016	10,048	1,545 CCPS
09/03/2018	13,048	0
09/03/2018	14,593	0
25/04/2018	14,593	2,365 OCPS
13/08/2018	14,593	814
01/10/2018	14,593	508
27/01/2020	14,593	254
19/03/2020	14,593	127
24/07/2020	15,506	127
04/01/2021	15,718	127
02/04/2021	15,718	0
13/09/2024	15,796	1,684
06/11/2024	17,480	0
17/12/2024	1,40,01,480	0

SECTION V- PARTICULARS OF THE ISSUE OBJECTS OF THE ISSUE

FUND UTILISATION:

We intend to utilize the Net Issue proceeds, in the manner set forth below:

S. No.	Particulars	Amount (Rs. In Lakh)	% of Net Proceeds
4.	Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company	403.00	[•]

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

1. Working Capital Requirement

Working Capital Considerations

Trade Receivables

In the case of secured loans, upon execution of the loan agreement by the customer and submission of the mandatory supporting documents, lenders may record the loan as technically “disbursed” in their internal systems. This generally occurs during periodic sales closure exercises (such as month-end). However, the actual release of loan proceeds is subject to completion of registration requirements and submission of post-disbursal documents, including updated encumbrance certificates, municipal challans, affidavits, and other mandated documents. The completion of these formalities may extend over a period of 30–60 days or longer, depending on the jurisdiction and nature of the transaction. Commission income for our Company accrues and becomes receivable only upon submission of all required documentation and the lender’s final disbursement of the loan.

In the case of Balance Transfer and Top-up loans, the process involves additional steps. The new lender initially disburses an amount equivalent to the outstanding balance in the name of the existing lender. Following such disbursement, the existing lender may take up to 30 days to release the borrower’s property documents. The borrower thereafter deposits the original property documents with the new lender, pursuant to which the top-up loan amount is disbursed. Certain lenders may also require updated documents, such as bank statements, payslips, or end-use certificates, prior to final disbursement. Consequently, BT and Top-up transactions may extend over 60–90 days, and our Company’s commission income accrues and becomes receivable only upon completion of the entire disbursement process by the new lender.

With respect to agent commissions, our Company is required to make upfront payments to agents once the loan has been sanctioned and is recorded as technically disbursed in the lender’s system. However, the receipt of corresponding commission income by our Company from the lender is contingent upon completion of the loan registration and documentation process, which occurs subsequent to such upfront agent payments. This results in a mismatch between agent payouts and lender remittances, thereby extending the working capital cycle of our Company, particularly in the case of secured loans and BT/Top-up transactions.

Illustrative Flow:



Rationale for the increase in working capital requirement of the company for FY 2024 and FY 2025

Increase in Current Assets

- Trade receivables increased from ₹2,714.98 lakhs to ₹3,510.35 lakhs, broadly in line with the increase in revenue.

- Short-term loans and advances rose from ₹586.45 lakhs to ₹1,196.75 lakhs, primarily due to: an increase in loans and advances to employees from ₹72.22 lakhs to ₹87.53 lakhs, increase in advances to suppliers (agents) from ₹357.37 lakhs to ₹854.00 lakhs, and increase in balances with government authorities from ₹156.87 lakhs to ₹255.22 lakhs.
- Other current assets increased from ₹371.32 lakhs to ₹570.76 lakhs, mainly on account of higher other assets, rental advances, and accrued interest.

Decrease in Current Liabilities

- Trade payables decreased significantly from ₹1,241.02 lakhs to ₹445.80 lakhs.
- Other current liabilities increased slightly from ₹374.53 lakhs to ₹388.84 lakhs, mainly due to an increase in expenses payable from ₹78.44 lakhs to ₹120.72 lakhs.
- Short-term provisions rose from ₹260.57 lakhs to ₹380.90 lakhs, primarily due to higher income tax provisions, which increased from ₹253.54 lakhs to ₹366.17 lakhs.

Impact on Working Capital

As a result of the above movements in current assets and current liabilities, the Company's working capital requirement increased from ₹1,796.63 lakhs in FY 2024 to ₹4,062.31 lakhs in FY 2025.

