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**DRAFT RED HERRING PROSPECTUS**

Dated: January 30, 2025

Please read Section 26 and 32 of the

Companies Act, 2013

(This Draft Red Herring Prospectus will be updated

upon filing with the RoC)

100% Book Built Issue



**FINBUD FINANCIAL SERVICES LIMITED**

**CIN: U67190KA2012PLC064767**

Registered Office	Contact Person	Telephone and Email	Website
No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India - 560075	Vivekananda Udaya Bhandarkar Company Secretary and Compliance Officer	Tel: +91 98862 32323 Email: cs@financebuddha.com	<a href="https://www.financebuddha.com/">https://www.financebuddha.com/</a>

**PROMOTERS OF OUR COMPANY**

**(I) Parth Pande (II) Vivek Bhatia and (III) Parag Agarwal.**

**DETAILS OF THE ISSUE**

TYPE	FRESH ISSUE	OFFER FOR SALE (₹ IN LAKHS)	TOTAL ISSUE	ELIGIBILITY & SHARE ALLOCATION
Fresh Issue	Up to 50,48,000 Equity Shares aggregating up to ₹ [●] Lakhs	-	Up to ₹ [●] Lakhs	This issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share reservation among QIBs, Non-Institutional Bidders, Retail Individual Bidder and Eligible Employees, see " <i>The Issue</i> " beginning on page 40.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION - NA**

**RISK IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in "*Basis for Issue Price*" on page 96 or in case where, Price Band is not disclosed otherwise, will be advertised in all editions of a widely circulated English national daily newspaper, all editions of a widely circulated Hindi national daily newspaper and regional Kannada newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the "*Risk Factors*" beginning on page 22 of this Draft Red Herring Prospectus.


**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares Issued through the Draft Red Herring Prospectus are proposed to be listed on the SME Platform of NSE (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Draft Red Herring Prospectus for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited ("NSE")

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name	Contact Persons	Email & Telephone No.
 <b>SKI CAPITAL SERVICES LIMITED</b>	Mr. Ghanisht Nagpal Ms. Swati Jha	Email: ffs1@skicapital.net Tel. No.: +91-011-41189899

**REGISTRAR TO THE ISSUE**

Name	Contact Person	Email & Telephone No.
<b>Skyline Financial Services Private Limited</b>	Mr. Anuj Rana	Email: ipo@skylinerta.com Tel No: 011-40450193-97

**ISSUE PROGRAMME**

ANCHOR INVESTOR BIDDING DATE	[●]
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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.



## 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 U18101DL2006PTC150034 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 139 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:** https://www.financebuddha.com/;

**OUR PROMOTERS:** (I) Parth Pande (II) Vivek Bhatia and (III) Parag Agarwal.

### DETAILS OF THE ISSUE

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 MARATHI NEWSPAPER [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, 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 209 OF THIS DRAFT RED HERRING PROSPECTUS.

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders (except Anchor Investors) are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" on page 212.

### ELIGIBLE INVESTORS

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 212 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10.00. The Issue Price, Floor Price or the Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 22 of this Draft Red Herring Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares Issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of NSE (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received "in-principle" approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in the Offer Document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

### BOOK RUNNING LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



#### 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: ffs1@skicapital.net  
Contact Person: Mr. Ghanisht Nagpal/ Ms. Swati Jha

#### 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: https://www.skylinerta.com/  
Contact Person: Mr. Anuj Rana

### ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE

ISSUE OPENS ON: [●]

[●]

ISSUE CLOSES ON: [●]

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.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Our Industry”, “Key Industry Regulations and Policies”, “Restated Financial Information”, “Outstanding Litigation and Other Material Developments”, will have the meaning ascribed to such terms in these respective sections.

#### GENERAL TERMS

Term	Description
“FFSL”, “Our Company”, “the Issuer”, “the Company”, “Finance Buddha” and “Finbud Financial Services Limited”	Unless the context otherwise requires, refers to Finbud Financial Services Limited (Formerly known as Finbud Financial Services Private Limited), a company incorporated under the Companies Act, 1956 having its registered office at No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India, 560075.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, our Company together with our Subsidiary, on a consolidated basis as on the date of this Draft Red Herring Prospectus.
“you”, “your” or “yours”	Prospective bidders in this Issue.

#### COMPANY RELATED TERMS

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Finbud Financial Services Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled “Our Management” on page 145 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company, being BBSK and Associates, Chartered Accountants.
Banker to the Company	Banker to the company is HDFC Bank Limited.
Board of Directors / Board/ Director(s)	The Board of Directors of Finbud Financial Services Limited, including all duly constituted Committees thereof.
CIN	Corporate Identification Number of our Company i.e. U67190KA2012PLC064767
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being, Vivekananda Udaya Bhandarkar.
Chief Financial Officer	The Chief Financial Officer of our Company being Parag Agarwal.
DIN	Directors Identification Number.
Director(s) / our directors	The Director(s) of our Company, unless otherwise specified.
Depositories Act	The Depositories Act, 1996, as amended from time to time.

Equity Shares	Equity Shares of our Company of Face Value of Rs.10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding equity shares of our Company.
Group Companies	Group companies of our Company in accordance with the SEBI ICDR Regulations. For details, see “Our Group Companies” beginning on page 162.
HUF	Hindu Undivided Family.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being INE0EDU01014.
Key Managerial Personnel /Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled <b>Our Management</b> on page 145 of this Draft Red Herring Prospectus.
Key Performance Indicators” or “KPIs”	Key financial and operational performance indicators of our Company, as included in “ <b>Basis for Issue Price</b> ” beginning on page 96.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Finbud Financial Services Limited.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on December 17, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <b>Our Management</b> ” beginning on page 145 of this Draft Red Herring Prospectus.
Non-Residents	A person resident outside India, as defined under FEMA.
NRIs / Non-Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Peer Reviewed Auditor	Being BBSK and Associates, Chartered Accountants, holding a valid peer review certificate, as mentioned in “ <b>General Information</b> ” on page no 49 of this Draft Red Herring Prospectus.
Promoters or Our Promoters	Promoters of our Company being Parth Pande, Vivek Bhatia and Parag Agarwal.
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in “ <b>Our Promoters and Promoter Group</b> ” beginning on page 157.
Registered Office	The Registered office of our company which is located at No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India, 560075
Restated Financial Statements	The restated financial statements of our Company, on a standalone basis, which comprises the restated statement of Assets and Liabilities, the restated statements of Profit And Loss, and the restated Cash Flow Statement for the Stub period ended July 31, 2024 and for the period ended on March 31, 2024, March 31, 2023, & March 31, 2022, and on a consolidated basis, which comprises the restated statement of Assets and Liabilities, the restated statements of Profit And Loss, and the restated Cash Flow Statement for the Stub period ended July 31, 2024 and for the period ended on March 31, 2024, March 31, 2023, & March 31, 2022 of our Company prepared in accordance with GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC	Registrar of Companies, Karnataka.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.

SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.
Senior Management	Senior Management of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 145 of this Draft Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, it refers to the EMERGE Platform of NSE.
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA being Parth Pande and Vivek Bhatia.
Whole Time Director	Whole Time Directors of our Company being Parth Pande, Vivek Bhatia and Parag Agarwal.

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Draft Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be



	reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Bangalore, Pune, Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form including through UPI mode (as applicable).
ASBA Form	A bid cum application form, whether physical or electronic, used by ASBA bidders, which will be considered as the bid for Allotment in terms of the Draft Red Herring Prospectus.
ASBA Investor/ ASBA applicant	Any prospective investor(s)/applicant(s) in this Issue who apply(ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank(s).	Collectively, the Escrow Collection Bank, Refund Bank, Public Issue Account Bank and Sponsor Bank(s)
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 212 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), [●] and all editions of [●] (a widely circulated Hindi national daily newspaper), and local edition of [●] (Kannada being the regional language of Karnataka, where our Registered Office is located). In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.



Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), [●] and all editions of [●] (a widely circulated Hindi national daily newspaper), and local edition of [●] (Kannada being the regional language of Karnataka, where our Registered Office is located).
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investor In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue, namely SKI Capital Services Limited (“SKI”).
Broker Centre’s	Broker Centre’s notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centre’s, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange (www.nseindia.com).
CAN / Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Issue Period.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	The Issue Price finalized by our Company, in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other websites as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository

	Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transferred to the successful Applicants.
Designated Intermediary(ies)”	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Issue.  In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME Platform of National Stock Exchange of India Limited or NSE EMERGE.
Draft Red Herring Prospectus	Draft Red Herring Prospectus filed with NSE EMERGE for obtaining in-principle approval.
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an issue/ invitation under the issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Escrow Account	Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened.
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be Finalized and below which no Bids will be accepted.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 and the UPI Circulars, as amended from time to time. The General Information Document is available on the websites of the Stock Exchange and the BRLM.
Gross Proceeds	Gross proceeds of the issue that will be available to our Company.

Issue/ Issue Size/ Initial Public Issue/Initial Public Issue/Initial Public Offering/ IPO	Public Issue of 50,48,000 Equity Shares of face value of Rs. 10/- each fully paid of our Company for cash at a price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) aggregating Rs. [●] Lakhs comprising of a fresh issue of 50,48,000 equity shares aggregating up to Rs. [●] lakhs by our Company.
Issue Agreement	The agreement dated January 27, 2025, between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription is [●]
Issue Opening Date	The date on which Issue opens for subscription is [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being Rs. [●] per Equity Share of face value of Rs. 10/- each fully paid. The Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager, in accordance with the Book Building Process on the Pricing Date and in terms of the Draft Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” page 75 of this Draft Red Herring Prospectus.
Listing Agreement	The equity listing agreement to be signed between our Company and the National Stock Exchange of India Limited, being the Designated Exchange.
Market Maker	Market Makers appointed by our Company from time to time, in this case being [●] having SEBI registration number [●] who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered between the Book Running Lead Manager, Market Maker and our Company dated [●].
Market Maker Reservation	The Reserved Portion of [●] Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which was used by UPI Bidders to submit Bids using the UPI Mechanism.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations,1996, as amended from time to time.
Mutual Fund Portion	Up to 5% of the Net QIB Portion or Up to [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Issue/ Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of Rs. 10/- each of Issuer at Rs. [●] (including share premium of Rs. [●]) per equity share aggregating to Rs. [●].
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled <i>Objects of the Issue</i> beginning on page 75 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005, of Government of India published in the Gazette of India.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs.2,00,000.
Non-Institutional Portion	The portion of the issue being not less than 15% of the Net Issue comprising of up to [●] Equity Shares which shall be available for allocation to NIIs in accordance with the SEBI ICDR

	Regulations, to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. [●] by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Bank	The banks which are a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account for collection of Bid Amounts from Escrow Account and ASBA Accounts will be opened.
Prospectus	The Prospectus, which is filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Qualified Institutional Buyers / QIBs	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Portion	The portion of the offer (including the Anchor Investor Portion) being not more than 50% of the Net Issue comprising up to [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price
Refund Account	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids.
Registrar/ Registrar to the Issue	Registrar to the Issue being Skyline Financial Services Private Limited. For more information please refer — <b>General Information</b> on page 49 of this Draft Red Herring Prospectus.
Registrar Agreement	The agreement dated November 18, 2024, among our Company, the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
Red Herring Prospectus / RHP	The Red Herring Prospectus dated [●], to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.  The Red Herring Prospectus will be filed with the RoC at least three working days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the pricing date.

SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
Self-Certified Syndicate Bank(s) / SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html</a> or at such other website as may be prescribed by SEBI from time to time.
SME Platform of National Stock Exchange of India Limited	The EMERGE Platform of NSE i.e. NSE EMERGE for listing equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchange and NPCI to push the mandate to collect requests and / or payment instructions of the retail investors into the UPI. In this case [●].
Syndicate Agreement	Agreement to be entered into among the Company, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Issue and carry out activities as an underwriter namely, [●].
Syndicate or members of the Syndicate	Together, the Book Running Lead Manager, and the Syndicate Member.
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriter	Underwriter to this Issue is [●].
Underwriting Agreement	The agreement dated [●] entered between Underwriter and our Company.
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India.
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to Rs.5.00 lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to Rs.5.00 lakhs using UPI Mechanism, shall provide their UPI ID in the bid-cum application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by National Stock Exchange of India Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI

	and Stock Exchanges in this regard along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days' means, all days on which commercial banks in the city as specified in this Draft Red Herring Prospectus are open for business.  However, in respect of announcement of price band and bid/ Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Red Herring Prospectus are open for business.  In respect to the time period between the bid/ Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Saturdays, Sundays and bank holidays in accordance with circular issued by SEBI.

## CONVENTIONAL AND GENERAL TERMS AND ABBREVIATIONS

Terms	Description
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRLM	Book Running Lead Manager
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board

F&NG	Father and Natural Guardian
FY / Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI / Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NDOH	Next Date of Hearing
NGT	National Green Tribunal
NOC	No Objection Certificate
NPV	Net Present Value
NRE Account	Non-Resident External Account
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	Per Annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
Rs. / Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
UAV	Unmanned Aerial vehicle
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI.
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

## **BUSINESS & INDUSTRY RELATED TERMS**

<b>Terms</b>	<b>Description</b>
Neo-banking	Digital banks operating without physical branches, offering a wide range of financial services online.
FinTech	Financial technology, refers to innovative technologies that improve financial services, such as digital payments and blockchain.
Digital Lending	Providing loans through digital platforms with minimal paperwork and fast processing.
Bancassurance	The partnership between banks and insurance companies to distribute insurance products to bank customers.



Non-Banking Financial Companies (NBFCs)	Financial institutions that provide similar services to banks, like loans, but do not hold a banking license.
Unified Payments Interface (UPI)	A real-time payment system facilitating inter-bank transactions by integrating multiple bank accounts into a single mobile application.
Immediate Payment Service (IMPS)	A real-time electronic funds transfer system that is available 24/7 across India.
Central Bank Digital Currency (CBDC)	A digital form of fiat money issued by a central bank.
Credit Market	The marketplace where lenders provide loans to borrowers, which includes banks, NBFCs, and other lending platforms.
Capital to Risk-weighted Assets Ratio (CRAR)	A measure of a bank's capital in relation to its risk-weighted assets.
Digital Payments	Financial transactions conducted electronically via platforms such as UPI, wallets, or card networks.
Financial Inclusion	Efforts to make financial services accessible to all individuals and businesses, particularly underserved or low-income segments.
Digital Banking Units (DBUs)	Branches aimed at enhancing the digital banking experience in underserved areas.
Tier 1/2 Cities	Categories of cities based on population and infrastructure development
Cybersecurity	The practice of protecting systems, networks, and programs from digital attacks
Blockchain	A digital ledger technology for recording transactions in a secure and decentralized manner
Digital Lending	Lending processes conducted online or via digital platforms
Personal Loans	Unsecured loans offered to individuals for personal financial needs
Term Loans	Loans provided for a specific amount of time and usually with fixed payments
Working Capital Loans	Loans to fund a company's daily operations
Invoice Financing	Borrowing money against amounts due from customers
Overdraft Facility	A credit arrangement allowing withdrawal of funds exceeding the account balance
Merchant Cash Advances	Loans repaid using a percentage of daily credit card sales
Tier 1/2 Cities	Categories of cities based on population and infrastructure development

Notwithstanding the foregoing:

1. In the section titled “**Main Provisions of the Articles of Association**” beginning on page number 239 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled “**Summary of Issue Documents**” and “**Our Business**” beginning on page numbers 16 and 116 respectively, of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled “**Risk Factors**” beginning on page number 22 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled “**Statement of Tax Benefits**” beginning on page number 103 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled “**Management’s Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on page number 170 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “**Restated Financial Information**”, as Restated ‘beginning on page 165 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1<sup>st</sup> April of each year and ends on 31<sup>st</sup> March of the next year. All references to a particular fiscal year are to the 12 months’ period ended 31<sup>st</sup> March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “**Restated Financial Information**”, as Restated beginning on page 165 of this Draft Red Herring Prospectus.

### CURRENCY AND UNITS OF PRESENTATION

In this Draft Red Herring Prospectus, references to Rupees or Rs. or INR. are to Indian Rupees, the official currency of the Republic of India. All references to \$, US\$, USD, U.S. \$ or U.S. Dollars are to United States Dollars, the official currency of the United States of America. All references to million / Million / Mn refer to one million, which is equivalent to ten lacs or ten lakhs, the word Lacs / Lakhs / Lac means one hundred thousand and Crore means ten million and billion / bn./ Billions means one hundred crores.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources which are believed to be reliable but accuracy, completeness, relevance of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

Industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader’s familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors**” on page 22.

In accordance with the SEBI ICDR Regulations, “**Basis for Issue Price**” beginning on page 96 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein.

## FORWARD LOOKING STATEMENTS

*All statements contained in this Draft Red Herring Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.*

*These forward-looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions.*

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

Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Difficulty in predicting our prospects since we operate in dynamic and competitive online fintech industries
- Inability to retain existing Consumers or attract new Consumers, if our Lending Partners fail to offer credit products catering to the evolving needs of Consumers.
- Negative effects on our business if our business partners do not continue their relationship with us or if their operations fail.
- Inability to ensure the accuracy and completeness of product information and the effectiveness of our recommendation of credit products on our platform.
- Failure to compete successfully against existing or new competitors.
- Any disruption to our IT systems and infrastructure could materially affect our ability to maintain the satisfactory performance of our platform and deliver consistent services to our users.
- Failure to protect confidential information, prevent cybersecurity and data breaches or improper use or disclosure of such data.
- Any decrease in the commissions and other fees agreed between us and our Lending Partners.
- The potential inability of us to maintain and enhance our brand image effectively, which could affect our market position in the future.
- Difficulty in competing effectively against existing or potential competitors, potentially leading to loss of market share and revenue.
- We are highly dependent on our Promoter and our management team, senior management, and key managerial personnel, whose absence or departure could disrupt our operations and strategic direction.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page numbers 22, 116 and 170 respectively of this Draft Red Herring Prospectus.

Forward looking statements reflect views as on the date of the Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. We cannot assure Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus And are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Our Company, our Directors, BRLM or any of their respective affiliates or advisors do not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI ICDR Regulations, our Company and the BRLM will ensure that investors are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

## SECTION II – SUMMARY OF THE ISSUE DOCUMENT

This section is a general summary of the terms of the Issue, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Industry”, “Our Business”, “Capital Structure”, “The Issue”, “Restated Financial Statements”, “Objects of the Issue”, “Our Promoters and Promoter Group”, “Management’s Discussions and Analysis of Financial Position and Results of Operations”, “Outstanding Litigation and Material Developments” and “Issue Procedure” on pages 22, 106, 116, 58, 40, 165, 75, 157, 170, 183 and 212 respectively

### SUMMARY OF OUR BUSINESS

The company operates as a financial platform that specializes in connecting borrowers with lenders, utilizing a hybrid model that combines online via a digital channel and traditional methods via agent channel. It employs a commission-based revenue model, deriving income from each successful loan disbursement conducted by its Lending Partners.

The company offers a range of financial products, including personal loans, home loans, and credit lines to consumers, as well as business loans and working capital loans targeted at small to medium-sized enterprises. Each borrower is matched with a suitable lender to ensure that their specific financial needs are met, providing them with flexible terms and competitive rates.

For detailed information on the business of the Company please refer to “Our Business” beginning on page number 116 of this Draft Red Herring Prospectus.

### SUMMARY OF THE INDUSTRY IN WHICH WE OPERATE

The company operates within the digital lending industry, a sector undergoing significant transformation driven by technological advancements and regulatory evolution. This industry leverages digital platforms to facilitate the distribution of financial products, including but not limited to personal, business, and home loans, thereby addressing diverse consumer financial needs with enhanced convenience, speed, and accessibility. Increasing internet penetration and smartphone adoption have catalysed consumer preference for digital solutions, fostering robust growth in this domain.

Technologies such as artificial intelligence, data analytics, and blockchain are redefining credit assessment, operational efficiency, and service personalization. The regulatory framework governing this industry aims to balance innovation with consumer protection, emphasizing compliance, data privacy, and financial inclusion. However, the competitive landscape, characterized by the presence of banks, NBFCs, and fintech entities, presents operational and margin pressures, particularly in urban markets nearing saturation. Emerging opportunities lie in expanding outreach to underpenetrated regions and adapting to evolving consumer preferences. Nevertheless, the industry remains exposed to risks, including cybersecurity threats, economic fluctuations, and regulatory unpredictability. Strategic alliances between financial institutions and fintech companies are a hallmark of this industry, signalling a convergence of technology and traditional banking practices to enhance service delivery and market penetration.

For detailed information on the industry please refer to “Our Industry” beginning on page number 106 of this Draft Red Herring Prospectus.

### PROMOTERS

The Promoters of our Company are Parth Pande, Vivek Bhatia and Parag Agarwal. For detailed information, please refer to chapter titled “Our Promoters and Promoter Group” on page number 157 of this Draft Red Herring Prospectus.

### ISSUE SIZE

The Issue size comprises of fresh issue of up to 50,48,000 Equity Shares of face value of Rs.10/- each fully paid-up of the Company for cash at price of Rs. [●] per Equity Share (including premium of Rs. [●] per Equity Share) aggregating Rs. [●].

### OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1.	Infrastructure Development	1250.00
2.	Working Capital Requirement	1750.00
3.	Investment In Wholly Owned Subsidiary i.e. LTCV Credit Private Limited	1000.00

4.	Investment in Customer Acquisition	125.00
5.	Investment in Data Analytics	750.00
6.	Investment in Digital Lending and Cloud Software	800.00
7.	Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company	650.00
8.	General corporate purposes*	[•]
<b>Total</b>		<b>[•]</b>

\*The amount utilized for general corporate purposes shall not exceed 15%# of the gross proceeds of the Issue.

#Vide 208th SEBI Board Meeting held on December 18, 2024, as referenced in PR No.36/2024, Amount for General Corporate Purpose (GCP) in SME IPO shall be capped to 15% of amount being raised by the issuer or Rs. 10 crores, whichever is lower. However, SEBI has not yet formally issued circulars, notifications, or amendments to regulations to implement these decisions.

#### DETAILS OF THE HOLDING OF SECURITIES OF PERSONS BELONGING TO THE CATEGORY “PROMOTERS AND PROMOTER GROUP” BEFORE THE ISSUE:

S. N.	Name of Shareholder	Category of Shareholder	Number of Equity Shares held	Aggregate pre-issue shareholding as a percentage of the paid-up share capital
1.	Parth Pande	Promoters	30,01,347	21.44%
2.	Vivek Bhatia	Promoters	30,85,452	22.04%
3.	Parag Agarwal	Promoters	30,02,949	21.45%
<b>Total</b>			<b>90,89,748</b>	<b>64.92%</b>

#### HIGHLIGHTS OF RESTATED FINANCIAL STATEMENTS

(Amount Rs. in Lakhs)

Particulars (Rs. Lakh)	July 31 2024	March 31 2024	March 31 2023	March 31 2022
Share Capital	1.57	1.57	1.57	1.57
Net Worth	1,516.50	1,206.59	613.50	429.90
Revenue (total income)	6,833.51	19,031.13	13,556.80	8,814.32
Profit after Tax	309.91	593.08	183.60	-0.87
Basic Earnings/(Loss) Per Share Basic (in Rs.)-- (as adjusted for changes in capital)*	2.21	4.24	1.31	(0.01)
Diluted Earnings per share Basic (in Rs.)-- (as adjusted for changes in capital)	2.21	4.24	1.31	(0.01)
Net Asset Value per Equity Share (in Rs.)-- (as adjusted for changes in capital)	10.83	8.62	4.38	3.07
<b>Total borrowings</b>	<b>1,430.73</b>	<b>1,242.54</b>	<b>739.77</b>	<b>558.48</b>

#### Notes:

1. Share Capital=Paid capital of the company.
2. Net worth=Restated Equity Share Capital plus Restated Reserves & Surplus.
3. Revenue = Restated Revenue from operations plus Restated Other Income
4. Earnings per share (Basic & diluted) = Restated profit after tax for the period divided by total number of Equity Shares outstanding as on DRHP date.
5. Net Asset Value per Equity Share = Restated Net worth divided by Restated total number of Equity Shares outstanding as on DRHP date.