Reasons in Fluctuations in Working Capital to turnover ratio

Our revenue is primarily derived from two channels: the digital marketplace and the agent marketplace.

FY 2024 vs. FY 2023

- **Revenue Mix:** Contribution from the digital marketplace increased from 12.21% to 13.97%, while contribution from the agent marketplace decreased from 87.79% to 86.03%.
- **Trade Receivables:** As a percentage of revenue, trade receivables rose from 11.10% to 14.33%, in line with revenue growth and the higher share of the digital marketplace, which generally has longer receivable cycles. Additionally, receivable days have increased among existing customers. Some lenders now conduct additional post-disbursement loan verification before invoice generation, extending collection periods.
- **Trade Payables:** Trade payables as a percentage of revenue increased slightly from 6.11% to 6.55%. However, this increase was lower than the growth in revenue, reflecting a reduced share of the agent marketplace, which typically allows for extended credit terms.
- **Working Capital Requirement:** The rise in working capital requirement during FY 2024 is consistent with the above factors—higher receivables and relatively slower growth in payables.

FY 2025 vs. FY 2024

- **Revenue Mix:** Contribution from the digital marketplace further increased from 13.97% to 14.54%, while the agent marketplace contribution decreased from 86.03% to 85.46%.
- **Trade Receivables:** As a percentage of revenue, trade receivables increased from 14.33% to 15.77%, again in line with revenue growth and the higher digital marketplace share.
- **Trade Payables:** Trade payables as a percentage of revenue declined sharply from 6.55% to 2.00%, due to prepayments made to DSAs to build trust and secure more favorable terms for future collaborations.
- **Working Capital Requirement:** The overall increase in working capital requirement reflects the combined impact of higher receivables and reduced payables resulting from strategic prepayments.

C) Assumptions for our estimated working capital requirements (Standalone)

Particulars	31.03.23	31.03.24	31.03.25	31.03.26
<i>Cash Conversion Cycle/ Operating Cycle (In Days)</i>	<i>18</i>	<i>28</i>	<i>50</i>	<i>46</i>

Justifications for holdings levels:

Short Term Loans and Advances	balances with government authorities (Constitutes TDS Receivable.
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If the working capital is not utilized in FY 2026, it will be utilized in subsequent years.

3.Funding for Part of Business Development and Marketing Activities*(In Lakhs)*

Sr. No	Particulars	March 31, 2025	March 31, 2024	March 31, 2023
4.	Subscription Charges*	874.99	562.63	115.73

*Subscription charges are payments made to vendors for availing various services which are integral in customer management and interaction and thereby resulting in better lead sourcing for the digital segment. These services include dialing costs, SMS services, and WhatsApp communication. In addition, it also includes payments made for AWS storage, website/email hosting charges etc.

4.Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company

We propose to utilise an amount of Rs. 403.00 Lakhs from the Net Proceeds towards repayment or prepayment, in part or full, of certain borrowings listed in the table below of which certain of the borrowings pertains to term loans availed by our Company.

(In Lakhs)

S . N o	Lender Name	Type of Loan	Date of Loan Agree ment	Date of first disburse ment of loan	Purp ose of Loan	Amt as per loan agree ment	Ten ure	Inte rest Rate	Loa n amt avai led and Utli sed	Amt outstan ding on June 30, 2025 *	Repay ment from IPO Procee ds	Amt outstan ding after repay ment ^	Estima ted amt of prepay mnet penalty @
1	Kotak Mahindra bank limited	Unsec ured loan - From Bank	31- Oct-23	31-Oct- 23	Wor king capit al	60.00	24 mon ths	14.5 0%	60.0 0	13.96	13.96	-	0.82
2	Hdfc Bank	Unsec ured loan - From Bank	31- Jan-23	31-Jan- 23	Wor king capit al	40.00	36 mon ths	14.5 0%	40.0 0	10.44	10.44	-	-
3	Unity Small Finance Bank	Unsec ured loan - From NBFC	1-Jul- 24	1-Jul-24	Wor king capit al	51.00	24 mon ths	16.5 0%	51.0 0	29.69	29.69	-	-
4	SMFG India Credit Co. Ltd. (formerly known as Fullerton India Credit Co. Ltd.)	Unsec ured loan - From NBFC	21- Jun-24	21-Jun- 24	Wor king capit al	75.00	31 mon ths	15.5 0%	75.0 0	50.79	50.79	-	-

5	Oxyzo Financial Services Pvt. Ltd.	Unsecured loan - From NBFC	29-May-25	29-May-25	Working capital	50.00	24 months	16.00%	50.00	50.00	50.00	-	1.50
6	Clix Capital Services Pvt. Ltd.	Unsecured loan - From NBFC	28-Jun-24	28-Jun-24	Working capital	47.03	36 months	18.00%	47.03	35.23	35.23	-	-
7	Cholaman dalam Investment and Finance Company Ltd	Unsecured loan - From NBFC	31-Jan-23	31-Jan-23	Working capital	20.15	48 months	17.00%	20.15	10.06	10.06	-	-
8	Cholaman dalam Investment and Finance Company Ltd	Unsecured loan - From NBFC	11-Oct-23	11-Oct-23	Working capital	27.45	48 months	16.99%	27.45	18.73	18.73	-	-
9	Bajaj Finance Limited	Unsecured loan - From NBFC	26-Jun-24	26-Jun-24	Working capital	76.36	84 months	16.99%	76.36	76.36	76.36	-	-
10	Kotak Mahindra bank limited	Unsecured loan - From Bank	30-May-25	30-May-25	Working capital	100.00	24 Months	14.50%	100.00	100.00	100.00	-	5.90
	Total									395.26			8.22

Our Company has obtained a certificate dated 4TH September 2025 from our Statutory Auditors, B B S K and Associates, Chartered Accountants, certifying the utilization of each loan for the purpose for which it was availed and the amount outstanding as on June 30, 2025.

SCHEDULE OF IMPLEMENTATION

(Rs. in Lakh)

S. No.	Particulars	Estimated Utilization of Net Proceeds (Financial Year 2025-26)
4	Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company	403.00

SECTION VI: ABOUT OUR COMPANY OUR BUSINESS

Key Performance Indicators of our Company

Operational Measures

(i) Revenue Bifurcation

1. in terms of our product category (Standalone):

(In Lakhs)

Particulars	March 31 2025		March 31 2024		March 31 2023	
	Amount	In %	Amount	In %	Amount	In %
Others*	382.34	1.72%	221.20	1.17%	256.80	1.90%

*Others includes Health & Wellness (0.8% of turnover), Auto Loans (0.6% of turnover) and Miscellaneous products like Education Loan, Credit Card, Data Analytics services etc. (0.3% of turnover)

(iv) No of Agents

(In Lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Agents	3,239	2,722	2,411

Sub-agent management is handled by our primary agents, and the company does not maintain records of sub-agent activities as their oversight falls under the agents' direct responsibility.

INTELLECTUAL PROPERTY OF THE MATERIAL SUBSIDIARY

Sr. No.	Trademark	Word / Logo	Class	Date of certificate	Trademark no.
1	EQUALL	Word	36	31/05/2025*	7038802**

*Trademark application date.

**Trademark application number.

SECTION VIII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

VII.LITIGATIONS INVOLVING KEY MANAGERIAL PERSONNEL: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

GOVERNMENT AND OTHER APPROVALS

DETAILS OF OUR COMPANY

LICENSES/ APPROVALS/CERTIFICATES UNDER INDUSTRIAL AND LABOUR LAWS

Nature of Registration/ License	Registration/ License No	Issuing Authority	Date of Issue	Date of Expiry
Registration Certificate of Shop or Commercial Establishment (for Chennai office)	TNCHEAIL31CHESE-6-25-00216	Government of Tamil Nadu, Labour Department	24-07-2025	Valid till cancelled

We confirm that there are no licenses/approval applied by the company but pending with the authority, and licenses/approval that are yet to be applied by the company.