6. Total number of Equity Shares= Equity shares of last Restated Audited Financials + \*Additional issue of shares from last Restated Audited Financials up to the DRHP date.
7. Total borrowings= Long term borrowings plus short term borrowings.

\*For primary issuances post the date of the last Restated Audited Financials i.e. July 31, 2024, refer the chapter titled “**Capital Structure**” on page 58 of this Draft Red Herring Prospectus.

The Restated Financial Statements for the Stub period ended on July 31, 2024, and for the Fiscals 2024, 2023 and 2022 referred to above are presented under “**Restated Financial Information**” on page 165 of this Draft Red Herring Prospectus.

## QUALIFICATIONS OF AUDITORS

For details of qualification requiring adjustments by the Statutory Auditors, if any, please refer Annexure 3A of this Draft Red Herring Prospectus.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Amount Involved (Rs. in Lakhs)
<b>Company</b>						
By	Nil	3	Nil	Nil	Nil	27.98*
Against	Nil	3	Nil	Nil	Nil	27.98*
<b>Promoters</b>						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies/Entities</b>						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiary</b>						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors other than promoters</b>						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil

\* The amount is inclusive on Rs. 2,61,262/- in penalties which has been contested by the Company vide Form APL-01 filed on 26/03/2024, 29/07/2024 and 25/11/2024.

Further, there is no outstanding litigation involving our Company, Directors and Promoters which is so major that our Company’s survival is dependent on the outcome of such pending litigation.

For further details, please refer to chapter titled “**Outstanding Litigations & Material Developments**” on page 183 of this Draft Red Herring Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “**Risk Factors**” beginning on page 22 of this Draft Red Herring Prospectus. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Red Herring Prospectus there is no contingent liability other than that mentioned in “**Restated Financial Information**”, as Restated beginning on page 165 of this Draft Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

(Rs. In Lakhs)

Nature of Transaction	For the Year Ended on
-----------------------	-----------------------

	31-July-24	31-Mar-24	31-Mar-23	31-Mar-22
<b>Loan Taken</b>	<b>198.46</b>	<b>333.30</b>	<b>1.74</b>	<b>61.16</b>
<b>Loan Paid</b>	<b>6.73</b>	<b>-</b>	<b>101.02</b>	<b>-</b>
<b>Managerial Remuneration</b>	<b>55.77</b>	<b>167.30</b>	<b>128.30</b>	<b>103.33</b>

For details of Related Party Transaction, please refer Annexure A2 (5) mentioned in “*Restated Financial Information*”, as Restated beginning on page 165 of this Draft Red Herring Prospectus.

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN LAST ONE YEAR

Name of the Promoters	No. of Shares Acquired	Weighted Average Price (in Rs.) *
Parth Pande	29,97,600	Nil
Vivek Bhatia	30,81,600	Nil
Parag Agarwal	29,99,200	Nil

The weighted average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them divided by number of shares acquired in last one (1) year.

\*As certified by BBSK and Associates, Chartered Accountants, by way of their certificate dated December 31, 2024.

#### WEIGHTED AVERAGE COST OF ACQUISITION TRANSACTED BY PROMOTER AND PROMOTER GROUP IN THE THREE YEARS, EIGHTEEN MONTHS AND ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

Particulars	Weighted Average Cost of Acquisition (in Rs.)	Range of acquisition price: Lowest Price - Highest Price (in Rs.)	Cap Price ([●]) is ‘x’ times the Weighted Average Cost of Acquisition*
Last one year preceding the date of this Draft Red Herring Prospectus	Rs: Nil	Rs: Nil	[●]
Last 18 months preceding the date of this Draft Red Herring Prospectus	Rs: Negligible	Lowest: Rs Nil Highest: Rs 100	[●]
Last three year preceding the date of this Draft Red Herring Prospectus	Rs: Negligible	Lowest: Rs Nil Highest: Rs 100	[●]

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

- As certified by BBSK, Chartered Accountants pursuant to their certificate dated December 31, 2024

#### AVERAGE COST OF ACQUISITION



The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Parth Pande	30,01,347	0.29
Vivek Bhatia	30,85,452	0.28
Parag Agarwal	30,02,949	0.29

The average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

\*As certified by BBSK and Associates, Chartered Accountants, by way of their certificate dated December 31, 2024.

As on the date of this Draft Red Herring Prospectus, there are Shareholders holding special rights in our Company, including the right to nominate a Director on our Board, for detailed information refer to the chapter titled '**Our History and Certain Other Corporate Matters**' on page 139 of this Draft Red Herring Prospectus.

#### DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except for the Bonus Issue of 1,39,84,000 Equity Shares, our company has not issued Equity Shares for consideration other than cash in the one (1) year preceding the date of this Draft Red Herring Prospectus.

Date	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Benefits accrued to company	Allottees	No. of Shares Allotted
17.12.2024	1,39,84,000	10	Nil	Capitalisation of Surplus	Vivek Bhatia	30,81,600
					Parag Agarwal	29,99,200
					Parth Pande	29,97,600
					Ashish Kacholia	8,98,400
					Suresh Kumar Agarwal	8,97,600
					Al Maha Investment Fund Pcc-Onyx Strategy	4,80,000
					Minerva Ventures Fund	3,84,000
					V Prabhakar Ram	2,44,800
					Shankar V	2,37,600
					Sattva Developers Private Limited	2,24,800
					Shead Investment Holdings Limited	1,84,000
					Gyan Enterprises Private Limited	1,79,200
					Ghanshyam Dass	89,600
					Roshan Jeerawla	89,600
					Dilipkumar Karodimal Khandelwal	67,200
					Rahul Mittal	67,200
					Abhishek Jain	44,800
					Ankur Gulati Huf	44,800
					Meena Kumari	44,800
					Midas Deals Private Limited	44,800
					Pratham R Shah	44,800
					Sangeeta Narula	44,800
					Vikram Krishnan Sunderrajan	44,800

					Sriram Subramanya	40,800
					Mayank Porwal	40,000
					Kalpataru Ventures Private Limited	36,000
					Intersea Maritime Limited	36,000
					Ajaya Kumar Dash	22,400
					Jyotsna Dileep Bhandarkar	22,400
					Kiran Joseph	22,400
					Krishna Malhotra	22,400
					Krishnan Sunderrajan	22,400
					Manu Chandra	22,400
					Rajeswari Reddy Paida	22,400
					Rishab Suresh Malik	22,400
					Sonal Gupta	22,400
					Suraj Sreenath	22,400
					Tanuuj More	22,400
					Bhuwnesh Lahoty	17,600
					Devika A Dani	17,600
					Mayank Tiwari	17,600
					Prateek Dhuper	17,600
					Vardhman Jain	17,600
					Touchstone Venture LLP	16,000
					Manav Goyal	13,600
					Sameer Dilip Mehta	13,600
					Seemant Lohani	8,800
					Swaminathan Sankar	8,800

For detailed Information please refer to the chapter titled “*Capital Structure*” beginning on page 58 of this Draft Red Herring Prospectus.

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken any equity shares split or consolidation during the last one year immediately preceding the date of filing this Draft Red Herring Prospectus.

#### **EXEMPTION FROM PROVISIONS OF SECURITIES LAW**

As on the date of this Draft Red Herring Prospectus, our Company has not obtained any exemptions from complying with any provisions of securities laws from SEBI.

### SECTION III – RISK FACTORS

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

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled “Our Industry”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, respectively, as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Financial Statements. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

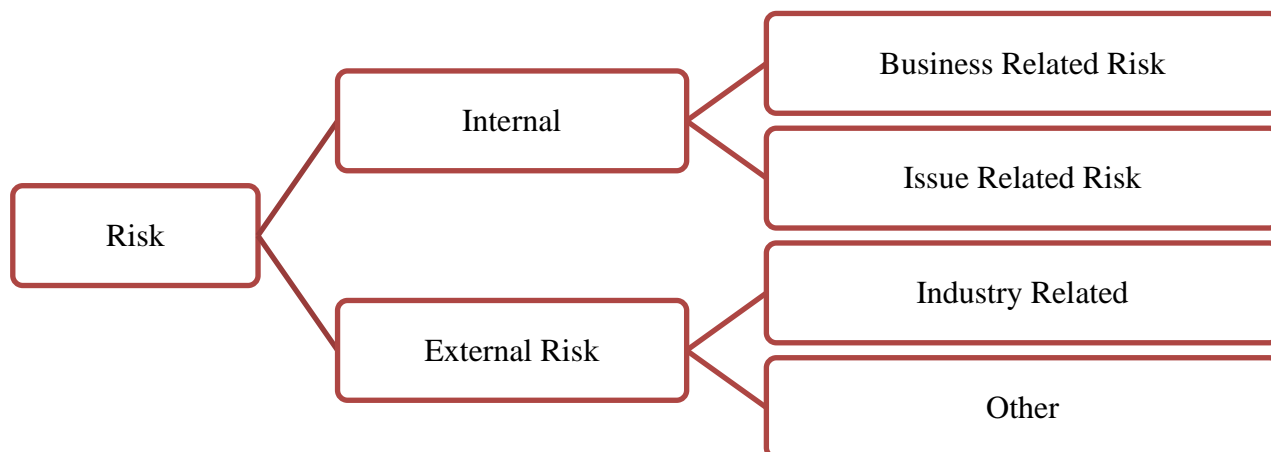
This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the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

#### Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

- Some events may not be material individually but may be material when considered collectively.
- Some events may have an impact which is qualitative though not quantitative.
- Some events may not be material at present but may have a material impact in the future.

#### Classification of Risk Factors



#### INTERNAL RISK FACTORS

1. ***Our business is heavily reliant on Agent channel sales, which constitute a significant portion of our total revenue. Any disruption to Agent channel sales operations, changes in consumer preferences, or inability to effectively grow our Digital channel sales could have a material adverse effect on our business, financial performance, results of operations, and future growth prospects.***

The Company's revenue is predominantly derived from Agent channel sales, which account for a significant majority of its total income. Over the periods ending July 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, Agent channel sales

contributed 85.76%, 86.03%, 87.79%, and 86.29%, respectively, of the total revenue. In contrast, Digital channel sales accounted for only 14.24%, 13.97%, 12.21%, and 13.71%, indicating a limited growth trajectory in this segment.

The breakdown of our sales by revenue model on is as follows (*Standalone*):

(Rs. In Lakhs)

Particulars	July 31 2024		March 31 2024		March 31 2023		March 31 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Digital Channel	970.0	14.24%	2646.4	13.97	1647.3	12.21%	1203.2	13.71%
Agent Channel	5,841.7	85.76%	16303.4	86.03	11845.3	87.79%	7573.9	86.29%

Any termination of relationships with one or more of these key Lending Partners, or any significant reduction in the volume of business they conduct with us, could materially and adversely affect our financial performance. Additionally, if these Lending Partners unilaterally alter the terms and conditions of our collaboration—such as revising revenue-sharing arrangements, modifying credit policies, or imposing stricter compliance requirements—it could negatively impact our profitability and operational flexibility. Our ability to replace such partners promptly with equally significant and reliable alternatives may be limited, further exacerbating the adverse impact on our business and financial stability.

**2. Our company has not complied with certain statutory provisions of the Companies Act. Such non-compliance may attract penalties and other actions against our Company and its Directors which could impact the financial position of us to that extent**

Our Company has identified several compliance irregularities and administrative errors across various aspects of our corporate governance and regulatory reporting. These issues, which span over multiple financial years, include:

S. No	Period	Particulars	Non-compliance/Delayed compliance	Fine/Penalties Imposed	Steps taken
1	2020-21	Discrepancy in the number of meetings submitted in MGT 7, Director's Report	Date of Meeting - 30-09-2020 and 04-01-2021, These Board meeting Dates are not reflecting in MGT 7	The adjudication is in process. Fine will be levied later	GNL 1 has been filed for the adjudication process with SRN N27314830
2	2021-22	Discrepancy in the number of meetings submitted in MGT 7, Director's Report	Date of Meeting - 01-04-2021, These Board meeting Dates are not reflecting in MGT 7	The adjudication is in process. Fine will be levied later	GNL 1 has been filed for the adjudication process with SRN N27314830

### 3. Concentration Risk from Dependency on a Few Key Lending Partners May Adversely Affect Our Business.

Our Company derives a significant portion of its revenue from a limited number of key Lending Partners. For instance, as of July 31, 2024, the top 1 Lending Partner alone accounted for 19.1% of our total revenue, while the top 5 Lending Partners represented 51.5%, and the top 10 Lending Partners contributed 68.6%. This concentration of revenue from a small group of Lending Partners exposes us to risks associated with the loss or reduction in business from any of these key partners.

*Summary Table of Revenue in terms of our Top 10, Top 5, Top 3 and Top 1(Standalone).*

(In lakhs)

Particulars	July 31 2024		March 31 2024		March 31 2023		March 31 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 Lending Partner	1,299.0	19.1%	2,824.6	14.9%	2,671.4	19.8%	1,877.1	21.4%
Top 3 Lending Partners	2,697.7	39.6%	7,501.9	39.6%	5,830.9	43.2%	3,765.2	42.9%
Top 5 Lending Partners	3,508.4	51.5%	9,263.5	48.9%	7,285.0	54.0%	5,117.0	58.3%
Top 10 Lending Partners	4,669.8	68.6%	12,514.6	66.0%	9,583.5	71.0%	7,006.7	79.8%

**4. Our Company has entered into certain related party transactions and may continue to do so in the future.**

Our Company has entered into related party transactions with our Promoters, Directors and Promoter Group during the last three Financial Years. While our Company believes that all such transactions have been conducted on the arm's length basis in compliance with the Companies Act and other relevant rules and regulations, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. 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 operation. For more details, refer to the "**Restated Financial Statements**" on page 165 of this Draft Red Herring Prospectus.

Summary Table of Related Party Transactions

(Rs. In Lakhs)

Nature of Transaction	Name of Related Parties	For the Year Ended on			
		31-July-24	31-Mar-24	31-Mar-23	31-Mar-22
<b>Loan Taken</b>	Vivek Bhatia	52.50	226.61	-	57.76
	Parag Agarwal	2.66	3.40	1.74	3.40
	Saloni Bhatia	138.30	100.57	-	-
	Tanisha Bhalla	5.00	2.43	-	-
	LTCV Credit Private limited	-	0.29	-	-
<b>Total</b>		<b>198.46</b>	<b>333.30</b>	<b>1.74</b>	<b>61.16</b>
<b>Loan Paid</b>	Vivek Bhatia	6.73		101.02	
	LTCV Credit Private limited			2.72	29.28
	<b>Total</b>	<b>6.73</b>	<b>-</b>	<b>103.74</b>	<b>29.28</b>
<b>Managerial Remuneration</b>	Vivek Bhatia	9.26	27.77	23.77	23.77
	Parag Agarwal	11.92	35.77	30.77	22.78
	Parth Pande	18.59	55.77	42.77	33.79
	Saloni Bhatia	9.33	28.00	19.00	12.00
	Tanisha Bhalla	6.67	20.00	12.00	11.00
<b>Total</b>		<b>55.77</b>	<b>167.30</b>	<b>128.30</b>	<b>103.33</b>

Balance Outstanding at the end of the year:

(Rs. In Lakhs)

Name of the related party	30.07.2024	31.03.2024	31.03.2023	31.03.2022
Vivek Bhatia	288.70	242.92	16.31	117.34
Parag Agarwal	8.53	5.86	2.47	0.73
Saloni Bhatia	138.30	100.57	-	-
Tanisha Bhalla	5.00	2.43	-	-
LTCV Credit Private limited	218.16	247.08	247.37	244.65

5. We do not own the registered office, corporate office including branches from which we carry out our business activities. If there are issues such as non-renewal of rent agreements, disputes regarding the use of these premises, or disruptions in business operations due to actions by our business associates, our business and operational results could be adversely affected.

Our registered office and other branches from which we carry out our business activities, are being taken by us on rent. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations which could temporarily impact on our business operations until we get suitable alternative premises. For details on the duration of existing rent/ lease agreements for our premises, please refer to the section titled "**Our Business**" beginning on page 116 of this Draft Red Herring Prospectus. In addition, agreements pertaining to the lease/ rent have irregularities of enforceability, such as non-registration of agreement and inadequate payment of stamp duty, which may affect the value of the relevant agreements in specific performance or other injunctive procedures in a court of law, could impair our operations. Further, it may result in levy of penal charges, in case cognizance being taken by concerned authorities. There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms,

or will be able to find alternate locations for the offices on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our Business operations which could materially and adversely affect our business, financial condition and results of operations.

**6. Our Independent Directors have not passed the online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs to approve proficiency of a person to be appointed as an Independent Director of any company.**

As per Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every individual who intends to get appointed as an independent director in a company shall before such appointment apply online to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank maintained by mentioned institute. Further, every individual whose name is so included in the aforesaid data bank shall pass an online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs within a period of 2 years from the date of inclusion of his/her name in the data bank, failing which, his/her name shall stand removed from the databank of the Indian Institute of Corporate Affairs.

The Independent Directors of our company, details of whose appointments can be referred in the “*Our Management*” on page of this Draft Red Herring Prospectus, has been appointed duly as per the provisions of the Companies Act, 2013 and their name has been included in the aforesaid data bank but they have not yet passed the proficiency self-assessment test, and if they fail to pass the same within a period of 2 year from the date of inclusion of his name in the data bank their name will be removed from the databank of the Indian Institute of Corporate Affairs and they will be ineligible to continue to act as an Independent Directors of the Company.

**7. There are certain pending legal proceedings involving our Company. Any adverse outcome of such proceedings may affect our business, financial condition and reputation.**

There are outstanding legal proceedings against our Company, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of the above proceedings.

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Amount Involved (Rs. in Lakhs)
<b>Company</b>						
By	Nil	3	Nil	Nil	Nil	27.98*
Against	Nil	3	Nil	Nil	Nil	27.98*

\* The amount is inclusive on Rs. 2,61,262/- in penalties which has been contested by the Company vide Form APL-01 filed on 26/03/2024, 29/07/2024 and 25/11/2024.

For further details, refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 183 of this Draft Red Herring Prospectus.

**8. Our company has experienced delays and defaults in the payment of statutory dues, including taxes, duties, and other government levies.**

In the past, our company encountered certain challenges in meeting statutory payment obligations, including taxes, duties, and contributions to regulatory bodies such as the EPFO and ESI Corporation. While these instances were isolated and occurred some time ago, we acknowledge their significance and have taken steps to strengthen our compliance framework.

We have implemented measures to ensure the timely and accurate payment of statutory dues, reflecting our commitment to regulatory adherence and sound governance practices. These actions aim to mitigate risks and reinforce trust with stakeholders. Investors are advised to consider this historical context when evaluating the company.

**9. Our business is subject to seasonality. Lower revenues in the festive period of any Fiscal may adversely affect our business, financial condition, results of operations and prospects.**

Our business is subject to seasonal fluctuations in demand for our financial products, with increased activity typically observed before major festivals like Diwali, during wedding seasons, and at the end of the financial year. These periods of heightened demand can result in variability in revenue and cash flow, which may affect our financial performance. The timing and impact of these seasonal trends are influenced by external factors such as consumer behavior, market conditions, and economic cycles. Any disruption to these seasonal patterns or changes in demand could have a material adverse effect on our business, financial performance, results of operations, and future growth prospects.

**10. Our business is critically reliant on partnerships with Banks and Non-Banking Financial Companies (NBFCs) for the distribution of financial products, and any disruption to these relationships or non-compliance with associated contractual obligations could adversely impact our operations, financial performance, and growth prospects.**

Our business heavily depends on our relationships with Banks and Non-Banking Financial Companies (NBFCs), as these partnerships enable us to distribute a wide range of financial products, including secured and unsecured loans, personal loans, business loans, and insurance services. The termination or renegotiation of these relationships could significantly impact our operations, financial performance, and future prospects.

Several risks threaten these critical partnerships. Banks and NBFCs may choose to bypass our services by developing their own customer acquisition strategies or enhancing their digital platforms, reducing the value they see in collaborating with us. Additionally, partners may renegotiate the terms of agreements, resulting in less favorable financial conditions for our Company, such as reduced fee arrangements, which could adversely affect our profit margins. A complete cessation of cooperation by a major partner, particularly one accounting for a significant portion of our revenue, would severely disrupt our operations and hinder our ability to offer financial products and services.

Furthermore, our Company is subject to restrictive covenants under customer agreements with these partners. These covenants often include obligations such as obtaining prior consent for corporate actions, maintaining additional security measures, and providing indemnities for breaches of obligations. Non-compliance with these covenants may result in penalties, reputational damage, or unilateral termination of agreements by our partners, further exacerbating risks to our business. Such termination would not only disrupt operations but also damage our ability to secure new partnerships and maintain operational stability. Maintaining these partnerships requires us to align closely with our partners' needs, ensuring efficient credit monitoring, consumer engagement, and compliance with all contractual obligations. Failure to meet these expectations could weaken our relationships and reduce partners' willingness to collaborate with us, leading to diminished revenue, operational challenges, and a weakened financial condition.

To mitigate these risks, we strive to strengthen existing relationships through regular communication, alignment with partner strategies, and the enhancement of the value we provide. However, the inherent uncertainty of these partnerships, coupled with the risks associated with restrictive covenants, underscores the importance of sustained compliance and collaboration for our long-term business prospects. For further details, please refer to the section titled "Our Business" on page 116 of this DRHP.

Any decrease in the lending volume, termination of agreements, or unfavorable changes in the terms of cooperation with our top Lending Partners could have a material adverse effect on our business, financial performance, and growth prospects. Additionally, a shift in the strategic priorities or financial stability of these Lending Partners could lead to a reduction in our revenue, strain our relationships, and limit our ability to diversify or expand our Lending Partner base.

Furthermore, reliance on such concentrated sources of revenue makes our business vulnerable to market changes, economic shifts, or regulatory developments that impact these Lending Partners, potentially causing volatility in our earnings and affecting the stability of our cash flow. Therefore, we must mitigate this concentration risk by working to diversify our Lending Partner base and strengthen relationships with existing partners.

**11. Our Company has faced financial losses in the past.**

Our Company recorded a financial loss in the fiscal years ending March 31, 2022, amounting to Rs. (0.87) Lakhs. While this represents a specific challenge within those fiscal years, it is essential to view these events in the context of our overall operational and financial strategy. To gain a deeper understanding of the circumstances leading to this loss and the measures taken thereafter to return to profitability, refer to the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 170 of this Draft Red Herring Prospectus. This section provides a comprehensive analysis of the factors influencing our financial performance during that period, along with insights into how these challenges were addressed in subsequent fiscal years.

**12. The Company has not availed insurance coverage for cyber security, which exposes it to significant financial and operational risks.**

Approximately 15% of the Company's revenue is generated through its online operations, making our digital platforms critical to our business performance. As a participant in the digital financial industry, we are inherently exposed to cyber threats, including data breaches, hacking, ransomware attacks, and other cybersecurity incidents. Despite implementing cybersecurity measures to safeguard our digital platforms, there can be no assurance that these measures will be sufficient to prevent such incidents.

The Company does not currently maintain insurance coverage for cyber security risks. In the event of a cyberattack or data breach, our online operations and revenue streams could be severely disrupted. This could lead to substantial financial losses, increased operational costs, regulatory penalties, potential legal liabilities, and reputational damage, all of which may have a material adverse effect on our financial condition and operational results.

**13. Our insurance coverage may not be adequate to protect us against all potential losses or to satisfy potential claims, which may have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.**



While we maintain insurance coverage to mitigate certain risks, there is no assurance that our coverage will be sufficient to address all potential losses or claims, particularly in the event of significant or unforeseen circumstances. Insufficient coverage could expose us to substantial risks, resulting in adverse impacts on our business operations, financial performance, cash flows, and overall growth prospects.

As of July 31, 2024, our total insurance coverage amounts to Rs.379.71 lakhs, representing approximately 8.21% of our total assets and 65.46% of our total fixed assets. The details are summarized below:

<b>Particulars</b>	<b>As of 31 July 2024,</b>
Total Insurance Coverage	379.71
Total Assets	4626.52
Total Fixed Assets	580.07
Total insurance coverage as a percentage of total assets (%)	8.21%
Total insurance coverage as a percentage of total fixed assets (%)	65.46%

Although we take measures to regularly review and adjust our insurance policies to align with the nature of our business and operational risks, there remains a possibility that certain risks may not be covered, or that the coverage limits may not be adequate. In such scenarios, we may have to bear the financial consequences, which could strain our resources and adversely impact our financial condition and operations.

**14. Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of the Company.**

Our Company has availed unsecured loans from our Promoter, Promoter Group and Directors that are repayable on demand and may be recalled by the relevant lender at any time. Any such unexpected demands or accelerated payment may have a material adverse effect on the business of, cash flow and financial conditions of the Company. For further information on the Financial Indebtedness please refer to the chapter titled "**Financial Indebtedness**" beginning on page 167 of this Draft Red Herring Prospectus

**15. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles "Objects of the Issue".**

The fund requirement and deployment, as mentioned in the section titled "Objects of the Issue" on page 75 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under section "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under section "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**16. We may incur additional costs due to changes in vendor estimates or fit-out costs, which could adversely affect our financial condition.**

We have received quotations from vendors for our objects; for further information please refer "**Object of the Issue**" on page no 75 of this Draft Red Herring Prospectus. While these quotations are currently valid, we have not entered into definitive agreements with these vendors. As a result, there can be no assurance that the terms, including cost estimates, will remain unchanged at the time of entering into definitive agreements.

Furthermore, there is no certainty that we will finalize contracts with the same vendors from whom we have received these quotations. Any deviation from the current estimates, whether due to increased material or labor costs, changes in project scope, or unforeseen circumstances, could result in higher fit-out costs than initially anticipated.

If such additional costs arise, we may be required to fund these from our internal accruals, which could strain our financial resources or limit funds available for other business needs. Any significant increase in fit-out costs or delays in entering into agreements with vendors could adversely impact the execution of our projects, our financial condition, and our operational performance.

**17. Our banking partners and financial institutions are regulated by the Reserve Bank of India ("RBI") and any change in the RBI's policies, decisions and regulatory framework could adversely affect our business, cash flows, results of operations and financial condition.**

Our company derives a substantial portion of its revenue from partnerships with banks and Non-Banking Financial Companies (NBFCs), making the success of our operations dependent on these relationships. These partnerships enable us to distribute a variety

of financial products, including secured and unsecured loans, personal loans, business loans, and insurance services. The banking partners or financial institutions we work with are obligated to adhere to rules and comply with the requirements set by different government bodies, such as the Reserve Bank of India (RBI). If the RBI introduces new rules or regulations regarding our business arrangements with these partners, including imposing conditions that require us to modify or adjust our business activities or obtain authorizations, it may adversely affect our business operations and future prospects. Currently, our banking partners and financial institutions hold the requisite authorizations and licenses under applicable laws, and we are not required to obtain any authorizations or licenses from the RBI for our business activity of selling and distributing financial products. However, if there is a change in laws or regulations that requires us to obtain such authorizations or licenses from the RBI, we cannot assure you that we will be able to obtain them in a timely manner, or at all. Failure to obtain the relevant authorizations or licenses from the RBI or our inability to comply with the requisite procedures could result in the loss of our ability to operate the relevant business, which could adversely affect our financial condition, results of operations, and prospects. Additionally, adverse changes in the credit policies of our Lending Partners or regulatory changes that limit access to capital could significantly impact our growth plans and operational capabilities.

***18. The proper functioning of our online platform and technology infrastructure is essential to our business. Any disruption to our IT systems and infrastructure could materially affect our ability to maintain the satisfactory performance of our platform and deliver consistent services to our users.***

The industries that we operate in are characterized by technological evolution, changes in Consumer requirements and preferences, introduction of new services and products adopting new technologies, and the emergence of new industry standards and practices, any of which could render our existing technologies and systems less competitive than those used by other market participants or obsolete. The reliability, accessibility and satisfactory performance of our IT systems are critical to our success, our ability to attract and retain Consumers and our ability to maintain a satisfactory user experience and Consumer service. Our systems may experience service interruptions or degradation or other performance problems because of hardware and software defects or malfunctions, unexpected high volume of transactions, distributed denial-of-service and other cyberattacks, infrastructure changes, power losses, disruptions in telecommunications services, unauthorized access, fraud, military or political conflicts, terrorist attacks, legal or regulatory takedowns, phishing, computer viruses, ransomware, malware, or other events. Our systems may also be subject to break-ins, sabotage, theft, intentional acts of vandalism or our employees engaging in unauthorized shadow IT activities. We may be liable for all costs and damages, as we would not be entitled to any indemnification or warranty that may have been available if we had obtained such systems or software from third-party providers.

***19. Our reliance on handling and processing sensitive data, coupled with the growing sophistication of cyber threats, exposes us to significant risks associated with data security, unauthorized access, potential breaches, and disruptions in our information technology infrastructure, all of which could materially impact our operations, reputation, and financial stability.***

Our business involves processing and handling large volumes of personal, transactional, financial, and other sensitive data provided by consumers, clients, and third-party providers. This data is shared with our lending partners and insurers to fulfill our contractual obligations. As such, our operations are inherently exposed to risks associated with data security, cyber threats, and disruptions in our information technology systems.

There are numerous laws regulating the privacy, storage, sharing, use, and protection of personally identifiable information. While we have implemented robust privacy policies and technical measures to safeguard data, we cannot guarantee that these measures will be deemed adequate under applicable regulations. Any failure to protect this data, prevent cybersecurity breaches, or avoid improper disclosure could lead to material adverse effects on our business, financial condition, and reputation.

Our platform may face several types of cyber threats, including phishing and Trojans targeting customers to obtain sensitive information, hacking attempts aimed at disrupting services and causing reputational damage, internal or external data theft, and advanced persistent threats where unauthorized individuals gain prolonged access to our network undetected. Such incidents could compromise sensitive data, including personal and financial information, exposing it to unauthorized persons.

Although we have systems and protocols to mitigate these risks, any successful breach of our security systems could lead to the theft of intellectual property, public exposure of confidential information, or disruption of services. This may result in legal actions, penalties, reputational damage, and loss of client trust, materially impacting our operations and financial stability.

To date, we have not experienced any significant disruptions or data breaches that have adversely affected our business or reputation. However, the inherent vulnerability of our systems to cyber threats and data breaches underscores the need for continuous improvement in our security measures and adherence to regulatory standards to protect the data we handle and maintain the trust of our stakeholders.

***20. Increase in Consumer Complaints May Damage Our Reputation, Cause Operational Disruptions, and Affect Financial Performance.***

As a retail loan aggregation platform relying on a hybrid model of digital and agent-led services, our business is heavily dependent on maintaining strong customer relationships and ensuring high levels of customer satisfaction. Any increase in consumer complaints could harm our reputation and negatively affect our operations and financial performance.

Customer dissatisfaction may arise from factors such as miscommunication, delays in loan disbursement, inaccurate loan information, technical glitches on our digital platform, or perceived mis-selling by our agents. These issues could lead to an increase in consumer complaints, adversely affecting our brand image and potentially attracting regulatory scrutiny or legal actions.

Failure to promptly and effectively address customer grievances may erode consumer trust, reduce customer retention, and make it challenging to attract new clients. Persistent complaints could also jeopardize our relationships with lending partners, including banks and NBFCs, who may view such complaints as a reputational risk, leading to reduced collaboration or unfavorable terms.

To mitigate this risk, we must maintain robust customer service standards, provide effective training to our agents and Support staff, and ensure swift resolution of complaints. Safeguarding customer satisfaction and trust is critical to preserving our competitive position and supporting our financial and operational performance.

**21. *We operate in dynamic and competitive online fintech industry, which makes it difficult to predict our future prospects.***

We operate in India's dynamic and competitive fintech industry. These industries are relatively new, and business models continue to evolve. The regulatory framework governing the loan, Insurance and credit industry are also developing and may change drastically in the near future. As our business develops and in response to competition, we will continue to provide data insights to our lending partners including Banks and NBFCs to assist them to innovate and design better customized products for Consumers as well as to improve their existing products and continue to improve our service offerings or adjust and optimize our business model from time to time. Additionally, our Insurer and Lending Partners may impose more stringent credit management or risk control policies and/or systems to maintain the quality of new products and solutions they offer on our platforms or as a response to general economic conditions, which may negatively affect the growth of our business. Any significant change to our business model may not achieve expected results and may have a material and adverse impact on our financial condition and results of operations. It is therefore difficult to effectively assess our future prospects. The risks and challenges we encounter or may encounter in this emerging, dynamic and competitive market may have an impact on our business and prospects. These risks and challenges include our ability to, among other things:

- develop and maintain relationships with our existing Insurer and Lending Partners and attract new Insurer and Lending Partners;
- navigate and comply with an evolving regulatory environment;
- share our data insights with Insurer and Lending Partners to assist them in developing and launching diversified and distinguishable products;
- grow our Consumer base, market share and enhance our Consumer engagement in a cost-efficient manner;
- effectively implement business development and growth strategies to further increase revenues;
- enhance our credit management and risk control capabilities;
- maintain a secure and scalable technology infrastructure;
- maintain our technology and data focused corporate culture and continue to attract, retain and motivate talented employees;
- generate reasonable returns from our strategic investments or realise synergies by investing in or acquiring potential strategic targets; and
- defend ourselves against litigation, claims concerning intellectual property, privacy or other aspects of our business.

The industries in which we operate are highly competitive, and continuously develop new innovative segments which may not develop as expected. If we fail to educate business partners and Consumers about the value of our services, if the market for our Insurer and Lending Partners' products and solutions does not develop as we expect, if we fail to address the needs of our target market, or face other unexpected risks and challenges, our business and results of operations will be adversely affected.

**22. *The company's business is vulnerable to interest rate fluctuations driven by factors like RBI policies, inflation, and economic conditions, which may affect loan demand, increase financing costs, and impact overall financial stability.***

Economic fluctuations, such as changes in interest rates or government policies, can impact the demand for loan Products. Adapting to such changes and implementing flexible strategies will be crucial in mitigating the risks associated with economic volatility. Our operations are vulnerable to fluctuations in interest rates. Interest rates are highly volatile and fluctuations thereof are dependent upon many factors, including the monetary policies of RBI, deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors which are beyond our control. There can be no assurance that we will be able to completely manage our interest rate risk. If we are unable to mitigate the interest rate risk fully, it could have an adverse effect on our net interest margin, thereby affecting our business and financial condition.

**23. *We require certain approvals or licenses in the ordinary course of business and the failure to renew, obtain or retain them in a timely manner, or at all, may adversely affect our operations.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the

required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. Our Company is in the process of making application for change in name in all the permits, licenses and approvals, which are under Company's former name. For further details, please see "**Government and Other Statutory Approvals**" on page 188 of the Draft Red Herring Prospectus. If we are unable to obtain the requisite licenses in a timely manner or at all, our business operations and results may be affected. There can be no assurance that the relevant authorities will issue these approvals or licenses in a timely manner, or at all.

**24. *Our historical performance is not indicative of our future growth or financial results and we may not be able to sustain our historical growth rates.***

Our business has experienced significant growth in prior periods. Our revenue from operations has increased from Rs. 8812.02 Lakhs in FY 22 to Rs. 13547.82 Lakhs in FY 23 and Rs. 19027.22 Lakhs in FY 24. This growth represents a Compound Annual Growth Rate (CAGR) of approximately 29.25% over the past three years. Sustaining this growth will require significant investments, including in assets, and will place pressure on our ability to effectively manage and control both historical and emerging risks. Expansion in the size of our business and the scope and complexity of our operations could strain our internal control framework and processes, potentially leading to delays, increased costs, and lower quality products and services. We may be unable to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all.

As a retail loan aggregation platform in the loan industry, we operate amidst intense competition from both organized and unorganized players with a widespread presence across various regions in India. Competitors offer similar financial products, potentially gaining a competitive edge in areas such as interest rates, loan terms, customer service, operational efficiency, timely delivery, and reliability. Keeping pace with the ever-changing financial landscape and regulatory environment is crucial, and our ability to adapt will significantly impact our competitive standing.

**25. *Stringent and changing laws and regulations relating to privacy and data protection could result in claims, harm our results of operations, financial condition, and prospects, or otherwise harm our business.***

We are subject to a variety of laws, rules, directives, and regulations, as well as contractual obligations, relating to the processing of personal information, including personally identifiable information. The regulatory framework for privacy and data protection worldwide is rapidly evolving and, as a result, implementation standards and enforcement practices are likely to continue to evolve for the foreseeable future. Legislators and regulators are increasingly adopting or revising privacy and data protection laws, rules, directives, and regulations that could have a significant impact on our current and planned privacy and data protection-related practices; our processing of personal information; our current or planned business activities. Compliance with current or future privacy and data protection laws affecting personal information to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve us sharing personal information with third parties or storing personal information), which could materially and adversely affect our financial position and could reduce income from certain business initiatives. Our failure, or the failure of any third party with whom we conduct business, to comply with privacy and data protection laws could result in potentially significant regulatory investigations and government actions, litigations, fines, or sanctions and consequently damage to our reputation, which could have a material adverse effect on our business. Complying with privacy and data protection laws and regulations may cause us to incur substantial operational costs or require us to change our privacy and security practices.

**26. *Adverse publicity and third-party claims regarding our services could negatively impact us.***

As a retail loan aggregation platform, maintaining our reputation is critical to our success. Any adverse publicity or third-party claims concerning our services could have a significant negative impact on our business operations and financial condition. Negative media coverage or public perception—whether accurate or not—can harm our brand image, diminish customer trust, and weaken our market position.

Allegations such as mis-selling of loan products, insufficient customer support, or unethical business practices could result in heightened regulatory scrutiny, legal proceedings, and financial penalties. Addressing and resolving such claims can also consume valuable time and resources, diverting focus from our core operations.

In a competitive market, sustaining a strong and positive reputation is essential for attracting and retaining both customers and lending partners. Adverse publicity or unresolved third-party claims could undermine our ability to grow, sustain operations, and achieve financial targets, ultimately affecting our long-term profitability and performance.

**27. *We may be exposed to the risk of delays or non-payment by our clients and other counterparties, which may also affect our cash flows and business.***

We may be exposed to counterparty credit risk during the normal course of our business relationship with customers or other partners, who may delay or fail to make payments or meet contractual obligations. The financial status of our business partners, and other partners may be affected by their business, which may be affected by a number of factors, including general economic conditions. We cannot assure you of the continued viability of our partners or that we will accurately assess their reliability. We also cannot guarantee that we will be able to collect all or part of past due payments. Any serious nonpayment or non-performance by our customers, business partners, suppliers or other partners can affect the financial condition, results of operations and cash flows.

**28. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**29. *Our growth will depend on our ability to build our brand and failure to do so will negatively impact our ability to effectively compete in this industry.***

We believe that we need to continue to build our brand, which will be critical for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

**30. *Our Promoters and certain of our Directors hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.***

Our Promoters and certain of our Directors hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses. Certain of our Directors, including our Promoters, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters may take actions with respect to our business that could conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors in our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see the sections titled “***Related Party Transactions***” on page 165 of this Draft Red Herring Prospectus.

**31. *Our operations could be adversely affected by disputes with employees.***

As of the date of this Draft Red Herring Prospectus, the Company employed a work force of 306 full-time employees excluding directors and KMP. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force or contract labour employed by independent contractors.

**32. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**33. *The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue”. The fund requirement and deployment, as mentioned in the “***Objects of the Issue***” on page 75 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

**34. *The high level of competition in urban markets may limit customer acquisition, strain profitability, and hinder revenue growth, impacting our ability to maintain consistent financial performance.***

Market saturation, particularly in urban and metro regions, is a growing concern due to the increasing number of competitors, including established players, fintech startups, and traditional banks. These regions already have a dense customer base targeted by multiple financial service providers, making it increasingly difficult to stand out. This saturation can limit the company's ability to acquire new customers effectively, especially in segments where competition is the fiercest.

The intense competition in saturated markets often forces companies to adopt aggressive pricing strategies, such as offering lower interest rates or higher agent commissions. While these measures may attract customers, they can significantly erode profit margins. Furthermore, the limited pool of prospective customers means that revenue growth in these markets may stagnate, posing challenges to maintaining consistent financial performance.

Customer retention also becomes more challenging in saturated markets. With numerous alternatives available, customers can easily switch to competitors offering marginally better terms, newer products, or a superior user experience. This increased churn rate not only affects immediate revenue but also reduces the lifetime value of customers, undermining long-term growth potential.

To mitigate the impact of market saturation, the company could focus on geographic diversification by targeting less penetrated Tier 2 and Tier 3 cities, where competition is lower, and digital adoption is on the rise. Additionally, introducing innovative or niche financial products tailored to specific customer needs can help attract underserved segments and reduce reliance on saturated markets. By leveraging data analytics and personalized marketing strategies, the company can enhance customer engagement and strengthen retention efforts even in competitive environments.

**35. *The integration of offline and online channels introduces significant challenges in coordination, resource allocation, and process efficiency, which may disrupt operations and affect service quality.***

Managing a hybrid business model that integrates both offline and online channels introduces significant operational complexity. The offline channel relies heavily on an extensive agent network, which requires continuous training, monitoring, and incentivization to ensure performance and compliance. The digital channel, on the other hand, demands constant technological updates, robust cybersecurity measures, and seamless integration with third-party systems to maintain a competitive edge. Balancing the two models requires substantial coordination, resources, and strategic oversight.

The need for synchronization between the offline and online channels can lead to inefficiencies. For example, discrepancies in customer data or delays in processing applications due to coordination gaps can negatively impact the customer experience. Additionally, managing such a diverse operational setup increases the likelihood of errors, miscommunication, and logistical challenges, all of which can undermine the company's efficiency and profitability.

As the company scales, these complexities are likely to grow, further straining its operational infrastructure. Expanding into new markets or introducing new products will add additional layers of complexity, including regulatory compliance, local market adaptation, and resource allocation. These challenges can also lead to higher operational costs and slower response times, which might erode the company's competitive advantage.

To address operational complexity, the company can invest in advanced technologies that enable better integration and automation of processes across channels. Standardizing procedures, streamlining workflows, and enhancing data management systems can improve efficiency and reduce errors. Additionally, regular training programs for agents and staff can ensure alignment with the company's goals, minimize communication gaps, and maintain high service quality as the business grows.

**36. *Intense competition and the company's reliance on commissions for revenue create significant margin pressures, challenging profitability and business sustainability.***

Margin pressures are a key risk, primarily due to the highly competitive landscape in the digital lending market and the company's commission-based revenue model. The increasing number of competitors—ranging from large banks to nimble fintech startups—puts pressure on the company to either lower its commission rates to attract customers or offer more lucrative incentives to its agents. While these strategies can enhance customer acquisition, they simultaneously reduce profit margins, potentially undermining the sustainability of the business.

Moreover, the high cost of maintaining an extensive agent network and investing in technological upgrades, such as digital platforms and cybersecurity, adds further strain on the company's operational margins. As competition intensifies, the company may be forced to sacrifice profitability in favor of growth, particularly in a bid to retain market share in saturated segments.

The company also faces pressure from lenders, as commission rates are often negotiated based on the volume of loans disbursed, and lenders may increasingly demand better terms or lower commissions in exchange for higher business volumes. This further limits profitability, especially in cases where the company is required to maintain high customer acquisition rates to meet its financial targets.

To counter margin pressures, the company could explore ways to streamline operations, automate processes, and leverage economies of scale to reduce costs. Diversifying revenue streams, such as introducing additional value-added services or expanding into new financial product categories, could also help bolster margins. Additionally, focusing on customer retention and maximizing lifetime value could improve profitability without relying solely on new customer acquisition.

***37. If we are unable to recruit, train and retain qualified personnel, our business may be materially and adversely affected.***

We believe our future success depends on our continued ability to attract, develop, motivate and retain qualified and skilled employees. Competition for personnel with expertise in insurance, sales and marketing and information technology is extremely intense in India. In particular, we have seen that junior members in our operations team are generally younger and are more likely to leave and pursue other paths. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. In addition, we invest significant time and resources in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training new employees, and our ability to serve Consumers and Insurer Partners could diminish, resulting in a material adverse effect to our business.

***38. We are highly dependent on our Promoters and our management team, senior management personnel and key managerial personnel and the loss of any key team member may adversely affect our business performance.***

Our Promoters, management team, senior management personnel and key managerial personnel have been instrumental in the growth and development of our Company. We benefit from our Promoters, and any decline in our relationship with him could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

Further, our businesses are dependent upon an experienced senior management team and we believe that the experience and skill of our management team and our investors allows us to possess a significant advantage over our global competitors. If one or more members of our management team, senior management personnel and key managerial personnel were unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, results of operations, financial condition, cash flows and future prospects could be adversely affected.

To maintain and grow our business, we will need to identify, hire, develop, motivate, and retain highly skilled employees. Identifying, recruiting, training, integrating, and retaining qualified individuals requires significant time, expense, and attention. We may need to invest significant amounts of cash to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. If we are not able to retain and motivate our current personnel or effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to achieve our strategic objectives, meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

Any loss of members of our management team or key managerial personnel or senior management could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and customer relationships.

***39. If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.***

We rely on our intellectual property for the success of our business which includes one domain name and our trademark. Our domain name may expire, and we cannot assure you that we will be able to renew it after expiry. While we intend to defend against any threats to our intellectual property, we cannot assure you that our intellectual property rights can be adequately protected in a timely manner. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could expose us to substantial risks and costs. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, financial conditions, cash flows and future prospects.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. If such claims are raised against us in the future, they could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease use of certain of our brands, can result in significant damages being awarded and injunctions that could prevent us from offering our products. In addition, there is no assurance that steps taken by us to protect our intellectual property rights will be adequate to stop infringement by others, including imitation and misappropriation of our brand. Any of the foregoing could have an adverse effect on our business, results of operations, financial conditions, cash flows and future prospects.

***40. We may require additional financing in the form of debt or equity to meet our business requirements.***

In order to meet our business requirements (including to undertake growth), we may require loans from banks and financial institutions or the sale or issue of equity or debt securities in private or public offerings. In the event that we incur debt in the future, our interest payment obligations will increase, and we may be subject to additional conditions from lenders, who could place restrictions on how we operate our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders will be diluted. We cannot provide any assurance that we will be able to raise adequate financing on acceptable terms, in a timely manner or at all. Our failure to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements and, therefore, have an adverse effect on our business, results of operations, cash flows and financial condition.

**41. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the issue price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price of the shares proposed to be issued through this Draft Red Herring Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to "**Summary of the Issue Document**" on page 16 of this Draft Red Herring Prospectus.

**42. *There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.***

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs.10,000 Lakh. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**43. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details regarding our dividend policy, please see "**Dividend Policy**" on page 164 of this Draft Red Herring Prospectus.

**44. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**45. *Delay in raising funds from the IPO could adversely impact the implementation schedule.***

The proposed use of issue proceeds, as detailed in the section titled "Objects of the Issue" is to be partially and/or wholly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**46. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no



assurance that we will be able to satisfy our reporting obligations. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

**47. Interest rate fluctuations may adversely affect the Company's business.**

The Company has entered into certain borrowing arrangements to finance its capital requirements in the ordinary course of business in connection with potential acquisitions or for general working capital purposes. In the event interest rates increase, the Company's costs of borrowing will increase, and its profitability and results of operations may be adversely affected.

**48. Industry information included in this Draft Red Herring Prospectus has been derived from industry reports from various websites. Reliance on the forecasts of the reports could be incorrect and would significantly impact our operations.**

We have relied on the reports of certain independent third parties for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

**49. You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.**

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months shall be subject to capital gains tax in India at 10% of such capital gain exceeding Rs. 1 lakh if Securities Transaction Tax (STT) has been paid on both acquisition and transfer of such shares. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. However, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. For more details, please refer to the section entitled "Statement of Tax Benefits".

**ISSUE RELATED RISK FACTORS**

**50. We cannot assure you that our equity shares will be listed on the NSE EMERGE in a timely manner or at all, which may restrict your ability to dispose of the equity shares.**

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Draft Red Herring Prospectus listed on NSE EMERGE platform in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the EMERGE Platform of National Stock Exchange of India Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the Company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

**51. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**52. After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.**

After listing permission and trading permission of equity shares have been granted, the price of the shares shall be driven by free market forces. The market price of a company's share is determined by the forces of supply and demand in the stock market. These forces are influenced by a variety of factors, including the company's financial performance, industry trends, economic conditions, and investor sentiment. When a company issues equity shares, it sets an issue price based on various factors such as the company's valuation, the prevailing market conditions, and the demand for its shares. However, the issue price is not necessarily indicative of the market price of the shares after the issue. Once the shares are listed on the stock exchange, their price is determined by the forces of supply and demand in the market. If there is strong demand for the shares, the price may rise above the issue price, and if there is weak demand, the price may fall below the issue price. Therefore, while the issue price of equity shares provides a starting point for the company's valuation, it is not necessarily a reliable indicator of the market price of the shares after the issue. Investors should carefully evaluate all relevant factors and information before making investment decisions in the stock market.

***53. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Following the Issue, we will be subject to a daily "circuit breaker" imposed by the Stock Exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

***54. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined by Book Built method. This price is being based on numerous factors (For further information, please see the section "Basis for Issue Price" of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

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

Under the Companies Act, a company constituted through share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction in which the investors are located do not permit them to exercise their preemptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

## **EXTERNAL RISK FACTORS**

***56. If there is any change in laws or regulations, or their interpretation, such changes may significantly affect our financial statements or affect our conduct of operation.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the tax rate (on gross basis) for Indian companies. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 (“Finance Act”), has, amongst other things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax (“DDT”) will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source.

Further, the Government of India has introduced the Finance Bill, 2023, in the Union Budget for Fiscal 2024. The Finance Bill, 2023 proposes various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Bill, 2023 may have on our business and operations or on the industry in which we operate. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

***57. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Our management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by it while taking into account the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls to ensure the orderly and efficient conduct of our business, including adherence to our policies, the safeguarding of our assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. 34 Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. While we have taken measures to strengthen our internal control system and have conducted audits to review gaps and process weaknesses and implemented the suggested measures, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

***58. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

***59. Any adverse change or downgrade in the Sovereign Ratings of India may adversely affect our business, results of operations and cash flows.***

Any adverse revisions to India’s credit ratings international debt by international rating freight brokers may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

***60. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

***61. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**62. *Natural calamities like epidemics, pandemic, or fire, war, terrorist attacks, civil riots or other events could materially and adversely affect our business.***

Natural disasters (earthquakes, floods, etc.), epidemics, pandemics, war, terrorist attacks and other events, which are beyond our control, may lead to economic instability, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations could also be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property. We cannot assure you that there will not be any such accidents in the future thereby causing an adverse effect. We cannot assure you that there will not be any such accidents in the future thereby causing an adverse effect on our business and operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

**63. *The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.***

The goods and service tax (“GST”) that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments. As regards the General Anti-Avoidance Rules (“GAAR”), the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18. The GAAR provisions intend to declare an arrangement as an “impermissible avoidance arrangement”, if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

**64. *Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations’ debt troubles and move to break away by the United Kingdom from the European Union. Although, economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

**65. *A significant change in the Government of India’s economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.***

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavourable government policies including those relating to the internet and e-commerce, consumer protection and data privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and e-commerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services and products sold or provided through the internet. The rate of economic liberalization could change and

specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well.

Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

## SECTION IV – INTRODUCTION

### THE ISSUE

The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on January 06, 2025 and by our Shareholders pursuant to a resolution passed at the EGM held on January 10, 2025 pursuant to Section 62(1)(c) of the Companies Act, 2013. This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

The following table summarizes the Issue details:

Particulars	Details
Issue of Equity Shares by our Company*	Up to 50,48,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs.[●] Lakh.
<b>Of which:</b>	
Issue Reserved for Market Maker	Up to [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.[●] /- per Equity Share aggregating to Rs.[●] Lakh.
Net Issue to the Public	Up to [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.[●] /- per Equity Share aggregating to Rs.[●] Lakh.
<b>Of which:</b>	
Allocation to Qualified Institutional Buyers (Not more than 50% of Net Issue to public)	Not more than [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.[●] /- per Equity Share aggregating to Rs. [●] Lakh.
<b>Of which:</b>	
Anchor Investors	Up to [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs.[●] Lakh.
Net QIB Portion (Assuming Anchor allocation portion is fully subscribed)	Up to [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.[●] /- per Equity Share aggregating to Rs.[●] Lakh.
<b>Of which:</b>	
Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion)	Up to [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.[●] /- per Equity Share aggregating to Rs.[●] Lakh.
Balance QIB Portion for all QIBs including mutual Funds	Up to [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh.
Allocation to Non-Institutional Investors (Not less than 15% of Net Issue to public)	At least [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakh.
Allocation to Retail Individual Investors (Not less than 35% of Net Issue to public)	At least [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh.
<b>Pre-and Post-Issue Equity Shares:</b>	
Equity Shares outstanding prior to the Issue	1,40,01,480 Equity Shares of Rs.10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of Rs.10/- each
<b>Use of Issue Proceeds</b>	For further details please refer to “ <i>Objects of the Issue</i> ” beginning on page 75 of this Draft Red Herring Prospectus for information on use of Issue Proceed.

\* Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

- The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- In the event of oversubscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Investor shall not be less than the minimum Bid

Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

- The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders. \*

*\*To be updated upon filing of the Prospectus.*

- Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

For further details, please see “**Issue Procedure**” on page 212 of this Draft Red Herring Prospectus. For details, including in relation to grounds for rejection of Bids, please see “**Issue Structure**” and “**Issue Procedure**” on pages 209 and 212, respectively. For details of the terms of the Issue, please see “**Terms of the Issue**” on page 204.

## SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth summary financial information derived from the Restated Financial Statements. The Restated Financial Statements have been prepared, based on financial statements for the stub period July 31, 2024, and the period Fiscal 2024, Fiscal 2023 and Fiscal 2022. The Restated Financial Statements have been prepared in accordance with Indian GAAP and the Companies Act, restated in accordance with the SEBI ICDR Regulations and are presented in the section entitled “**Financial Information**” on page 165 .*

*The summary financial information presented below should be read in conjunction with the chapters titled “**Restated Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 165 and 170 respectively.*

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**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**
*(Rs In lakhs)*

Particulars	Note	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	3	1.57	1.57	1.57	1.57
(b) Reserves and Surplus	4	1,514.93	1,205.02	611.93	428.33
<b>Total</b>		<b>1,516.50</b>	<b>1,206.59</b>	<b>613.50</b>	<b>429.90</b>
<b>(2) Non-current liabilities</b>					
(a) Long-term Borrowings	5	616.71	525.50	619.02	352.46
(b) Long-term Provisions	6	128.69	128.69	103.59	85.64
<b>Total</b>		<b>745.40</b>	<b>654.18</b>	<b>722.60</b>	<b>438.11</b>
<b>(3) Current liabilities</b>					
(a) Short-term Borrowings	7	814.02	717.04	120.75	206.01
(b) Trade Payables	8				
- Due to Micro and Small Enterprises		-	3.18	-	7.83
- Due to Others		500.64	1,268.56	841.13	720.05
(c) Other Current Liabilities	9	653.40	453.95	443.09	568.74
(d) Short-term Provisions	10	396.57	263.25	49.26	88.67
<b>Total</b>		<b>2,364.63</b>	<b>2,705.98</b>	<b>1,454.24</b>	<b>1,591.31</b>
<b>Total Equity and Liabilities</b>		<b>4,626.53</b>	<b>4,566.75</b>	<b>2,790.34</b>	<b>2,459.32</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	11	282.04	281.25	218.69	153.84
(ii) Intangible Assets		0.16	0.16	0.16	0.16
(b) Non-current Investments	12	10.75	-	-	-
(c) Deferred Tax Assets (net)	13	100.37	102.69	96.00	113.84
(d) Long-term Loans and Advances		186.76	142.47	74.29	26.60
<b>Total</b>		<b>580.07</b>	<b>526.57</b>	<b>389.14</b>	<b>294.45</b>
<b>(2) Current assets</b>					
(a) Trade Receivables	14	2,656.30	2,714.98	1,534.33	1,206.10
(b) Cash and cash equivalents	15	12.89	250.64	238.83	32.98
(c) Short-term Loans and Advances	16	985.24	703.33	465.80	776.67
(d) Other Current Assets	17	392.01	371.22	162.24	149.12
<b>Total</b>		<b>4,046.45</b>	<b>4,040.18</b>	<b>2,401.21</b>	<b>2,164.87</b>
<b>Total Assets</b>		<b>4,626.53</b>	<b>4,566.75</b>	<b>2,790.34</b>	<b>2,459.32</b>

**RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(Rs. In Lakhs)

Particulars	Note	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Income</b>					
Revenue from Operations	18	6,833.51	19,027.22	13,547.82	8,812.02
Other Income	19	-	3.91	8.98	2.30
<b>Total Income</b>		<b>6,833.51</b>	<b>19,031.13</b>	<b>13,556.80</b>	<b>8,814.32</b>
<b>Expenses</b>					
Employee Benefit Expenses	20	777.27	1,815.17	1,445.29	1,289.48
Finance Costs	21	42.35	115.38	98.38	101.78
Depreciation and Amortization Expenses	22	38.64	107.17	90.03	87.87
Other Expenses	23	5,528.11	16,153.12	11,679.38	7,317.77
<b>Total expenses</b>		<b>6,386.36</b>	<b>18,190.84</b>	<b>13,313.08</b>	<b>8,796.91</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>447.14</b>	<b>840.28</b>	<b>243.72</b>	<b>17.41</b>
Exceptional Item		-	-	-	-
<b>Profit/(Loss) before Extraordinary Item and Tax</b>		<b>447.14</b>	<b>840.28</b>	<b>243.72</b>	<b>17.41</b>
Extraordinary Item				-	
<b>Profit/(Loss) before Tax</b>		<b>447.14</b>	<b>840.28</b>	<b>243.72</b>	<b>17.41</b>
Tax Expenses					
- Current Tax		134.91	253.89	42.28	2.83
- Deferred Tax		2.32	-6.69	17.84	17.95
- MAT Credit Entitlement				-	-2.50
<b>Profit/(Loss) after Tax</b>		<b>309.91</b>	<b>593.08</b>	<b>183.60</b>	<b>-0.87</b>
Earnings Per Share (Face Value per Share Rs.10 each)					
-Basic (In Rs)		1,971.70	3,773.28	1,168.10	-5.54
-Diluted (In Rs)		-	-	-	-

#### RESTATED CONSOLIDATED CASH FLOW STATEMENT

(Rs. In Lakhs)

Particulars	Note	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after tax		309.91	593.08	183.60	-0.87
Depreciation and Amortisation Expense		38.64	107.17	90.03	87.87
Provision for tax		137.23	247.20	60.12	20.79
Interest Income		-	-3.91	-8.98	-2.30
Finance Costs		42.35	115.38	98.38	101.78
<b>Operating Profit before working capital changes</b>		<b>528.13</b>	<b>1,058.93</b>	<b>423.15</b>	<b>207.27</b>
<b>Adjustment for:</b>					
Trade Receivables		58.68	-1,180.65	-328.23	-538.42
Loans and Advances		-326.20	-305.71	263.19	72.84
Other Current Assets		-20.78	-208.98	-13.13	-149.12
Other Non current Assets		-	-6.69	17.84	17.95
Trade Payables		-771.10	430.60	113.25	433.83
Other Current Liabilities		199.43	10.86	-125.65	151.47

Short-term Provisions		133.32	213.99	-39.41	-5.67
Long-term Provisions		-	25.10	17.94	18.75
<b>Cash (Used in)/Generated from Operations</b>		<b>196.20</b>	<b>37.45</b>	<b>328.94</b>	<b>208.91</b>
Tax paid(Net)		137.23	247.20	60.12	20.79
<b>Net Cash (Used in)/Generated from Operating Activities</b>		<b>-333.43</b>	<b>-209.75</b>	<b>268.83</b>	<b>188.12</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		-39.40	-169.73	-154.87	-80.78
Interest received		-	3.91	8.98	2.30
Purchase of Non-Current Investements		-10.75	-	-	-
<b>Net Cash (Used in)/Generated from Investing Activities</b>		<b>-50.15</b>	<b>-165.83</b>	<b>-145.90</b>	<b>-78.48</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Buyback of Shares		-	-	-	-50.04
Proceeds from Long Term Borrowings		91.22	-	266.56	-
Repayment of Long Term Borrowings		-	-93.52	-	-180.35
Proceeds from Short Term Borrowings		96.97	596.29	-	130.65
Repayment of Short Term Borrowings		-	-	-85.26	-
Interest Paid		-42.35	-115.38	-98.38	-101.78
<b>Net Cash (Used in)/Generated from Financing Activities</b>		<b>145.84</b>	<b>387.39</b>	<b>82.92</b>	<b>-201.53</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>-237.74</b>	<b>11.81</b>	<b>205.84</b>	<b>-91.89</b>
Opening Balance of Cash and Cash Equivalents		250.64	238.83	32.98	124.88
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-	-	-
<b>Closing Balance of Cash and Cash Equivalents</b>	15	<b>12.89</b>	<b>250.64</b>	<b>238.83</b>	<b>32.98</b>

## RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

Particulars	Note	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	3	1.57	1.57	1.57	1.57
(b) Reserves and Surplus	4	1,483.73	1,174.67	583.12	401.90
<b>Total</b>		<b>1,485.30</b>	<b>1,176.24</b>	<b>584.69</b>	<b>403.47</b>
<b>(2) Non-current liabilities</b>					
(a) Long-term Borrowings	5	616.71	525.50	619.02	352.46
(b) Long-term Provisions	6	128.69	128.69	103.59	85.64
<b>Total</b>		<b>745.40</b>	<b>654.18</b>	<b>722.60</b>	<b>438.11</b>
<b>(3) Current liabilities</b>					

(a) Short-term Borrowings	7	813.98	717.04	120.75	206.01
(b) Trade Payables	8				
- Due to Micro and Small Enterprises		-	3.18	-	7.83
- Due to Others		499.24	1,237.86	823.73	719.25
(c) Other Current Liabilities	9	447.81	374.53	338.52	527.31
(d) Short-term Provisions	10	395.48	260.57	46.57	86.89
<b>Total</b>		<b>2,156.51</b>	<b>2,593.17</b>	<b>1,329.57</b>	<b>1,547.30</b>
<b>Total Equity and Liabilities</b>		<b>4,387.21</b>	<b>4,423.59</b>	<b>2,636.87</b>	<b>2,388.88</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
<b>(a) Property, Plant and Equipment and Intangible Assets</b>					
(i) Property, Plant and Equipment	11	281.24	280.43	217.78	153.84
(ii) Intangible Assets		0.16	0.16	0.16	0.16
(b) Non-current Investments	12	215.25	204.50	204.50	204.50
(c) Deferred Tax Assets (net)	13	100.37	102.69	95.93	113.80
<b>Total</b>		<b>597.03</b>	<b>587.78</b>	<b>518.36</b>	<b>472.31</b>
<b>(2) Current assets</b>					
(a) Trade Receivables	14	2,646.90	2,714.98	1,497.69	1,202.08
(b) Cash and cash equivalents	15	7.65	163.06	127.99	8.66
(c) Short-term Loans and Advances	16	743.63	586.45	330.58	556.82
(d) Other Current Assets	17	392.01	371.32	162.24	149.02
<b>Total</b>		<b>3,790.18</b>	<b>3,835.81</b>	<b>2,118.51</b>	<b>1,916.58</b>
<b>Total Assets</b>		<b>4,387.21</b>	<b>4,423.59</b>	<b>2,636.87</b>	<b>2,388.88</b>

## RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

Particulars	Note	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Income</b>					
Revenue from Operations	18	6,811.76	18,949.75	13,492.52	8,777.06
Other Income	19	-	3.91	8.98	2.30
<b>Total Income</b>		<b>6,811.76</b>	<b>18,953.66</b>	<b>13,501.50</b>	<b>8,779.36</b>
<b>Expenses</b>					
Employee Benefit Expenses	20	776.62	1,812.15	1,439.32	1,281.94
Finance Costs	21	42.35	115.38	98.38	101.78
Depreciation and Amortization Expenses	22	38.66	107.08	89.99	87.87
Other Expenses	23	5,507.84	16,080.82	11,633.43	7,291.13
<b>Total expenses</b>		<b>6,365.46</b>	<b>18,115.44</b>	<b>13,261.12</b>	<b>8,762.72</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>446.29</b>	<b>838.23</b>	<b>240.38</b>	<b>16.63</b>
Exceptional Item		-	-	-	-

<b>Profit/(Loss) before Extraordinary Item and Tax</b>		<b>446.29</b>	<b>838.23</b>	<b>240.38</b>	<b>16.63</b>
Extraordinary Item		-	-	-	-
<b>Profit/(Loss) before Tax</b>		<b>446.29</b>	<b>838.23</b>	<b>240.38</b>	<b>16.63</b>
Tax Expenses	24				
- Current Tax		134.91	253.44	41.28	2.50
- Deferred Tax		2.32	-6.77	17.88	17.92
- MAT Credit Entitlement				-	-2.50
<b>Profit/(Loss) after Tax</b>		<b>309.06</b>	<b>591.55</b>	<b>181.22</b>	<b>-1.28</b>
Earnings Per Share (Face Value per Share Rs.10 each)					
-Basic (In Rs)	25	1,966.28	3,763.52	1,152.94	-8.16
-Diluted (In Rs)	25	-	-	-	-

## RESTATED STANDALONE CASH FLOW STATEMENT

(Rs. In Lakhs)

Particulars	Note	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after tax		309.06	591.55	181.22	-1.28
Depreciation and Amortisation Expense		38.66	107.08	89.99	87.87
Provision for tax		137.23	246.68	59.16	2.50
Interest Income		-	-3.91	-8.98	0.22
Finance Costs		42.35	115.38	98.38	101.78
<b>Operating Profit before working capital changes</b>		<b>527.30</b>	<b>1,056.78</b>	<b>419.77</b>	<b>191.09</b>
<b>Adjustment for:</b>					
Trade Receivables		68.08	-1,217.29	-295.61	-534.40
Loans and Advances		-157.18	-255.87	226.24	-37.97
Other Current Assets		-20.69	-209.08	-13.22	-
Other Non-current Assets		2.32	-6.77	17.88	17.92
Trade Payables		-741.79	417.31	96.64	436.73
Other Current Liabilities		73.28	36.01	-188.79	113.57
Short-term Provisions		134.91	213.99	-40.32	-4.59
Long-term Provisions		-	25.10	17.94	18.75
Cash (Used in)/Generated from Operations		-113.77	60.19	240.51	201.09
Tax paid (Net)		137.23	246.68	59.16	2.50
<b>Net Cash (Used in)/Generated from Operating Activities</b>		<b>- 251.00</b>	<b>-186.49</b>	<b>181.35</b>	<b>198.59</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		-39.47	-169.73	-154.87	-80.78
Interest received		-	3.91	8.98	-0.22
Purchase of Non current Investments		-10.75	-	-	-
<b>Net Cash (Used in)/Generated from Investing Activities</b>		<b>-50.22</b>	<b>-165.83</b>	<b>-145.90</b>	<b>-81.00</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Buyback of Shares		-	-	-	-50.04

Proceeds from Long Term Borrowings		91.22	-	266.56	-180.35
Repayment of Long-Term Borrowings		-	-93.52		130.64
Proceeds from Short Term Borrowings		96.94	596.29		-
Repayment of Short-Term Borrowings				-84.31	-
Interest Paid		-42.35	-115.38	-98.38	-101.78
<b>Net Cash (Used in)/Generated from Financing Activities</b>		<b>145.81</b>	<b>387.39</b>	<b>83.87</b>	<b>-201.53</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>-155.41</b>	<b>35.07</b>	<b>119.33</b>	<b>-83.94</b>
Opening Balance of Cash and Cash Equivalents		163.06	127.99	8.66	92.60
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-	-	-
<b>Closing Balance of Cash and Cash Equivalents</b>	15	<b>7.65</b>	<b>163.06</b>	<b>127.99</b>	<b>8.66</b>

## GENERAL INFORMATION

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 dated 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.

<b>Registered Office</b>	No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India - 560075
<b>Corporate Office</b>	A1, ground floor, Nelson Chambers, 115 Nelson Manickam Road, Aminjikarai, Chennai - 600029
<b>Company Registration Number and Corporate Identity Number</b>	Company Registration Number: 064767 Corporate identity number: U67190KA2012PLC064767.
<b>Registrar of Companies</b>	Registrar of Companies, Karnataka Address: E' Wing, 2nd Floor Kendriya Sadana Kormangala, Banglore-560034 Phone: 080-25633105 (Direct), 080-25537449/25633104 Fax: 080-25538531 Email: roc.bangalore@mca.gov.in
<b>Company Secretary and Compliance Officer</b>	Vivekananda Udaya Bhandarkar Address: No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India – 560075 Tel: +91 98862 32323 E-mail: cs@financebuddha.com

## DETAILS OF THE BOARD OF DIRECTORS OF OUR COMPANY

S. No.	Name of Director	Age	Designation & DIN	Residential Address
1.	Parag Agarwal	45	Whole Time Director & Chief Financial Officer 03167515	20071 Prestige Shantiniketan, ITPL Main Road, Whitefield, Mahadevapura, Bengaluru, Karnataka - 560048
2.	Parth Pande	43	Whole Time Director 05250700	3165 Prestige Misty Waters, Sy No 6/2 A 6/2B Vayunandana Layout, Next to Jain Heritage School, Kempapura, Hebbal, Bangalore North, H.a. Farm, Bengaluru, Karnataka - 560024
3.	Vivek Bhatia	50	Whole Time Director 05250711	No 717, 7th Main, 2nd Cross, HRBR Layout, Kalyan Nagar, Bangalore, Karnataka-560043
4.	Ajay Vikram Singh	48	Independent Director 10774297	Flat No 3 A Lalitha Kunj 6/1A Middleton Street, Kolkata, West Bengal -700071
5.	Payal Shah	43	Independent Director 10766791	D-1007 South City Apartment Arakere Mico Apartment, B G Road, Bangalore South, Karnataka
6.	Kavuri Praveen	31	Director 07610943	A-204, Indraprastha Greens, Shyamal Cross Roads, Behind Shangrila Arcade, Satellite Ahmedabad City, Ahmedabad

For further details of our Directors, please refer to the chapter titled “**Our Management**” beginning on page 145 of this Draft Red Herring prospectus.

#### DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>SKI Capital Services Limited</b> SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi-110005 Telephone No.: +91-011-41189899 / +91-011-424026000 Email: fbipo@skicapital.net Website: https://www.skicapital.net Contact Person Name: Mr. Ghanisht Nagpal / Ms. Swati Jha	<b>Skyline Financial Services Private Limited</b> SEBI Registration No.: INR000003241 Address: D-153A, First Floor, Okhla Industrial Area, Phase-I New Delhi -110020 Telephone No: 011-40450193-97 Email: ipo@skylinerta.com Website: https://www.skylinerta.com/ Contact Person: Mr. Anuj Rana
MARKET MAKER	BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK
[●]	[●]
PEER REVIEW & STATUTORY AUDITORS OF THE COMPANY	LEGAL ADVISOR TO THE ISSUE
<b>BBSK and Associates, Chartered Accountant*</b> Firm Registration No: 013313S Peer Review No.: 016871 Address: .: New No-09/ Old no 69, 1 <sup>st</sup> floor, 5 <sup>th</sup> Street, Luz Avenue, Mylapore, Chennai 600 004 Tel. No: +91-9840975325 Fax No.: NA Email: bala@bbsk.co.in Website: NA Contact Person: Baladasan Bharathi	<b>G&amp;G Legal Advisors</b> Address: B-7/118, Basement, Safdarjung Enclave Ext., New Delhi – 110029 Registration No: D 6467/2017 Mobile No: +91 98318 76675 Fax No.: NA Website: NA Email Id: akshit@goyallaw.in Contact Person: Akshit Goyal
PRINCIPAL BANKERS OF THE COMPANY	SYNDICATE MEMBER
<b>HDFC Bank Limited</b> Address: No 548/D, Maruthi Mansion, CMH Road, Indira Nagar, Bengaluru-560038 Tel. No.: +91-9646622561 Fax No.: NA Email: Rushali.Khanna@hdfcbank.com Website: www.hdfcbank.com Contact Person: Rushali Khanna	[●]

\*M/s. BBSK and Associates, Chartered Accountants hold a peer review certificate dated May 27, 2024, issued by the Institute of Chartered Accountants of India.

#### CHANGE IN THE AUDITOR DURING LAST 3 YEARS

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

#### INVESTOR GRIEVANCES

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.



Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgment number received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the BRLM are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the Book Running Lead Manager, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

## **FILING OF THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT WITH BOARD AND THE REGISTRAR OF COMPANIES**

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus/ Prospectus shall be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> and pursuant to Regulation 246(2), the Board shall not be issuing observation.

Further, in accordance with Regulation 246(1) a copy of the Red Herring Prospectus/ Prospectus along with the other documents, shall also be filed with the RoC, Karnataka under Section 32 of the Companies Act, 2013 and a copy of the Draft Red Herring Prospectus/ Prospectus to be filed under Section 26 of the Companies Act will be delivered for registration to the RoC at its office and through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do>

## **DESIGNATED INTERMEDIARIES**

### **Self-Certified Syndicate Banks**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

### **SCSBS and Mobile Applications Enabled for UPI Mechanism**

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 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=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&intmId=40> or such other website as updated from time to time.

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is, provided in the list available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

### **Syndicate SCSB Branches**

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

### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

### **Registrar to Issue and Share Transfer Agents**

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

### **STATEMENT OF RESPONSIBILITY OF THE BOOK RUNNING LEAD MANAGER/STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since SKI Capital Services Limited is the sole Book Running Lead Manager (BRLM) to the Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them.

### **CREDIT RATING**

This being an issue of Equity Shares, credit rating is not required.

### **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

### **EXPERT OPINION**

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

1. Our Company has received written consent dated October 04, 2024 from Peer Reviewed Auditor namely, **BBSK and Associates, Chartered Accountants** to include its name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated October 17, 2024 on our restated financial information; and (ii) its report dated November 21, 2024 on the statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.
2. Our Company has received a written consent dated January 30, 2025 from **Goyel & Goyal Advocates and Solicitors**, having registration number, D 6467/2017 to include their name as an expert as defined under Section 2(38) of the Companies Act, 2013, read Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert", to the extent and in its capacity as an advisor on the Legal Litigations being subsisting by the Company, against the Company, by the Promoters, against the Promoters, by the Directors and against the Directors of the Company.
3. Our Company has received a written consent dated November 14, 2024 from **Vakalat India, Advocates** having registration number F/1564/1093/2011 (WB) to include their name as an expert as defined under Section 2(38) of the Companies Act, 2013, read Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert", to the extent of the ROC and Secretarial Search Report Dated January 27, 2025.

### **DEBENTURE TRUSTEE**

Since this is not a debenture issue, appointment of debenture trustee is not required.

### **APPRAISAL AND MONITORING AGENCY**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of a monitoring agency is not mandatory if the Issue size is up to Rs. 10,000 Lakh. Since the Issue size is below Rs. 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

No appraising entity has been appointed in respect of any objects of this issue.

#### **GREEN SHOE OPTION**

No green shoe option is contemplated under the issue.

#### **TYPE OF ISSUE**

The present issue is considered to be a 100% Book-Building Issue.

#### **BOOK BUILDING PROCESS**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised all editions of [●] (a widely circulated English national daily newspaper), [●] and all editions of [●] (a widely circulated Hindi national daily newspaper), and local edition of [●] (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager in this case being SKI Capital Services Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with NSE and eligible to act as Underwriters;
- The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB portion to Anchor Investors on a discretionary basis in accordance with SEBI (ICDR) Regulation ("The Anchor Investor Portion) , out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders, except Anchor Investors, are required to use the ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Allocation to Anchor Investors will be on a discretionary basis.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum

bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regard, specific attention is invited to the section titled “**Issue Procedure**” beginning on page 212 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section titled “**Issue Procedure**” on page 212 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investor.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “**Issue Procedure**” on page 212 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Issue Program:

Event	Indicative Dates
Bid/Issue Opening Date*	[●]
Bid/Issue Closing Date**	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]

Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

*\*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 in accordance with the SEBI ICDR Regulations.*

*\*\*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.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date may be extended in consultation with the BRLM, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## UNDERWRITING AGREEMENT

Our Company and BRLM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The BRLM has confirmed that they shall underwrite a minimum of 15% on their own account.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name, Address, Telephone, Fax, and Email of the Underwriter	Indicative no. of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Lakh)	% of the Total Issue Size Underwritten
[●]	[●]	[●]	100%

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE EMERGE on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from NSE EMERGE, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the BRLM have entered into a tripartite agreement dated [●] with [●] the Market Maker for this Issue, duly registered with NSE EMERGE to fulfil the obligations of Market Making:

<b>Name:</b>	[●]
<b>SEBI Registration No.:</b>	[●]
<b>NSE EMERGE Registration No.:</b>	[●]
<b>Address:</b>	[●]
<b>Telephone No.:</b>	[●]
<b>Website:</b>	[●]
<b>Email ID:</b>	[●]
<b>Contact Person:</b>	[●]

In accordance with Regulation 261 of the SEBI ICDR Regulations, we shall enter into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time.
3. The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. [●]/- per share the minimum application lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by NSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.



8. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors
9. On the first day of the listing, there will be a pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
10. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
12. The Market Maker(s) shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further, our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
13. Risk containment measures and monitoring for Market Makers: EMERGE Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
14. Punitive Action in case of default by Market Maker: EMERGE Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.  
The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Makers from time to time.
15. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
  - (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the issue size and as follows:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
<b>Up to Rs. 20 Crore</b>	25%	24%
<b>Rs.20 Crore to Rs.50 Crore</b>	20%	19%
<b>Rs.50 Crore To Rs.80 Crore</b>	15%	14%
<b>Above Rs.80 Crore</b>	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/Designated Stock Exchange from time to time.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Particulars	Amount (Rs. in Lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price*
A.	<b>Authorised Share Capital</b>	2000.00	
	2,00,00,000 Equity Shares of Rs. 10/- each		[●]
B.	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>	1400.15	
	1,40,01,480 Equity Shares of Rs. 10/- each		[●]
C.	<b>Present Issue in terms of the Draft Red Herring Prospectus</b>		
	Issue of up to 50,48,000 Equity Shares of Face Value Rs. 10/- each at a Price of Rs. [●]/-per Equity Share	Up to [●]	[●]
	Consisting of:		
	Reservation for Market Maker up to [●] Equity Shares of face value of Rs. 10/- each aggregating up to Rs. [●] Lakhs	Up to [●]	[●]
	Net issue to the Public up to [●] Equity Shares of face value of Rs. 10/- each aggregating up to Rs. [●] Lakhs	Up to [●]	[●]
D.	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b> [●] Equity Shares of Rs. 10/- each		[●]
E.	<b>Securities Premium Account</b>		
	Before the Issue	410.16	
	After the Issue		[●]

\*To be updated upon the finalization of the Issue Price

For details in relation to the changes in the authorised share capital of our Company, see “**Our History and Certain Other Corporate Matters – Amendments to our MOA since Incorporation**” on page 139.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 06, 2025, and by the shareholders of our Company vide a special resolution passed at the Extra-Ordinary General Meeting held on January 10, 2025

### CLASS OF SHARES

Our Company has only one class of share capital i.e. Equity Shares of the Face Value of Rs.10/- each only. All Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Details of increase in Authorised Share Capital:

Since the incorporation of our Company, the Authorised share capital of our Company has been altered in the manner set forth below:

S.No.	Details of Increase in Authorized Share Capital	Effective Date
1.	Increase in authorized capital from Rs.1,00,000 /- to Rs.3,00,000/ -	07/01/2016
2.	Increase in authorized capital from Rs.3,00,000 /- to Rs.45,00,000/ -	22/01/2018
3.	Increase in authorized capital from Rs.45,00,000 /- to Rs.20,00,00,000/ -	28/09/2024

#### 2. Details of the Alteration to Capital Structure till Date



Date of Allotment	Nature of Allotment	No. of Equity Shares allotted	No. of Preference Shares allotted	Face Value	Issue Price (Including Premium if any)	Form of Consideration
09/07/2012	Initial Capital (i)	10000	-	10/-	10/-	Cash
01/03/2016	Right Issue (ii)	48	-	10/-	15,300/-	Cash
01/03/2016	Right Issue (iii)	-	1545 CCPS	10/-	15,300/-	Cash
09/03/2018	Conversion of CCPS into Equity Shares (iv)	1545	(1545) CCPS	-	-	Not Applicable
09/03/2018	Bonus Issue (v)	3000	-	10/-	-	Non-cash
25/04/2018	Private Placement (vi)	-	2365 OCPS	10/-	39,402/-	Cash
13/08/2018	Redemption of Series A Optionally Convertible Preference Shares (vii)	-	(1551)	1000/-	39402/-	Cash
01/10/2018	Redemption of Series- A Optionally Convertible Preference Shares (viii)	-	(306)	1000/-	39402/-	Cash
27/01/2020	Redemption of Series- A Optionally Convertible Preference Shares (ix)	-	(254)	1000/-	39402/-	Cash
19/03/2020	Redemption of Series- A Optionally Convertible Preference Shares (x)	-	(127)	1000/-	39402/-	Cash
24/07/2020	Right Issue (xi)	913	-	10/-	13,050/-	Cash
04/01/2021	Private Placement (xii)	212	-	10/-	22,562/-	Cash
01/04/2021	Redemption of Series- A Optionally Convertible Preference Shares (xiii)	-	(127)	1000/-	39402/-	Cash
13/09/2024	Private Placement (xiv)	78	1684	10/-	89,070/-	Cash
06/11/2024	Conversion of CCPS into Equity Shares (xv)	1684	-	-	-	Not Applicable
17/12/2024	Bonus Issue (xvi)	13984000	-	10/-	-	Non-Cash

**Sequence of Events pertaining to Share Capital of the Company: -**

- i. Initial Subscribers to the Memorandum of Association subscribed to Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Name of First Subscribers	No. of Shares Allotted
1.	Parth Pande	5000
2.	Vivek Bhatia	5000
<b>Total</b>		<b>10,000</b>

- ii. The Company issued further capital by way of Rights Issue at the ratio of 1:100 amounting to 734,400/- (Indian Rupees Seventeen Lakhs Fifty Thousand) divided into 48 Equity Shares of face value of INR 10/- (Indian Rupees Ten Only) each at a premium of INR 15,290/- (Indian Rupees Fifteen Thousand Two Hundred Ninety Only).

S. No.	Name of allottees	No. of Shares Allotted
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1.	Shead Investment Holdings Limited	4
2.	Aditya Balasundaram	1
3.	Kalpavriksha Ventures LLP	2
4.	Chandu Nair	1
5.	Prabhakar Ram V	14
6.	Vardhman Jain	1
7.	Kalpana Babu	2
8.	Acsys Investments Private Limited	6
9.	Harikumar S	1
10.	Manav Goyal	1
11.	Padma Chandrasekaran	1
12.	GSK Velu	3
13.	Sriram Subramanya	1
14.	Four M Maritime Private Limited	2
15.	Lakshmi Narayanan	4
16.	The Kadri Mills (CBE) Limited	1
17.	Sameer Mehta	1
18.	Kalpataru Ventures Private Limited	2
<b>Total</b>		<b>48</b>

- iii. The Company issued further capital by way of Rights Issue at the ratio of 1:6 amounting to INR 2,36,38,500/- (Indian Rupees Two Crores Thirty-Six Lakhs Thirty Eight Thousand Five Hundred Only) divided into 1545 Compulsorily Convertible Preference Shares of face value of INR 10/- (Indian Rupees Ten Only) each at the premium of INR 15,290/- (Indian Rupees Fifteen Thousand Two Hundred Ninety Only)

S. No.	Name of allottee	No. of Preference Shares Allotted
1.	Shead Investment Holdings Limited	129
2.	Aditya Balasundaram	32
3.	Kalpavriksha Ventures LLP	64
4.	Chandu Nair	32
5.	Prabhakar Ram V	452
6.	Vardhman Jain	32
7.	Kalpana Babu	64
8.	Acsys Investments Private Limited	194
9.	Harikumar S	32
10.	Manav Goyal	32
11.	Padma Chandrasekaran	32
12.	GSK Velu	97
13.	Sriram Subramanya	32
14.	Four M Maritime Private Limited	64
15.	Lakshmi Narayanan	129
16.	The Kadri Mills Limited	32
17.	Sameer Mehta	32
18.	Kalpataru Ventures Private Limited	64
<b>Total</b>		<b>1545</b>

- iv. The Company converted 0.01% Compulsorily Convertible Preference Shares into Equity Shares.

S. No.	Name of allottee	No. of Equity Shares Allotted
1.	Shead Investment Holdings Limited	129
2.	Aditya Balasundaram	32
3.	Kalpavriksha Ventures LLP	64
4.	Chandu Nair	32
5.	Prabhakar Ram V	452

6.	Vardhman Jain	32
7.	Kalpana Babu	64
8.	Acsys Investments Private Limited	194
9.	Harikumar S	32
10.	Manav Goyal	32
11.	Padma Chandrasekaran	32
12.	GSK Velu	97
13.	Sriram Subramanya	32
14.	Four M Maritime Private Limited	64
15.	Lakshmi Narayanan	129
16.	The Kadri Mills Limited	32
17.	Sameer Mehta	32
18.	Kalpataru Ventures Private Limited	64
<b>Total</b>		<b>1545</b>

- v. The further capital by way of Bonus Issue amounting to INR 30,000/- (Indian Rupees Thirty Thousand Only) divided into 3,000 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each in the ratio of 29.86 for every 100 equity shares

S. No.	Name of allottee	No. of Shares Allotted
1.	Vivek Bhatia	966
2.	Parag agarwal	966
3.	Parth Pande	965
4.	Abhinav Goyal	90
5.	Shead Investment Holdings Limited	1
6.	Kalpavriksha Ventures LLP	1
7.	Prabhakar Ram V	4
8.	Kalpana Babu	1
9.	Acsys Investments Private Limited	2
10.	GSK Velu	1
11.	Four M Maritime Private Limited	1
12.	Lakshmi Narayanan	1
13.	Kalpataru Ventures Private Limited	1
<b>Total</b>		<b>3000</b>

- vi. The Company issued further capital by way of Private Placement amounting to INR 93,185,730/- (Indian Rupees Nine Crores Thirty One Lakhs Eighty Five Thousand Seven Hundred Thirty Only) divided into 2365 Optionally Convertible Preference Shares of face value of INR 1000/- (Indian Rupees One Thousand Only) each at the premium of INR 38,402/- (Indian Rupees Thirty Eight Thousand Four Hundred Two Only)

S. No.	Name of allottee	No. of Shares Allotted
1.	Ankur Jhunjhunwala	318
2.	Gaurav Mittal	64
3.	Gorav Arora	127
4.	Kapil Batra	127
5.	Namit Arora	127
6.	Lokesh Garg	153
7.	Pranshu Gupta	153
8.	Manoj Chandak	64
9.	Aarkay Investments Private Limited	762
10.	Amit Mahajan	89
11.	Neeta Mukerji	254
12.	Sandeep Thapliyal	127
<b>Total</b>		<b>2365</b>

- vii. The Paid-up Capital is reduced by way of redemption of Preference Shares amounting to INR 122,225,004/- (Indian Rupees Twelve Crores Twenty Two Lakhs Twenty Five Thousand and Four Only) divided into 1551 (One Thousand Five Hundred Fifty

One Only) Series A Optionally Convertible Preference Shares of face value of INR 1000/- (Indian Rupees One Thousand) each at a premium of INR 38,402/- (Indian Rupees Thirty Eight Thousand Four Hundred Two Only)

S. No.	Name of Preference Shareholder	No. of Preference Shares redeemed
1.	Ankur Jhunjhunwala	266
2.	Gaurav Mittal	64
3.	Gorav Arora	127
4.	Kapil Batra	127
5.	Namit Arora	127
6.	Lokesh Grag	153
7.	Pranshu Gupta	153
8.	Manoj Chandak	64
9.	Amit Mahajan	89
10.	Neeta Mukerji	254
11.	Sandeep Thapliyal	127
<b>Total</b>		<b>1551</b>

- viii. The Paid-up Capital is reduced by way of redemption of Preference Shares amounting to INR 1,20,57,012/- (Indian Rupees One Crore Twenty Lakhs Fifty Seven Thousand and Twelve Only) divided into 306 (Three Hundred Six Only) Series A Optionally Convertible Preference Shares of face value of INR 1000/- (Indian Rupees One Thousand) each at a premium of INR 38,402/- (Indian Rupees Thirty Eight Thousand Four Hundred Two Only)

S. No.	Name of Preference Shareholder	No. of Preference Shares redeemed
1.	Ankur Jhunjhunwala	52
2.	Aarkay Investments Private Limited	254
<b>Total</b>		<b>306</b>

- ix. The Paid-up Capital is reduced by way of redemption of Preference Shares amounting to INR 1,00,08,108/- (Indian Rupees One Crore Eight Thousand One Hundred Eight Only) Series A Optionally Convertible Preference Shares of face value of INR 1000/- (Indian Rupees One Thousand) each at a premium of INR 39,402/- (Indian Rupees Thirty Eight Thousand Four Hundred Two Only)

S. No.	Name of Preference Shareholder	No. of Preference Shares redeemed
1.	Aarkay Investments Private Limited	254

- x. The Paid-up Capital is reduced by way of redemption of Preference Shares amounting to INR 50,04,054/- (Indian Rupees Fifty Lakhs Four Thousand Fifty Four Only) divided into 127 (One Hundred Twenty Seven Only) Series A Optionally Convertible Preference Shares of face value of INR 1000/- (Indian Rupees One Thousand) each at a premium of INR 38,402/- (Indian Rupees Thirty Eight Thousand Four Hundred Two Only)

S. No.	Name of Preference Shareholder	No. of Preference Shares redeemed
1.	Aarkay Investments Private Limited	127

- xi. The Company issued further capital by way of Right Issue amounting to INR 3,59,74,026/- (Indian Rupees Three Crores Fifty Nine Lakhs Seventy Four Thousand and Twenty Six Only) divided into 913 Equity Shares of face value of INR 1000/- (Indian Rupees One Thousand Only) each at the premium of INR 38,402/- (Indian Rupees Thirty Eight Thousand Four Hundred Two Only).

S. No.	Name of allottee	No. of Shares Allotted
1.	Shead Investment Holdings Limited	96
2.	Kalpavriksha Ventures LLP	48
3.	Chandu Nair	23
4.	Prabhakar Ram V	336
5.	Vardhman Jain	23
6.	Acsys Investments Private Limited	145

7.	Padma Chandrasekaran	24
8.	Sriram Subramanya	23
9.	Four M Maritime Private Limited	49
10.	Lakshmi Narayanan	97
11.	Kalpataru Ventures Private Limited	49
<b>Total</b>		<b>913</b>

- xii. The Company issued further capital by way of Private Placement amounting to INR 1,19,14,650/- (Indian Rupees One Crore Nineteen Lakhs Fourteen Thousand Six Hundred Fifty Only) divided into 212 Equity Shares of face value of INR 10/- (Indian Rupees Ten Only) each at the premium of INR 22,562/- (Indian Rupees Twenty Two Thousand Five Hundred Sixty Two Only)

S. No.	Name of allottee	No. of Shares Allotted
1.	Mr. Ramakrishnan Kalyanaraman	13
2.	Mr. Chandrashekhar Kupperi	22
3.	Mr. Alok Saraogi	22
4.	Mr. Ashok Jhunjunwala	22
5.	Mr. Pravin Shekhar	22
6.	Mr. Vivek Bhatia	37
7.	Mr. Parth Pande	37
8.	Mr. Parag Agarwal	37
<b>Total</b>		<b>212</b>

- xiii. The Paid-up Capital is reduced by way of redemption of Preference Shares amounting to INR 50,04,054/- (Indian Rupees Fifty Lakhs Four Thousand Fifty Four Only) divided into 127 (One Hundred Twenty Seven Only) Series A Optionally Convertible Preference Shares of face value of INR 1000/- (Indian Rupees One Thousand) each at a premium of INR 38,402/- (Indian Rupees Thirty Eight Thousand Four Hundred Two Only)

S. No.	Name of Preference Shareholder	No. of Preference Shares redeemed
1.	Ankur Jhunjunwala	127

- xiv. The Company issued further capital by way of Private Placement amounting to INR 15,69,41,340/- (Indian Rupees Fifteen Crores Sixty Nine Lakhs Forty One Thousand Three Hundred Forty Only) divided into 78 Equity Shares and 1684 (One Thousand Six Hundred Eighty Four) of face value of INR 10/- (Indian Rupees Ten Only) each at the premium of INR 89,060/- (Indian Rupees Eighty Nine Thousand Five Hundred Sixty Only)

S. No.	Name of allottee	Number of Equity Shares Allotted	No. of Preference Shares Allotted
1.	Midas Deals Private Limited	56	-
2.	Mr. Sankar Swaminathan	11	-
3.	Mr. Seemant Lohani	11	-
4.	Mr. Ashish Ramesh Kacholia		842
5.	RBA Finance & Investments Co.		842
<b>Total</b>		<b>78</b>	<b>1684</b>

- xv. The Company converted 1684 Compulsorily Convertible Preference Shares into 1684 Equity Shares at the conversion ratio of 1:1 ranking pari-passu with the existing equity shares of the Company.

S. No.	Name of allottee	No. of Equity Shares Allotted
1.	Mr. Ashish Ramesh Kacholia	842
2.	RBA Finance & Investments Co.	842
<b>Total</b>		<b>1684</b>

- xvi. The Company issued further capital by way of Bonus Issue amounting to INR 13,98,40,000/- (Indian Rupees Thirteen Crores Ninety Eight Lakhs Forty Eight Thousand Only) divided into 13894000 Equity Shares of face value of INR 10/- (Indian Rupees Ten Only) each.

S. No.	Name of allottee	No. of Shares Allotted
1.	Vivek Bhatia	3081600

2.	Parag Agarwal	2999200
3.	Parth Pande	2997600
4.	Ashish Kacholia	898400
5.	Suresh Kumar Agarwal	897600
6.	AI Maha Investment Fund Pcc-Onyx Strategy	480000
7.	Minerva Ventures Fund	384000
8.	V Prabhakar Ram	244800
9.	Shankar V	237600
10.	Sattva Developers Private Limited	224800
11.	Shead Investment Holdings Limited	184000
12.	Gyan Enterprises Private Limited	179200
13.	Ghanshyam Dass	89,600
14.	Roshan Jeerawla	89,600
15.	Rahul Mittal	67200
16.	Dilipkumar Karodimal Khandelwal	67200
17.	Abhishek Jain	44800
18.	Ankur Gulati HUF	44800
19.	Meena Kumari	44800
20.	Midas Deals Private Limited	44800
21.	Pratham R Shah	44800
22.	Sangeeta Narula	44800
23.	Vikram Krishnan Sunderrajan	44800
24.	Sriram Subramanya	40800
25.	Mayank Porwal	40000
26.	Kalpataru Ventures Private Limited	36000
27.	Intersea Maritime Limited	36,000
28.	Ajaya Kumar Dash	22400
29.	Jyotsna Dileep Bhandarkar	22400
30.	Kiran Joseph	22400
31.	Krishna Malhotra	22400
32.	Krishnan Sunderrajan	22400
33.	Manu Chandra	22400
34.	Rajeswari Reddy Paida	22400
35.	Rishab Suresh Malik	22400
36.	Sonal Gupta	22400
37.	Suraj Sreenath	22400
38.	Tanuuj More	22400
39.	Bhuwnesh Lahoty	17600
40.	Devika A Dani	17600
41.	Mayank Tiwari	17600
42.	Prateek Dhuper	17600
43.	Vardhman Jain	17600
44.	Touchstone Venture LLP	16000
45.	Manav Goyal	13600
46.	Sameer Dilip Mehta	13600
47.	Seemant Lohani	8800
48.	Swaminathan Sankar	8800
<b>Total</b>		<b>13,984,000</b>

3. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation, except as follows:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment
03-09-2018	3,000	10/-	-	Other than Cash	Bonus Issue
17.12.2024	1,39,84,000	10/-	-	Other than Cash	Bonus Issue

4. No equity shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and sections 230-234 of the Companies Act, 2013.

5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
6. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price, except as disclosed in this Draft Red Herring Prospectus.

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment
17.12.2024	1,39,84,000	10/-	-	Other than Cash	Bonus Issue

## 7. Shareholding of the Promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters – Parag Agarwal, Vivek Bhatia and Parth Pande hold total 90,89,748 Equity Shares representing 64.92% of the pre-issue paid up share capital of our Company.

### Details of build-up of shareholding of the Promoters

#### A. Parth Pande

Date of Allotment /Acquisition /transaction and when made fully paid up	Nature (allotment/transfer)	Number of Equity Shares	Cumulative no of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	% of pre issue capital of Cumulative Shares
07-09-2012	Initial Subscription	5,000	5,000	10	10	Cash	0.04%
05-07-2013	Transfer	-5,000	0	10	10	Cash	-0.04%
15-04-2015	Transfer	3,233	3,233	10	10	Cash	0.02%
03-09-2018	Bonus	965	4,198	10	0	Other than cash	0.01%
23-06-2020	Transfer	-35	4,163	10	10	Cash	0.00%
04-01-2021	Allotment	37	4,200	10	22,572	Cash	0.00%
20-09-2023	Transfer	130	4,330	10	10	Cash	0.00%
08-11-2024	Transfer	-84	4,246	10	89070	Cash	0.00%
12-11-2024	Transfer	-106	4,140	10	89070	Cash	0.00%
13-11-2024	Transfer	-281	3,859	10	89070	Cash	0.00%
15-11-2024	Transfer	-112	3,747	10	89070	Cash	0.00%
17-12-2024	Bonus	29,97,600	30,01,347	10	0	Other than cash	21.44%

#### B. Vivek Bhatia

Date of Allotment /Acquisition /transaction and when made fully paid up	Nature (allotment/transfer)	Number of Equity Shares	Cumulative no of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	% of pre issue capital of Cumulative Shares
07-09-2012	Initial Subscription	5,000	5,000	10	10	Cash	0.04%
15-04-2015	Transfer	-1,766	3,234	10	10	Cash	-0.01%
03-09-2018	Bonus	966	4,200	10	0	Other than cash	0.01%
23-06-2020	Transfer	-35	4,165	10	10	Cash	0.00%

04-01-2021	Allotment	37	4,202	10	22572	Cash	0.00%
20-09-2023	Transfer	130	4,332	10	10	Cash	0.00%
19-11-2024	Transfer	-480	3,852	10	89070	Cash	0.00%
17-12-2024	Bonus	30,81,600	30,85,452	10	0	Other than cash	22.04%

### C. Parag Agarwal

Date of Allotment /Acquisition /transaction and when made fully paid up	Nature (allotment/transfer )	Number of Equity Shares	Cumulative no of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	% of pre issue capital of Cumulative Shares
05-07-2013	Transfer	4,860	4,860	10	10	Cash	0.03%
05-04-2015	Transfer	-1,627	3,233	10	10	Cash	-0.01%
03-09-2018	Bonus	966	4,199	10	0	Other than Cash	0.01%
23-06-2020	Transfer	-34	4,165	10	10	Cash	0.00%
04-01-2021	Allotment	37	4,202	10	22572	Cash	0.00%
20-09-2023	Transfer	130	4,332	10	10	Cash	0.00%
11-11-2024	Transfer	-281	4,051	10	89070	Cash	0.00%
14-11-2024	Transfer	-280	3,771	10	89070	Cash	0.00%
19-11-2024	Transfer	-22	3,749	10	89070	Cash	0.00%
17-12-2024	Bonus	2999200	30,02,949	10	0	Other than cash	21.45%

**All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are under pledged**



9. Our shareholding pattern

Category Code	Category of Shareholder	No of Share holder	No. of Fully paid-up Equity Shares Held	No. of Partly Paid-up Shares Held	No. of Underlying Depository Receipts	Total No of Shares Held	Shareholding as a % of total no. of shares (calculated as per SCRA, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of shares underlying Outstanding Convertible Securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2)	No. of locked-in shares		No. of shares held or otherwise encumbered	Number of shares held in dematerialized form
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX		X	XI=VII+X	XII		XIII	XIV
(A)	Promoters & promoter Group	3	90,89,748	-	-	90,89,748	64.92%	90,89,748	64.92%	-	-	-	-	-	90,89,748
(B)	Public	45	49,11,732	-	-	49,11,732	35.08%	49,11,732	35.08%	-	-	-	-	-	49,11,457
<b>I</b>	<b>Non-Promoter - Non-Public</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>48</b>	<b>1,40,01,480</b>	-	-	<b>1,40,01,480</b>	<b>100.00%</b>	<b>1,40,01,480</b>	<b>100.00%</b>	-	-	-	-	-	<b>1,40,01,205*</b>

Note:

In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/05/2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoter Group Companies and 50% of the Equity Shares held by the public shareholders, shall be dematerialized.

PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE EMERGE before commencement of trading of such Equity Shares.

*\*275 shares are in physical form out of 1,40,01,480 shares as on DRHP date.*

**10. Details of Major Shareholders:**

(A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of this Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Vivek Bhatia	30,85,452	22.04%
2	Parag Agarwal	30,02,949	21.45%
3	Parth Pande	30,01,347	21.44%
4	Ashish Kacholia	8,99,523	6.42%
5	Suresh Kumar Agarwal	8,98,722	6.42%
6	Al Maha Investment Fund Pcc-Onyx Strategy	4,80,600	3.43%
7	Minerva Ventures Fund	3,84,480	2.75%
8	V Prabhakar Ram	2,45,106	1.75%
9	Shankar V	2,37,897	1.70%
10	Sattva Developers Private Limited	2,25,081	1.61%
11	Shead Investment Holdings Limited	1,84,230	1.32%
12	Gyan Enterprises Private Limited	1,79,424	1.28%

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Vivek Bhatia	30,85,452	22.04%
2	Parag Agarwal	30,02,949	21.45%
3	Parth Pande	30,01,347	21.44%
4	Ashish Kacholia	8,99,523	6.42%
5	Suresh Kumar Agarwal	8,98,722	6.42%
6	Al Maha Investment Fund Pcc-Onyx Strategy	4,80,600	3.43%
7	Minerva Ventures Fund	3,84,480	2.75%
8	V Prabhakar Ram	2,45,106	1.75%
9	Shankar V	2,37,897	1.70%
10	Sattva Developers Private Limited	2,25,081	1.61%
11	Shead Investment Holdings Limited	1,84,230	1.32%
12	Gyan Enterprises Private Limited	1,79,424	1.28%

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of this Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Vivek Bhatia	4,332	27.56%
2	Parag Agarwal	4,332	27.56%

3	Parth Pande	4,330	27.56%
4	Prabhakar Ram V	806	5.13%
5	Acsys Investments Private Limited	347	2.21%
6	Lakshmi Narayanan	231	1.47%
7	Shead Investment Holdings Limited	230	1.46%

(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of this Draft Red Herring Prospectus:

S. N.	Name of Shareholders	No. of Equity Shares Held	% of Paid-up Capital **
1	Vivek Bhatia	4202	26.73%
2	Parag Agarwal	4202	26.73%
3	Parth Pande	4200	26.72%
4	Prabhakar Ram V	806	5.13%
5	Abhinav Goyal	390	2.48%
6	Acsys Investments Private Limited	347	2.21%
7	Lakshmi Narayanan	231	1.47%
8	Shead Investment Holdings Limited	230	1.46%

\*\* the % has been calculated based on existing Paid-up Capital of the Company for each period.

- Our Company has not made any public issue (including any rights issue to the public) since its incorporation, except as stated above.
- There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
- Following are the details of the holding of securities of persons belonging to the category “Promoters and Promoter Group” before and after the Issue:

S. N.	Name of shareholder	Pre-Issue	
		No. of Equity Shares	As a % of Issued Capital
<b>Promoters</b>			
1	Parth Pande	30,01,347	21.44%
2	Vivek Bhatia	30,85,452	22.04%
3	Parag Agarwal	30,02,949	21.45%
<b>Total-A</b>		<b>90,89,748</b>	<b>64.92%</b>
<b>Promoter Group (B)</b>			
NA			
<b>Total-B</b>		-	-
<b>Grand Total (A+B)</b>		<b>90,89,748</b>	<b>64.92%</b>

14. None of our Directors or Key Managerial Personnel or senior management hold any Equity Shares other than as set out below:

Sr. No.	Name of Director	No. of Equity Shares held	% of pre-issue Equity Share Capital of our Company
1.	Parth Pande	30,01,347	21.44%
2.	Vivek Bhatia	30,85,452	22.04%
3.	Parag Agarwal	30,02,949	21.45%

15. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus, except as follows:

Date	Name of buyer	Face Value	No. of Shares	Transfer Price	Name of seller
08-Nov-24	Dilipkumar Karodimal Khandelwal	10	84	89,070	Parth Pande
11-Nov-24	Ashish Kacholia	10	281	89,070	Parag Agarwal
12-Nov-24	Mayank Porwal	10	50	89,070	Parth Pande
12-Nov-24	Ankur Gulati HUF	10	56	89,070	Parth Pande
13-Nov-24	Sattva Family office	10	281	89,070	Parth Pande
14-Nov-24	RBA Finance and Investments Co	10	280	89,070	Parag Agarwal
15-Nov-24	Meena Kumari	10	56	89,070	Parth Pande
15-Nov-24	Abhishek Jain	10	56	89,070	Parth Pande
19-Nov-24	Mayank Tiwari	10	22	89,070	Parag Agarwal
19-Nov-24	Minerva Ventures Fund	10	480	89,070	Vivek Bhatia

16. The members of the Promoters' Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.

#### 17. Details of Promoters' Contribution locked in for 3 years:

As per Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post-Issue Capital shall be considered as Promoters' Contribution.

Our Promoters has granted consents to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Issue, whichever is later.

*Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.*

We further confirm that Minimum Promoters' Contribution of 20.00% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018. The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Equity Shares held by our Promoters, which are locked in for a period of three years from the date of Allotment in the Issue are given below:

Name of Promoters	Date of Transaction and when made fully paid-up	Nature Of Transaction	No. Of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up capital (%)	Lock in Period
Parag Agarwal	[•]	[•]	[•]	[•]	[•]	[•]	3 Years
Vivek Bhatia	[•]	[•]	[•]	[•]	[•]	[•]	3 Years
Parth Pande	[•]	[•]	[•]	[•]	[•]	[•]	3 Years
<b>Total</b>						<b>20.00%</b>	

The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

**Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018**

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoters' Contribution
237(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoters' contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' contribution	The minimum Promoters' contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237(1)(b)	Specified securities acquired by Promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237 (1) (c)	Specified securities allotted to Promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the Promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to Promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoters' contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

237 (1) (d)	Specified securities pledged with any creditor	The minimum Promoters' contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
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#### Details of Promoters' Equity Shares locked-in for one year:

In terms of the clause (b) of Regulation 238\*, In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance of Promoters' pre-Issue Equity Share capital of our Company, shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

**\* As per the 208th SEBI Board Meeting held on December 18, 2024, as referenced in PR No.36/2024, it was decided that the lock-in period for promoters' holdings exceeding the minimum promoter contribution (MPC) would be released in a phased manner. Specifically, 50% of the excess holdings would be released after one year, and the remaining 50% after two years. However, SEBI has not yet formally issued circulars, notifications, or amendments to regulations to implement these decisions.**

#### Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

#### Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.

18. We have Fouty-eight (48) shareholders as on the date of filing of this Draft Red Herring Prospectus.

19. As on the date of this Draft Red Herring Prospectus, our Promoters and Promoters' Group hold a total of 90,89,748 Equity Shares representing 64.92% of the pre-issue paid up share capital of our Company.

20. Our Company, our Promoters, our Directors and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI

(Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

21. There are no safety net arrangements for this public Issue.
20. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
21. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
22. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
23. As per RBI regulations, OCBs are not allowed to participate in this Issue.
24. There is no Buyback, stand by, or similar arrangement by our Company / Promoters / Directors / BRLM for purchase of Equity Shares issued / offered through this Draft Red Herring Prospectus.
25. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
26. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
27. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and NSE.
28. The Issue is being made through Book Building Method.
29. BRLM to the Issue viz. SKI Capital Services Limited and its associates do not hold any Equity Shares of our Company.
30. Our Company has not raised any bridge loan against the proceeds of this Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. An Applicant cannot make an application for more than the number of Equity Shares being Issued through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
34. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
35. Our Promoters and the members of our Promoter Group will not participate in this Issue.
36. Our Company has not made any public issue since its incorporation.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group, Group Companies during periods Fiscal 2024, Fiscal 2023 & Fiscal 2024, please refer to annexure titled —Related Party Transaction in the chapter titled “Restated Financial Information” beginning on page number 165 of this Draft Red Herring Prospectus.
39. None of our Directors or Key Managerial Personnel or Senior Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “**Our Management**” beginning on page number 145 of this Draft Red Herring Prospectus.



## SECTION V- PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the NSE EMERGE Platform.

#### THE OBJECTS OF THE ISSUE ARE: -

1. Infrastructure Development;
  2. Working Capital Requirement;
  3. Investment In Wholly Owned Subsidiary i.e. LTCV Credit Private Limited;
  4. Investment in Customer Acquisition;
  5. Investment in Data Analytics;
  6. Investment in Digital Lending and Cloud Software;
  7. Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company; and
  8. General corporate purposes;
- (Collectively referred to as the "Objects")

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

#### FUND REQUIREMENTS:

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

Particulars	Amount (Rs. In Lakh)
Gross Issue Proceeds*	[●]
Less: Issue Expenses	[●]
<b>Net Issue Proceeds</b>	<b>[●]</b>

\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC

#### 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
1.	Infrastructure Development	1250.00	[●]
2.	Working Capital Requirement	1750.00	[●]
3.	Investment In Wholly Owned Subsidiary i.e. LTCV Credit Private Limited	1000.00	[●]
4.	Investment in Customer Acquisition	125.00	[●]
5.	Investment in Data Analytics	750.00	[●]
6.	Investment in Digital Lending and Cloud Software	800.00	[●]
7.	Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company	650.00	[●]
8.	General Corporate Purposes	[●]	[●]

Net Issue Proceeds	[●]	100.00%
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*The requirements of the objects detailed above are intended to be funded from the proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.*

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

**IN CASE OF ANY INCREASE IN THE ACTUAL UTILIZATION OF FUNDS EARMARKED FOR THE OBJECTS, SUCH ADDITIONAL FUNDS FOR A PARTICULAR ACTIVITY WILL BE MET BY WAY OF MEANS AVAILABLE TO OUR COMPANY, INCLUDING FROM INTERNAL ACCRUALS. IF THE ACTUAL UTILIZATION TOWARDS ANY OF THE OBJECTS IS LOWER THAN THE PROPOSED DEPLOYMENT SUCH BALANCE WILL BE USED FOR FUTURE GROWTH OPPORTUNITIES INCLUDING FUNDING EXISTING OBJECTS, IF REQUIRED. IN CASE OF DELAYS IN RAISING FUNDS FROM THE ISSUE, OUR COMPANY MAY DEPLOY CERTAIN AMOUNTS TOWARDS ANY OF THE ABOVE-MENTIONED OBJECTS THROUGH A COMBINATION OF INTERNAL ACCRUALS OR UNSECURED LOANS (BRIDGE FINANCING) AND IN SUCH CASE THE FUNDS RAISED SHALL BE UTILIZED TOWARDS REPAYMENT OF SUCH UNSECURED LOANS OR RECOUPING OF INTERNAL ACCRUALS. HOWEVER, WE CONFIRM THAT NO BRIDGE FINANCING HAS BEEN AVAILED AS ON DATE, WHICH IS SUBJECT TO BEING REPAID FROM THE ISSUE PROCEEDS. WE FURTHER CONFIRM THAT NO PART OF THE PROCEEDS FROM THE ISSUE WILL BE UTILIZED FOR THE REPAYMENT OF ANY OUTSTANDING UNSECURED LOANS, WHETHER DIRECTLY OR INDIRECTLY, FROM THE PROMOTER, PROMOTER GROUP, OR ANY RELATED PARTY, AS OF THE DATE OF THE DRAFT RED HERRING PROSPECTUS.**

As we operate in a competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see "*Risk Factors*" beginning on page 22 of the Draft Red Herring Prospectus.

## **DETAILS OF UTILIZATION OF ISSUE PROCEEDS**

### **1. Infrastructure Development**

We propose to allocate Rs.1250.00 Lakhs from the Net Proceeds towards expanding our corporate office network to support workforce growth and operational requirements, as well as to meet associated expenses for the company's business expansion.

*(In Rs Lakhs)*

S.No	Particulars	Total Cost	Amount to be utilized from the net proceeds
1	Security Deposits	484.91	484.91
2	Fit-Out Costs	886.77	765.09
<b>Total</b>		<b>1371.68</b>	<b>1250.00</b>

### Background

The Company currently has a staff strength of 306 Full time employees excluding directors and KMP. In line with our growth strategy, we plan to recruit an additional 1,000 employees in similar roles, which will strengthen our sales and market engagement capabilities. This hiring plan includes a buffer of 50 employees, creating reserve capacity to handle demand variations and manage turnover efficiently.

To accommodate this workforce expansion, the company proposes opening new corporate offices. These additional locations will provide strategically positioned facilities for outbound sales and marketing operations, facilitating broader regional market coverage

and improving customer response times. This initiative supports the company's objectives of scaling its service capabilities and sustaining a flexible, resilient workforce infrastructure.

The expanded office network and increased staff capacity align with the company's long-term growth objectives, ensuring a scalable and responsive operational model to meet the needs of an expanding customer base.

### Requirement of funds

#### 2. Security deposit

The company typically acquires premises for its corporate offices on a leasehold basis, following various lease or leave and license agreements with real estate owners. Under these lease or license agreements, the company furnishes an interest-free security deposit to the respective lessors at the time of signing the lease arrangements, lasting for the duration of the lease. This expansion in leased premises aligns with the company's strategy to increase staff strength and support business growth through enhanced operational capacity.

While we have identified the broad regions where the new offices will be established, we have not identified the exact locations for establishing the new offices, as such identification depends on various factors, including inter alia, rental prices for the proposed new offices in a specific locality, demographics, site quality, unavailability of suitable locations, addressable market, demand and supply dynamics, lease rentals and competition.

**The total estimated costs for payment of security deposit for the periods mentioned are as follows:**

Location	Average security deposit per square feet per month (in Rs.)*	Average Security Deposit (In months)	Tentative carpet area required (in Square Feet)#	Aggregate security deposit for the proposed Offices (in Rs. Lakhs)
Gurgaon	148.80	6	25,000	223.20
Bangalore	92.71	11	25,000	261.71
<b>Total</b>	<b>241.51</b>		<b>50,000</b>	<b>484.91</b>

\* Based on estimates received from Knight Frank India Private Limited, ANAROCK Property Consultants Private Limited and Tisha Corporate Services (<https://bangaloreoffice.com/>)

# Based on internal management estimates reflecting current space utilization for the existing employee base

#### 2. Fit-out costs

The company proposes to take warm shell office spaces, which provide essential infrastructure such as flooring, lighting, and HVAC systems. With these foundational elements already in place, the company will need to purchase only modular furniture, chairs, and loose furnishings. This approach is intended to facilitate efficient and cost-effective customization of workspaces as part of the office expansion plan.

Our estimated costs for establishing of the new offices are therefore based on: (i) valid and existing quotations received from the below-mentioned vendors on a per sq. ft. basis, for the purposes of fit-out costs; (ii) estimated average size of the new offices to be established which are to be funded from the Net Proceeds; and (iii) our internal estimates for specifications and item requirements based on our experience of setting-up similar offices.

The details of the total estimated costs to be incurred for establishing each new office are as follows:

(Rs. In Lakhs)

Particulars	Aggregate costs per office
Fit-out costs	443.39

The table below sets forth the total estimated costs for establishing the proposed new offices to be funded from the Net Proceeds:

(Rs. In Lakhs)

Proposed number of new offices	Average fit-out costs per office	Total costs for establishing new offices
2	443.39	886.77

Furniture, Chairs, And Loose Furnishings:

S. No.	Particulars	Units / Cost per Unit (in Rs. Lakhs)	Total Cost	Vendor / Supplier	Date of quotation	Validity of quotation
1	<u>Workstation Table</u> MS Powder Coated Frame Glass Screen Brand: Geeken	1,000/0.23	230.00	Geeken Seating Collection Private Limited	17-10-2024	NA
2	<u>Wooden Pedestal</u> Size: W 400 X D 450 X H 680 2 Drawer, 1 Filing Brand: Geeken	1,000/ 0.07	75.50	Geeken Seating Collection Private Limited	17-10-2024	NA
3	<u>Workstation Chair</u> Medium Back Chair PU Adjustable Arm Gas Lift, Nylon Base Seat & Back Mesh Tapestry Brand: Geeken	1,000/ 0.10	100.00	Geeken Seating Collection Private Limited	17-10-2024	NA
	<b>Total</b>		<b>405.50</b>			

Information Technology Hardware:

S. No.	Particulars	Units	Cost per Unit (in Rs. Lakhs)*	Vendor / Supplier	Date of quotation	Validity of quotation	Total Cost
1.	<u>Laptop</u> ZEBRONICS PRO Series Z NBC 5S, Intel Core 12th Gen i7 Processor 16GB RAM & 512GB SSD Laptop, 15.6 Inch (39.6CM), IPS 180° Display, Dolby Atmos, 38.5Wh Large Battery, Windows 11, Blue, 1.76 Kg	1000	0.42	Amazon.in E-commerce Marketplace	NA	NA	419.90
2.	<u>Headphone</u> HP H120 Stereo USB On Ear Headset, Plug-and-Play USB-A, Built-in Noise-Canceling Mic, Adjustable Head Strap, Padded Ear Cushions, 360-Degree Bendable Mic, 1-Year Limited Warranty, Black, 9Z4V9Aa	1000	0.01	Amazon.in E-commerce Marketplace	NA	NA	14.99
3.	<u>Mouse</u> Logitech M240 Silent Bluetooth Mouse, Wireless, Compact, Portable, Smooth Tracking, 18-Month Battery, for Windows,	1000	0.01	Amazon.in E-commerce Marketplace	NA	NA	12.95

	macOS, ChromeOS, Compatible with PC, Mac, Laptop, Tablets - Graphite						
4.	<u>Printer</u> Epson Wireless Ecotank L4260 A4 Wi-Fi Duplex All-in-One Ink Tank Color LED Printers, Black	100	0.21	Amazon.in E-commerce Marketplace	NA	NA	21.00
5.	<u>Scanner</u> HP Scanjet Pro 2000 s2 Sheet-Feed Scanner	50	0.24	Amazon.in E-commerce Marketplace	NA	NA	12.43
	<b>Total</b>						<b>481.27</b>

*\*Inclusive of all taxes*

All quotations received from the aforementioned vendors are valid as on the date of this Draft Red Herring Prospectus. We have not entered into any definitive agreements with any vendors for the matters set out above. Accordingly, there can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates. If there is any increase in the fit-out costs, the additional costs shall be paid by us from our internal accruals.

Our Company will not purchase any second-hand equipment as part of the above stated spend on fit-out costs.

### **Methodology of Calculation**

#### Security Deposit:

Security deposit values are determined using quotations provided by Knight Frank India Private Limited, ANAROCK Property Consultants Private Limited, and Tisha Corporate Services. The average security deposit is calculated by averaging the months for the security deposit, as provided in the quotations. Additionally, the security deposit per square foot per month is determined by dividing the security deposit per month, as provided in the quotations, by the required carpet area and then averaging the results. We took the average of all the provided quotations for the respective locations.

#### Fit-out Costs:

Fit-out costs are derived from quotations obtained from various vendors.

### **Government approvals**

In relation to this proposed objective, the company is required to obtain certain routine approvals and/or licenses from relevant governmental or local authorities. These include registration of offices under the Shops and Establishments Acts in applicable states. The company will apply for these approvals for its new offices in the ordinary course, following all relevant laws. For details on applicable laws and required approvals for new offices, refer to “Key Regulations and Policies” and “Government and Other Approvals” on pages 133 and 188.

Our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel and Group Company do not have any interest in the aforesaid Objects or in the entities from whom we have obtained quotations in relation to such proposed expenses.

## **2. Working Capital Requirement**

Our business is working capital intensive, and we fund a majority of our working capital requirements in the ordinary course of business from banks, and through our internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements in the Financial Years ended March 31, 2026. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as

per our business plan. We intend to utilise Rs. 1750.00 Lakhs from the Net Proceeds to fund working capital requirements of our Company in the Financial Years ended March 31, 2026.

A) Basis of estimation of incremental working capital requirement

The details of our Company's working capital as of March 31, 2022, March 31, 2023, March 31, 2024, and for the period ended July 31, 2024, derived from and the source of funding, on the basis of Restated Financial Statements, are set out in the table below:

Particulars	31.03.22	31.03.23	31.03.24	31.07.24
	Restated Audited	Restated Audited	Restated Audited	Restated Audited
<i>(Rs. In Lakhs)</i>				
<u>Current Assets</u>				
Trade Receivables	1,202.08	1,497.69	2,714.98	2,646.90
Short Term Loans and Advances	556.82	330.58	586.45	743.63
Other Current Assets	149.02	162.24	371.32	392.01
<b>Total Current Assets (Other than Cash and Cash Equivalents) (A)</b>	<b>1,907.91</b>	<b>1,990.52</b>	<b>3,672.75</b>	<b>3,782.54</b>
<u>Current Liabilities</u>				
Trade Payables	727.09	823.73	1,241.03	499.24
Other Current Liabilities	527.31	338.52	374.53	447.81
Short Term Provisions	86.89	46.57	260.57	395.48
<b>Total Current Liabilities (B)</b>	<b>1,341.29</b>	<b>1,208.82</b>	<b>1,876.13</b>	<b>1,342.53</b>
<b>Total Working Capital Requirement (A-B)</b>	<b>566.62</b>	<b>781.70</b>	<b>1,796.62</b>	<b>2,440.01</b>
<u>Sources of Funds</u>				
Working Capital Funding from Banks and Financial Institutions	558.47	739.77	1242.54	1430.69
Funded through internal accruals/ Net Worth	8.15	41.93	554.08	1,009.32

B) Future Working Capital

We propose to utilize Rs. 1750.00 Lakhs of the Net Proceeds in the Financial Year ended March 31, 2026, towards our Company's working capital requirements. The balance portion of working capital requirement of our Company shall be met through internal accruals and borrowings. On the basis of our existing working capital requirements, management estimates and estimated working capital requirements, the proposed funding of such working capital requirements is set forth below:

Particulars	31.03.25	31.03.26
	Projected	Projected
<i>(Rs. In Lakhs)</i>		
<u>Current Assets</u>		
Trade Receivables	4,754.00	6,584.00
Short Term Loans and Advances	1268.00	2,107.00
Other Current Assets	471.00	621.00
<b>Total Current Assets (Other than Cash and Cash Equivalents) (A)</b>	<b>6,493.00</b>	<b>9,312.00</b>
<u>Current Liabilities</u>		
Trade Payables	1585.00	2,195.00
Other Current Liabilities	454.00	544.00
Short Term Provisions	416.00	837.00
<b>Total Current Liabilities (B)</b>	<b>2,455.00</b>	<b>3,576.00</b>
<b>Total Working Capital Requirement (A-B)</b>	<b>4,038.00</b>	<b>5,736.00</b>

Sources of Funds		
Working Capital Funding from Banks and Financial Institutions	515.00	3,986.00
Funded through internal accruals/ Net Worth	3523.00	
Net Proceeds from the IPO	-	1,750.00

C) Assumptions for our estimated working capital requirements

The table below sets forth the details of holding levels (with days rounded to the nearest whole number) for the Financial Years ended March 31, 2022, March 31, 2023, March 31, 2024 and for the period ended July 31, 2024 as well as projections for the Financial Year ended March 31, 2026. Provided below are details of the holding levels (days) for financial years 2025:

(In Days)

Particulars	31.03.22	31.03.23	31.03.24	31.07.24	31.03.25	31.03.26
Trade Receivable	50	40	52	142	68	68
Trade Payables	30	22	24	27	23	23

**Key Justifications for holdings levels:**

Trade Receivable	<p>Trade Receivable Days represent the time taken to collect payments from banks.</p> <p><u>Fiscal 23 as compared to Fiscal 22</u> Receivable Days decreased from 50 to 40. This indicates improved collection efficiency, likely due to stronger relationships with banks or revised payment terms.</p> <p><u>Fiscal 24 as compared to Fiscal 23</u> Receivable Days increased from 40 to 52. The increase suggests either slower collections or extended payment terms with banks to accommodate higher revenue.</p> <p><u>For Fiscal 25 and 26</u> As part of our future growth plans the Company intends to venture into secured loans, increase focus on the digital partnerships etc. These products usually have a higher receivable cycle compared to existing business mix. In the secured loans the loan the payments cycles are longer as the lender usually pays after all post disbursement documents, registrations etc are complete and hence can take anywhere between 30-90 days. Similarly for digital lending segment the payment cycles can stretch to 60 days. Hence we have assumed average trade receivables at 68 days to ensure stability in our working capital.</p>
Trade Payables	<p>Trade Payable Days reflect the time you take to pay commissions to DSAs.</p> <p><u>Fiscal 23 as compared to Fiscal 22</u> Trade Payable Days decreased from 30 days to 22 days, reflecting quicker payments to DSAs. This improvement likely stemmed from faster collections from banks, enabling timely payments to DSAs to strengthen trust and foster better terms for future collaborations.</p> <p><u>Fiscal 24 as compared to Fiscal 23</u> Trade Payable Days increased slightly from 22 days to 24 days, indicating a minor delay in payments to DSAs. This was likely due to slower collections from banks during the year, which impacted the payment cycle.</p> <p><u>For Fiscal 25 and 26</u> We plan to maintain Trade Payable Days at 23 days, ensuring a consistent payment schedule to DSAs while supporting stable relationships and operational efficiency. Faster payments to agents is a critical lever for the Company to attract newer agents under its fold. Also it is almost in line with our current payment cycle.</p>

Other Current Assets	Other current assets include deposits, MAT credit entitlements, other miscellaneous assets, and rental advances. These are projected to increase proportionally with the overall growth in operations and business activities.
Other Current Liability	Other current liabilities comprise statutory dues, expenses payable, and other obligations. We anticipate a proportional increase in these liabilities in line with the growth in business operations and compliance requirements.
Short Term Provision	Short-term provisions include allocations for employee benefits and income tax provisions. The projected years are expected to see an increase in short-term provisions due to higher profitability, which will result in a rise in income tax provisions. Additionally, provisions for employee benefits are forecasted to grow as the company plans to undertake new hiring in the projected period to support operational expansion.
Short Term Loans and Advances	Short-term loans and advances comprise loans and advances to employees, supplier advances, and balances with government authorities. These are expected to increase in the projected years as business operations scale up and new personnel are onboarded to meet the demands of expansion. Also considering that our agents are mostly from the unorganized sector and do not have access to formal sources of credit they rely on advance from us for further business expansion and growth.

*As per the certificate dated January 30, 2025, issued by our Statutory Auditors, M/s BBSK & Associates, Chartered Accountants, have compiled and confirmed the working capital estimates and working capital projections.*

### **3. Investment In Wholly Owned Subsidiary i.e. LTCV Credit Private Limited**

Finbud, leveraging its extensive experience in the lending sector, plans to invest Rs.10 crore into its wholly-owned subsidiary, LTCV Credit Private Limited. LTCV Credit is a Non-Deposit Taking Non-Banking Financial Company (ND-NBFC) holding a Certificate of Registration from the Reserve Bank of India. This infusion will augment the Net Owned Funds (NOF) of LTCV Credit, ensuring compliance with regulatory requirements and providing a strong financial foundation for expanding business operations. The increased capital will enable enhanced lending capacity and growth in the NBFC's loan portfolio.

As a group, our leadership team possesses significant expertise in the lending industry. We operate a robust acquisition engine that generates substantial demand annually. This capability is complemented by deep insights into customer profiles, allowing for precise risk assessment and management. The investment in LTCV Credit will further enhance our ability to analyze repayment behaviors and refine our lending strategies, ultimately leading to improved portfolio performance.

By investing in our own NBFC, Finbud aims to achieve vertical integration, complementing its existing role as a distributor for other lenders. The funds will be allocated toward launching and scaling a diversified product portfolio, enhancing technology and analytics capabilities, and managing operational costs efficiently. The product mix will cater to both salaried and self-employed customers, leveraging Finbud's deep expertise in loan distribution and customer relationship management.

Our company has been a successful distributor of unsecured and secured loan products for multiple lenders, building a strong customer base and a comprehensive understanding of the credit ecosystem. Establishing direct lending operations through LTCV Credit will allow Finbud to originate and manage loans directly, capturing a larger share of the value chain. This strategic move aligns with our objective to optimize costs and maintain better control over credit underwriting and lifecycle management.

#### **Planned Loan Products and Features**

<b>Product</b>	<b>Features</b>	<b>Lifetime Estimated Credit Loss</b>
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<b>Unsecured Personal Loans:</b> These are loans provided to individuals without requiring collateral, designed to meet personal financial needs such as medical expenses, education, or travel. The borrower's income, credit score, and repayment ability primarily determine eligibility and loan terms.	Rate Of Interest – 15% to 26% Fees – 1% to 4% Income – Rs 35,000 per Month Tenure – 6 Months to 48 Months	2% - 5%
<b>Unsecured Business Loans:</b> These are loans offered to businesses without collateral, aimed at funding working capital, business expansion, or operational needs. Approval depends on the business's income, financial health, and creditworthiness.	Rate Of Interest – 18% to 30% Fees – 2% to 5% Business Income – Rs 3 Lakhs per annum Tenure – 12 Months to 48 Months	4% - 7%
<b>Used Car Loans:</b> These loans are tailored for individuals purchasing pre-owned vehicles, with the car itself often serving as partial security. Borrowers benefit from flexible repayment terms and competitive interest rates based on income and credit profile.	Rate Of Interest – 13% to 20% Fees – 1% to 2% Income – Rs. 35,000 per Month Tenure – 24 Months to 60 Months	1% - 3%
<b>Loan Against Property (LAP):</b> This is a secured loan where individuals or businesses pledge residential or commercial property as collateral to secure funding. It offers lower interest rates and higher loan amounts, making it ideal for large financial requirements.	Rate Of Interest – 14% to 24% Fees – 1% to 3% Business Income – 3 Lakhs per Annum Tenure – 24 Months to 72 Months	1% - 3%

#### Disclosures as per SEBI (ICDR) Regulations, 2018.

Particulars	Status
<b>Details of the Form of Investment</b>	Equity infusion through Rights Issue of Share Capital
<b>If the form of Investment has not been decided, a statement to that effect</b>	NA
<b>If the Investment is in debt instrument, complete details regarding rate of Interest, Whether secured or unsecured</b>	NA
<b>The nature of the Benefit expected to accrue as a result of the investment</b>	<p><b>Regulatory Compliance:</b> Augmenting the Net Owned Funds to meet and exceed the Reserve Bank of India's regulatory requirements.</p> <p><b>Business Expansion:</b> Providing the financial foundation necessary to expand lending operations and increase market share.</p> <p><b>Higher Profit Margins:</b> By retaining the interest income previously shared with partner lenders, we will significantly enhance profitability.</p> <p><b>Enhanced Risk Management:</b> Leveraging deep customer insights to improve risk assessment and credit underwriting processes.</p> <p><b>Vertical Integration:</b> Streamlining operations by combining loan distribution and origination, leading to cost optimization.</p>

#### Brief details of wholly owned subsidiary

Corporate Information	
<b>Name</b>	LTCV Credit Private Limited
<b>Registered Office</b>	No.10,1st Floor, 6th Main, 8th B Cross, Jeevan Bheema Nagar, Bangalore, Bangalore, Karnataka, India, 560075
<b>Date Of Incorporation</b>	20 <sup>th</sup> April 2018
<b>Main Object</b>	<p>1.To carry on the business of lending and advancing money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of or any other company whether or not associated in any way with, the company). This would be subject to the Company obtaining the applicable approvals from Reserve Bank of India (“RBI”).</p> <p>2. To enter into guarantees, contracts of indemnity and surety ship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any</p>

	<p>holding company, subsidiary or fellow subsidiary of , or any other company associated in any way with, the company ) This would be subject to the Company obtaining the applicable approvals from RBI.</p> <p>3. To borrow and raise money in any manner for the purpose of any business of the company or of any company in which the company is interested and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future) This would be subject to the Company obtaining the applicable approvals from RBI.</p> <p>4. To issue, subscribe for, conditionally or unconditionally or absolutely, purchase, hold, underwrite, negotiate and deal in stock, shares, bonds or obligations of any Government, State or Central, local authority, port trust, municipal body or any company or other corporation and the shares, stock, debentures and debenture stock (whether perpetual or terminable) of any Joint Stock Company or Co-Partnership and investments of all kinds. This would be subject to the Company obtaining the applicable approvals from RBI.</p> <p>5. To invest or deal with the surplus moneys and assets of the Company not immediately required and to hold or otherwise deal with any investment made, in such manner, as may from time to time, be determined. This would be subject to the Company obtaining the applicable approvals from RBI.</p>
<b>Capital Structure</b>	
<b>Authorised Capital</b>	Paid-Up Capital
<b>30,00,000 Equity Shares of face value of Rs 10 each amounting to Rs 3,00,00,000.</b>	20,45,000 Equity Shares of face value of Rs 10 each amounting to Rs 2,04,50,000.
<b>Shareholding Pattern</b>	
<b>Name of Shareholders</b>	Number Of Shares/ % Of Holding
<b>Finbud Financial Services Limited</b>	20,45,000 i.e. 100% of Share Capital*
<b>Financial Data</b>	
<b>Revenue from Operations</b>	77.47 Lakhs
<b>Profit After Tax</b>	1.58 Lakhs
<b>Net Worth</b>	234.89 Lakhs

\*Parth Pandey is the nominee shareholder, holding 1 equity share.

#### Summary of Investments to be Made

Particulars	No of Shares and Investment Amount
<b>Existing Shares</b>	20,45,000 Equity Shares of face value of Rs 10 each amounting to Rs 2,04,50,000.
<b>Total Investment Proposed to Be Made in Form of Equity Capital</b>	1,00,00,000 Equity Shares of face value of Rs 10 each amounting to Rs 10,00,00,000.
<b>Investments from Issue Proceeds</b>	1,00,00,000 Equity Shares of face value of Rs 10 each amounting to Rs 10,00,00,000.

#### **4. Investment in Digital Marketing**

The company plans to allocate Rs.125.00 lakhs for digital marketing as part of its strategy to drive customer acquisition and strengthen its market presence.

##### Background

Google AdWords has been a central component of the company's inorganic customer acquisition strategy. Google AdWords is an online advertising platform developed by Google that enables businesses to promote their products and services across Google's extensive network. Operating on a pay-per-click (PPC) model, advertisers pay only when a user clicks on their ad.

Over the past year, the platform has proven effective in reducing the Average cost per click (Avg CPC). Initially, the Avg. CPC was approximately Rs.4 per customer, but through strategic optimization and targeting, this cost has been reduced to Rs.1.25 per customer.

This reduction was achieved by utilizing data-driven advertising campaigns, refining keyword strategies, and employing effective bid management practices. The advanced targeting options offered by Google Ads ensured that ads reached highly relevant audiences, further enhancing cost efficiency.

For current planning and analysis, a cost of Rs.1 per customer has been used based on historical trends and past performance.

### Requirement of funds

We propose to utilize Rs.125.00 Lakhs from the Net Proceeds of the Issue to fund the sales and marketing requirements of our Company in Fiscal Years 2025 and 2026.

### **Historical Campaign Performance**

In last one year, we have run two key campaigns: the **Lead Performance Max Campaign** and the **Search Finbud Campaign**. The table below provides an overview of the performance of these campaigns.

Metrics	Lead Performance Max Campaign	Search Finbud person	Total campaign performance
Clicks	59534	45082	52308.00
Average CPC (In Rs)	3.19	4.22	3.71
Cost	189836.49	190438.15	190137.32

### **Projection for Upcoming Campaigns**

Metrics	Future Campaign	
	FY 25	FY 26
Clicks	25,00,000	1,00,00,000
Average CPC (In Rs)	1.00	1.00
Cost	25,00,000	1,00,00,000

#### **Notes:**

- 1.Trends based on historical performance and CPC data for last one year.*
- 2.Any shortfall in the campaign costs shall be met through internal accruals.*

### **5. Investment in Data Analytics**

The company plans to allocate Rs.750.00 lakhs towards implementing advanced data analytics solutions and offering free credit reports to customers.

#### Background

The Company recognizes the immense potential of leveraging data analytics to enhance customer profiling, refine targeting strategies, and improve decision-making. With a database of over 4 crore customers, our ability to derive actionable insights from this wealth of information is crucial for scaling operations and achieving sustainable growth. Currently, the Company lacks the advanced analytical tools and infrastructure required to process, analyze, and utilize this data effectively.

To address this, we plan to invest in cutting-edge data analytics solutions that will allow us to generate real-time insights, improve customer segmentation, and optimize our marketing strategies. The investment will also enhance our predictive capabilities, enabling proactive decision-making and improving overall operational efficiency.

Our company intends to raise funds to implement a comprehensive system that offers free credit reports to customers. This initiative is strategically designed to enhance our business operations, customer engagement, and competitive positioning within the digital lending market. Providing free credit reports will serve as a pivotal tool for acquiring valuable customer data insights and creating a strong incentive for users to engage with our platform consistently.

#### The nature of the Benefit expected to accrue as a result of the investment

##### **1. Enhancing Customer Acquisition and Platform Engagement**

**Value Proposition:** Offering free credit reports presents a compelling value proposition that attracts potential customers to our platform. It addresses a common customer need for accessible credit information, thereby increasing the likelihood of initial engagement.

**Increased Traffic and Registrations:** The availability of free credit reports is expected to drive higher website traffic and user registrations. Customers seeking to understand their credit standing will be drawn to our platform as a reliable resource.

Hook for Long-Term Engagement: By providing a service that requires regular updates, such as credit monitoring, we create a reason for customers to return to our platform frequently, fostering long-term engagement.

## **2. Leveraging Data Insights for Personalized Financial Solutions**

Granular Customer Data: Access to customers' credit reports will furnish us with detailed insights into their credit histories, financial behaviors, and borrowing capacities.

Tailored Product Offerings: With this data, we can develop and recommend financial products that are closely aligned with individual customer profiles, such as personalized loan offers that match their creditworthiness.

Improved Matching Efficiency: Enhanced data allows for more accurate matching between borrowers and lenders, increasing approval rates and customer satisfaction.

## **3. Strengthening Customer Retention and Loyalty**

Regular Platform Interaction: Credit reports require periodic updates, encouraging users to revisit our platform regularly to monitor changes in their credit scores.

Building Trust: By helping customers understand and improve their credit health, we position ourselves as a trusted partner in their financial journey.

Upselling Opportunities: Ongoing engagement provides opportunities to introduce additional services, such as financial planning tools or exclusive loan products, thereby increasing customer lifetime value.

## **4. Expanding Revenue Streams Through Cross-Selling and Upselling**

Cross-Selling Financial Products: Insights from credit reports enable us to identify customer needs and offer complementary financial products, such as insurance or investment services.

Upselling Higher-Value Services: For customers showing improved credit profiles, we can upsell products with better terms or higher loan amounts, enhancing revenue potential.

Increased Conversion Rates: Personalized recommendations based on credit data are more likely to convert, improving the efficiency of our marketing efforts.

## **5. Competitive Differentiation in the Digital Lending Market**

Unique Offering: Providing free credit reports differentiates us from competitors who may not offer such value-added services.

Enhanced Brand Reputation: By demonstrating a commitment to customer empowerment and financial literacy, we strengthen our brand image in the market.

Customer Acquisition Advantage: This service can be a key factor in a customer's decision to choose our platform over others, giving us an edge in acquiring new users.

## **6. Building a Robust Data Ecosystem for Strategic Decision-Making**

Market Trend Analysis: Aggregated credit data enables us to analyze broader market trends, borrower behaviors, and emerging risks.

Product Development: Data-driven insights inform the development of new financial products and services that meet evolving customer needs.

Risk Management: Understanding credit profiles aids in assessing default risks, allowing us to collaborate with lending partners to mitigate potential losses.

## **7. Facilitating Partnerships with Lenders and Financial Institutions**

Value to Lenders: Providing lenders with access to a pool of well-informed and pre-qualified borrowers enhances the attractiveness of our platform.

Collaborative Product Offerings: Data insights enable the co-creation of loan products that are tailored to specific customer segments, benefiting both lenders and borrowers.

Strengthened Negotiating Position: A larger, engaged customer base allows us to negotiate better terms and commissions with lending partners.

## 9. Scalability and Future-Proofing the Business Model

Adaptable Infrastructure: Investing in credit reporting capabilities builds an infrastructure that can scale with growing customer numbers and expanding service offerings.

Technological Integration: The system can integrate with other technological solutions, such as AI-driven analytics and personalized marketing tools, enhancing efficiency.

Sustainable Growth: By establishing a steady stream of engaged users and data insights, we create a foundation for sustainable long-term growth.

## 10. Financial Viability and Return on Investment

Cost-Benefit Analysis: While there is an upfront cost in providing free credit reports, the expected increase in customer acquisition, retention, and revenue generation presents a strong business case.

Revenue Projections: Anticipated growth in loan originations, cross-selling, and upselling activities are projected to yield significant returns over time.

### Requirement of Funds

The table below outlines the estimated costs related to implementing data analytics solutions:

S. No	Particulars	Total Cost (Rs. Lakhs)	Vendor
1.	Experian Credit Report Integration	750.00	Experian Credit Information Private. Limited.

## 6. Investment in Digital Lending and Cloud Software

Our company intends to deploy Net Proceeds aggregating to Rs.800.00 lakhs for purchase of software license from Salesforce.

### Background

The company's digital lending operations currently rely on internally developed tools to manage loan applications, borrower interactions, and lender communications. While these tools are effective for lower volumes, they present challenges in scalability and efficiency as demand increases. To address this, the company is implementing Salesforce's Digital Lending and Financial Services Cloud platforms. These solutions will automate key processes such as loan origination, application handling, approvals, and customer service, enhancing productivity, reducing processing times, and enabling greater application capacity with improved accuracy and control.

Quotation from Salesforce includes an upfront license fee for 75 users, allocated as one license per team of 10 members, and support for up to 25,000 monthly loan disbursements. Currently, the digital teams process approximately 8,000 loan disbursements per month. The quote is based on scaling to handle around 25,000 disbursements per month.

### The nature of the Benefit expected to accrue as a result of the investment

#### 1. Efficiency Gains in Loan Application Processing

The company's current in-built tools manage loan applications effectively at lower volumes but require manual intervention, limiting scalability. Salesforce's Digital Lending platform automates processes such as loan origination and approvals, reducing manual effort, minimizing errors, and enabling faster handling of higher loan volumes. Salesforce's Digital Lending platform automates workflows like loan origination and approvals, reducing manual tasks, processing times, and errors while enabling higher loan volumes.

#### 2. Enhanced Digital Experience for Borrowers

Borrower interactions currently rely on staff-led steps. Salesforce introduces self-service capabilities, allowing borrowers to independently manage applications, enhancing convenience and responsiveness while reducing routine workloads for staff.

### 3. Centralized Data Management for Comprehensive Oversight

Existing tools result in fragmented borrower and loan data across systems. Salesforce’s Financial Services Cloud integrates this data into a single platform, offering better visibility, accuracy, and support for data-driven decisions.

### 4. Scalability to Support Growth

In-built systems are limited in their ability to scale with increasing loan volumes. Salesforce’s cloud-based platform supports seamless scaling and integration of new lending partners, ensuring readiness for market growth.

### 5. Improved Compliance and Data Security

Current tools require manual oversight for compliance and data security, increasing risks. Salesforce automates compliance tasks and offers robust security features, ensuring regulatory alignment and secure data handling, aligned with government guidelines.

### 6. Data-Driven Insights for Proactive Market Adaptation

Data analysis with current tools involves multiple platforms and manual effort. Salesforce’s integrated analytics and AI provide automated, real-time insights into borrower trends and market dynamics, driving more accurate forecasting and optimized marketing strategies.

### 7. Enhanced Integration Across Functional Areas

In-built tools lack seamless cross-functional workflows. Salesforce unifies loan origination, borrower management, and CRM while integrating with third-party tools, delivering an end-to-end lending solution adaptable to evolving needs.

The transition from using internal tech tools to Salesforce’s automated standardized digital lending solution will significantly enhance the company’s operational efficiency, support scalable growth, and strengthen compliance. These improvements provide a secure, agile infrastructure aligned with the company’s strategic objectives in the competitive digital lending industry.

#### Requirement of funds

The table below outlines the estimated cost breakdown related to implementing the Salesforce Digital Lending and Financial Services Cloud platforms

S. No.	Particulars	Units / Cost per Unit (in Rs. Lakhs)	Total Cost	Vendor / Supplier	Date of quotation	Validity of quotation
1	Digital Lending - Enterprise Edition	12/ 6.43	7,721,999.42	Salesforce.com India Private Limited	31/10/2024	NA
2	Additional Loan Credits (1,000)	275/ 2.97	81,675,000.00	Salesforce.com India Private Limited	31/10/2024	NA
3	Financial Services Cloud - Sales - Enterprise Edition	288/ 0.05	3,996,000.00	Salesforce.com India Private Limited	31/10/2024	NA
	<b>Total</b>		<b>93,392,999.42</b>			

Of the total software licensing cost of Rs.933.92 lakhs, we propose to fund 800.00 lakhs from the net proceeds, with the remaining amount covered by the Company's internal accruals.

We have not yet finalized an agreement with Salesforce, from whom we have received quotations for implementing the Digital Lending and Financial Services Cloud platforms. There is no assurance that the final costs will align with the quoted estimates. The quotations provided by Salesforce exclude additional costs such as applicable government taxes, which will be determined at the time of order placement. The actual funding required for Salesforce platform implementation, along with associated costs, will be based on final requirements and management estimates.

Our Promoter, Directors, Key Managerial Personnel, and Senior Management do not have any financial interest in Salesforce regarding the proposed implementation.

## **7. Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company**

Our Company has entered into financing arrangements for availing certain term loans and working capital loans. For disclosure of our borrowings as at July 31, 2024, see “*Statement of Financial Indebtedness*” beginning on /86 number .

We propose to utilise an amount of Rs. 650.00 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. The Net Proceeds utilized towards repayment or prepayment of all or a portion of certain outstanding borrowings availed by our Company will not be indirectly routed to our Promoters, our Promoter Group, our Group Companies or our Associates. We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. Our Company may avail further loans after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

In the event our Board deems appropriate, prior to filing of the Red Herring Prospectus. We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing this Draft Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. The amount allocated for the estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ prepaid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/prepaid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, (iv) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders and (v) provisions of any law, rules, regulations governing such borrowings. The following table provides details of certain borrowings availed by us which are outstanding as on November 26, 2024 , out of which we may repay or prepay, in full or in part, any or all of the borrowings from the Net Proceeds:

S. No	Lender Name	Type of Loan	Date of Loan Agreement	Date of first disbursement of loan	Purpose of Loan	Amt as per loan agreement	Tenure	Interest Rate	Loan amt availed and Utilised	Amt outstanding on 26 November, 2024 *	Repayment from IPO Proceeds	Amt outstanding after repayment ^	Estimated amt of prepayment penalty @
1	Aarkay Investment Private Limited	Unsecured loan - From others	04-Oct-2018	05-Oct-2018	Working capital	1,00,00,000	Bullet repayment	18.00%	1,00,00,000	50,00,000	50,00,000	-	
2	Bajaj Finance Limited	Unsecured loan - From NBFC	26-Jun-2024	26-Jun-2024	Working capital	76,36,468	84 months	17.50%	76,36,468	76,36,468	76,36,468	-	-
3	Cholamandalam Investment & Finance Company Limited	Unsecured loan - From NBFC	31-Jan-2023	01-Feb-2023	Working capital	20,14,500	48 months	17.00%	20,14,500	12,96,648	12,96,648	-	-
4	Cholamandalam Investment & Finance Company Limited	Unsecured loan - From NBFC	11-Oct-2023	11-Oct-2023	Working capital	27,44,940	48 months	16.99%	27,44,940	22,21,480	22,21,480	-	-
5	Clix Capital Services Private Limited	Unsecured loan - From NBFC	28-Jun-2024	28-Jun-2024	Working capital	47,03,000	48 months	18.00%	47,03,000	42,96,037	42,96,037	-	-
6	HDFC Bank Limited	Unsecured loan - From Bank	31-Jan-2023	30-Jan-2023	Working capital	40,00,000	36 months	14.50%	40,00,000	18,78,575	18,78,575	-	-
7	Kotak Bank Limited	Unsecured loan - From Bank	10-Feb-2023	10-Feb-2023	Working capital	40,00,000	24 months	14.50%	40,00,000	5,64,927	5,64,927	-	33,331
8	Kotak Bank Limited	Unsecured loan - From Bank	31-Oct-2023	01-Nov-2023	Working capital	60,00,000	24 months	14.50%	60,00,000	32,15,832	32,15,832	-	1,89,734
9	OXYZO Financial Services Private Limited	Unsecured loan - From NBFC	29-Dec-2023	30-Dec-2023	Working capital	50,00,000	24 months	16.00%	50,00,000	31,15,354	31,15,354	-	93,461
10	SMFG India Credit Co Limited	Unsecured loan - From NBFC	21-Jun-2024	28-Jun-2024	Working capital	75,00,000	31 months	15.50%	75,00,000	66,58,776	66,58,776	-	-
11	Unity Small Finance Bank Limited	Unsecured loan - From NBFC	01-Jul-2024	05-Jul-2024	Working capital	51,00,000	24 months	16.50%	51,00,000	43,64,000	43,64,000	-	-
12	Half Cute Internet Private Limited	Unsecured loan - From NBFC	15-Mar-2022	21-Mar-2022	Working capital	3,00,00,000	Bullet repayment	12.00%	3,00,00,000	2,90,00,000	2,44,35,377	45,64,623	-
	<b>Total</b>								<b>8,86,98,908</b>		<b>6,46,83,474</b>	<b>45,64,623</b>	<b>3,16,526</b>

\*In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated December 11, 2024 from our Statutory Auditors, BBSK and Associates, Chartered Accountants, certifying the utilization of each loan for the purpose for which it was availed and the amount outstanding as on November 26, 2024.



*^The amount mentioned in this column is arrived at by subtracting the loan amount proposed to be repaid from the Net proceeds of the Issue from the amount outstanding as on November 26, 2024. However, this amount may not be accurate as on the date when the Net Proceeds are deployed towards repayment of the borrowings, due to factors such as increase in the outstanding amount due to accrued interest or decrease in the outstanding amount due to repayment of instalments.*

*@ The amount mentioned in the column sets out the estimated amount of prepayment penalty, refinancing charges and other penalties which our Company will incur in connection with undertaking the object of prepayment or repayment of a portion of certain indebtedness availed by our Company. The amounts mentioned will be dependent on the actual amount deployed against each of such loans. Further, the amount mentioned is basic value only and GST shall be charged extra at actual rate in force on the date of payment.*

## GENERAL CORPORATE PURPOSE

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose\*. Further, we confirm that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue.

**\*As per the 208th SEBI Board Meeting held on December 18, 2024, as referenced in PR No.36/2024, Amount for General Corporate Purpose (GCP) in SME IPO shall be capped to 15% of amount being raised by the issuer or Rs. 10 crores, whichever is lower. However, SEBI has not yet formally issued circulars, notifications, or amendments to regulations to implement these decisions.**

## ISSUE RELATED EXPENSES

The estimated expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges, and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lakh. The break-up of the same is as follows:

(Rs. In Lakh)

Particulars	Amount	% of total estimated expenses	% of total Issue size
Lead manager(s) fees including underwriting commission, advisors and other experts.	[●]	[●]	[●]
Brokerage, selling commission and upload fees.	[●]	[●]	[●]
Registrars to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Peer Review Auditor	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]
Others, if any include Bankers to the Issue, Depository, certifications, miscellaneous, etc.	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

Notes:

### For Sub-Syndicate Members, RTAs and CDPs

Selling commission payable to the SCSBs on the portion, Retail Bidders and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

- Portion for Retail Bidders: [●] % of the Amount Allotted\* (plus applicable taxes)
- Portion for Non-Institutional Bidders: [●] % of the Amount Allotted\* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue) Price.

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.

No processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the Retail Bidders and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Bidders and Non-Institutional Bidders	Rs. [●]/- per valid allotted application (plus applicable taxes)
----------------------------------------------------------	------------------------------------------------------------------

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed Rs. [●].00 Lakhs (plus applicable taxes) and in case if the total processing fees exceeds Rs. [●].00 Lakhs (plus applicable taxes) then processing fees will be paid on pro-rata basis.

The processing fees for applications made by Retail Individual Bidders and Non-Institutional Investors using the UPI Mechanism would be as follows:

Members of the Syndicate / RTAs / CDPs (uploading charges)	Rs. [●] per valid allotted application (plus applicable taxes)
Sponsor Bank	Rs. [●] per valid allotted application form* (plus applicable taxes). The Sponsor bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

\*For each valid allotted application by respective Sponsor Bank.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees for applications made by Retail Bidders (up to Rs. 200,000), Non-Institutional Bidders (for an amount more than Rs. 200,000 and up to Rs. 500,000) using the UPI Mechanism and Eligible Employee(s) using the UPI Mechanism would not exceed Rs. [●] (plus applicable taxes) and in case if the total uploading charges/processing fees exceeds Rs. [●] (plus applicable taxes) then uploading charges/processing fees using UPI Mechanism will be paid on pro-rata basis (plus applicable taxes).

Selling commission on the portion for Retail Bidders, Non-Institutional Bidders, which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & company account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for RIBs: [●] % of the Amount Allotted\* (plus applicable taxes)

Portion for Non-Institutional Bidders: [●] % of the Amount Allotted\* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue) Price.

Uploading Charge/processing Charges:

Payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be: Rs. [●] plus applicable taxes, per valid allotted application bid by the Syndicate member (including their sub-Syndicate Members).

Bid Uploading charges payable to the SCSBs on the portion of Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be: Rs. [●] per valid allotted application (plus applicable taxes).

Notwithstanding anything contained above the total uploading charges payable under this clause will not exceed Rs. [●] (plus applicable taxes) and in case if the total uploading charges exceeds Rs [●] (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub- Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), on the portion for Retail Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: Rs. [●] plus applicable taxes, per valid allotted application bid by the Syndicate (including their sub-Syndicate Members).

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable).

The Issue expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary, if any

## SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds for the previously mentioned purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(Rs. in Lakh)

S.No.	Particulars	Estimated Utilization of Net Proceeds (Financial Year 2025-26)
1	Infrastructure development	1250.00
2	Working capital requirement	1750.00
3	Investment In Wholly Owned Subsidiary i.e. LTCV Credit Private Limited	1000.00
4	Investment in Digital Marketing	125.00
5	Investment in Data Analytics	750.00
6	Investment in Digital Lending and Cloud Software	800.00
7	Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company	650.00
8	General Corporate Purposes	[•]
Total		[•]

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## DEPLOYMENT OF FUNDS

The Company has received the Sources and Deployment Funds Certificate dated December 11, 2024 from BBSK and Associates, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs.5.00. Details of the deployment of funds as on December 11, 2024, as per the certificate are as follows:

(Rs. in Lakh)

Particulars	Source of fund	Amount
Issue Expenses	Internal Accrual	5.00
<b>Total</b>		

## APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

## SHORTFALL OF FUNDS

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

## INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to invest the funds in a fixed/term deposit with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

## BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

#### **MONITORING UTILIZATION OF FUNDS**

As the Net Proceeds of the Issue will be less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. The Company shall ensure that the Issue Proceeds are maintained in a designated bank account opened specifically for this purpose. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS**

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, our Group Companies or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with our Directors, our Promoters, the members of our Promoter Group, the Key Managerial Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the issue as set out above, except in the normal course of business and as disclosed in the sections titled “*Our Promoters and Promoter Group*” and “*Our Management*” as mentioned on page 157 and 145 of this Draft Red Herring Prospectus.

## BASIS FOR ISSUE PRICE

Investors should read the following summary with the “**Risk Factors**”, the details about our Company under the “**Our Business**” and its financial statements under the “**Restated Financial Information**” beginning on page 22, page 116 and page 165 respectively of this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment. All Accounting Ratios have been adjusted for the outstanding shares as on date of this Draft Red Herring Prospectus.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- Strong portfolio and diverse range of Loan products across consumer preferences.
- Diversified revenue from multiple locations and geographies of India.
- Strategic Partnerships with Banks and NBFCs
- Capital-efficient and scalable business model.
- Experienced, aligned, and professional management team.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 116 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented in this section is derived from our Restated Financial Statements. For details, see “**Restated Financial Information**” on page 165. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

#### 1. Consolidated Basic & Diluted Earnings Per Share (EPS)\*:

Financial Year	Basic/ Diluted EPS	Weight
	(Rs.)	(x)
2023-24	4.24	3
2022-23	1.31	2
2021-22	(0.01)	1
<b>Weighted Average EPS (Rs.)</b>	<b>2.55</b>	<b>6</b>
<b>31 July 2024</b>	2.21	

#### Notes:

- The face value of each Equity Share is Rs.10.
  - Earnings per Share (Rs.) = Restated Profit after tax divided by the total number of equity shares as on DRHP date
  - The above statement should be read with significant accounting policies and the notes to the Restated Financial Information.
- \*(as adjusted for changes in capital).

#### 2. Price to Price / Earning (P/E) Ratio in relation to Price band of Rs. [●] to Rs. [●] per Equity Share

Particulars	P/E Ratio at Floor Price (no. of times) *	P/E Ratio at Cap Price (no. of times) *
P/E ratio based on the Weighted Average EPS	[●]	[●]

\* To be updated at Prospectus stage.

#### 3. Industry Price / Earning (P/E) Ratio

Currently, our Company has two listed competitors, i.e. companies engaged in comparative lines of business. We have tracked their market price movement to compute the Industry P/E as the median as set forth below:

Particulars	P/E Ratio
Highest	56.60
Lowest	10.21
Average	29.74

Notes: P/E ratio has been computed based on the closing market price of equity shares on NSE as on November 14, 2024, divided by the diluted EPS for the year ended March 31, 2024

#### 4. Consolidated Return on Net Worth (RONW)

Financial Year	RONW	Weight
	(%)	(x)
2023-24	49.15	3
2022-23	29.93	2
2021-22	(0.20)	1
<b>Weighted Average RONW</b>	<b>34.52%</b>	<b>6</b>
31 July 2024	<b>20.44</b>	

RONW = Net Profit after tax, as restated, attributable to the owners of the company Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company, excluding non-controlling interest)

#### Notes:

a) Weighted average = Aggregate of year-wise weighted NONW divided by the aggregate of weights i.e. (NONW x Weight) for each year/Total of weights.

b) The figures disclosed above are based on the Restated Financial Statements of our Company.

#### 5. Consolidated Net Asset Value (NAV)\*

As derived from the Restated Financial Statements

Financial Year	NAV per Equity Share
	(Amounts in Rs. )
2023-24	8.62
2022-23	4.38
2021-22	3.07
31 July 2024	10.83
NAV after the Issue (Cap Price)	[●]
NAV after the Issue (Floor Price)	[●]

#### Notes:

a) Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the number of equity shares outstanding as on DRHP date. Net worth represents aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Financial Information.

\* (as adjusted for changes in capital).

#### 6. Comparison with Industry Peers

Name	CMP (Rs.)	Face Value (Rs.)	Revenue (Rs. in Lakhs)	Basic EPS (Rs.)	Diluted EPS (Rs.)	Price to Earning (times)	RONW (%)	NAV per Equity Share (Rs.)
Finbud Financial Services Limited	[●]	10	19,027.22	4.24	4.24	[●]	49.15	8.62
<b>Peer Group</b>								
My Mudra Fincorp Limited	102.00	10	7107.24	10.09	10.09	10.21	49.74	20.29

Akiko Global Services Limited	78.20	10	3230.56	5.37	5.37	22.40	25.76%	20.84
BLS E-Services Limited	208.94	10	30147.93	4.44	4.44	56.60	7.78%	47.45

Source: All the financial information for listed industry peers mentioned above is on a Consolidated basis as available sourced from the financial Reports of the peer company uploaded on the NSE website for the year ended March 31, 2024

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on the NSE website on November 14, 2024 divided by the Diluted EPS.
- RONW is computed as net profit after tax divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

Investors should read the above mentioned information along with “**Risk Factors**”, “**Our Business**”, **Management Discussion and Analysis of Financial Position and Results of Operations**” and “**Restated Financial Information**” on pages 22, 170, and 165 , respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “**Risk Factors**” and you may lose all or part of your investments.

## 7. The Issue Price is [●] times the Face Value of the Equity Shares

The price band/floor price/issue price will be determined by the issuer in consultation with the BRLM, on the basis of book- building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameter.

## 8. Key Financial & Operational Performance Indicators (KPIs)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 17, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by BBSK and Associates, Chartered Accountants, by their certificate dated October 25, 2024.

(Amounts in Rs. Lakhs)

Key Performance Indicator	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Revenue from operations	6,833.51	19,027.22	13,547.82	8,812.02
EBITDA	528.13	1,062.84	432.12	207.07
EBITDA Margin (%)	7.73%	5.59%	3.19%	2.35%
PAT	309.91	593.08	183.60	-0.87
PAT Margin (%)	4.54%	3.12%	1.36%	-0.01%
ROE (%)	20.44%	49.15%	29.93%	-0.20%
ROCE (%)	21.64%	51.36%	25.60%	13.73%

Notes:

- Revenue from operations is the total revenue generated by our Company from the sale of products.
- EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expense's
- EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- PAT is calculated as Profit before tax – Tax Expense's
- PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.
- Return on Equity is ratio of Profit after Tax and Shareholder Equity.
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term debt and Long term provisions.



## Explanation for KPI metrics

<b>KPI</b>	<b>Description</b>
Revenue from operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
ROE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
ROCE(%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

**9. Key Financial & Operational Performance Indicators (KPIs) in comparison to industry peers**

Key Performance Indicator	Finbud Financial Services Limited			My Mudra Fincorp Limited			Akiko Global Services Limited			BLS E-Services Limited		
	Fiscal 2023-24	Fiscal 2022-23	Fiscal 2021-22	Fiscal 2023-24	Fiscal 2022-23	Fiscal 2021-22	Fiscal 2023-24	Fiscal 2022-23	Fiscal 2021-22	Fiscal 2023-24	Fiscal 2022-23	Fiscal 2021-22
Revenue from operations	19,027.22	13,547.82	8,812.02	7107.24	5346	2838.25	3239.55	3958.11	1351.92	30,147.93	24,306.07	9,669.82
EBITDA	1,062.84	432.12	207.07	1266.36	568.4	116.01	537.20	632.42	118.25	4,992.91	3,368.97	862.07
EBITDA Margin	5.59%	3.19%	2.35%	17.82%	10.63%	4.09%	16.58%	15.97%	8.74%	16.56%	13.86%	8.92%
PAT	593.08	183.60	-0.87	835.52	346.75	46.86	375.45	453.26	77.85	3,353.79	2,033.18	537.96
PAT Margin	3.12%	1.36%	-0.01%	11.76%	6.49%	1.65%	11.59%	11.45%	5.76%	11.12%	8.36%	5.56%
ROE(%)	49.15%	29.93%	-0.20%	66.20%	54.09%	11.32%	48.33%	129.22%	92.44%	7.78%	19.01%	79.18%
ROCE(%)	39.02%	25.28%	12.06%	45.98%	44.12%	13.86%	56.73%	109.99%	63.39%	10.80%	28.90%	79.18%

## 10. Weighted Average cost of Acquisition

### a) Price per share of our Company based on the primary issue of Shares

Other than mention below, there has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Draft Red Herring Prospectus, excluding the shares issued under the ESOP Schemes and issuance of bonus shares, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre- Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	Type of Issue	No. of Shares allotted	Face Value (INR)	Issue Price (INR)	Nature of Consideration	Nature of Allotment
13/09/2024	Equity	78	10	89,070.00	Cash	Private Placement
13/09/2024	Preference	1684	10	89,070.00	Cash	Private Placement
06/11/2024	Equity	1684	10	89,070.00	Not Applicable	Conversion of CCPS
<b>Weight Average Cost of Acquisition</b>						<b>89,070.00</b>

### b) Price per share of our Company based on the secondary sale / acquisition of Shares

Other than mention below, there have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre- issue share capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Transaction	No. of Equity Shares transacted	Face Value (INR)	Transfer Price (INR)	Buyer	Seller
20-09-2023	390	10	100	Vivek Bhatia	Abhinav Goyal
				Parth Pande	
				Parag Agarwal	
08-11-2024	84	10	89,070.00	Dilipkumar Karodimal Khandelwal	Parth Pande
11-11-2024	281	10	89,070.00	Ashish Kacholia	Parag Agarwal
12-11-2024	50	10	89,070.00	Mayank Porwal	Parth Pande
12-11-2024	56	10	89,070.00	Ankur Gulati HUF	Parth Pande
13-11-2024	281	10	89,070.00	Sattva Family office	Parth Pande
14-11-2024	280	10	89,070.00	RBA Finance and Investments Co	Parag Agarwal
15-11-2024	56	10	89,070.00	Meena Kumari	Parth Pande
15-11-2024	56	10	89,070.00	Abhishek Jain	Parth Pande
19-11-2024	22	10	89,070.00	Mayank Tiwari	Parag Agarwal
19-11-2024	480	10	89,070.00	Minerva Ventures Fund	Vivek Bhatia

<b>Weight Average Cost of Acquisition</b>	<b>72,027.61</b>
-------------------------------------------	------------------

c) Floor price and cap price as compared to weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) (b) and (c), shall be disclosed in the following manner:

Past Transaction	Weighted Average Cost of Acquisition (Rs.)	Floor Price Rs. [●]*	Cap Price Rs. [●]*
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	89,070.00	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	72,027.61	[●]	[●]

Note:

\*To be updated at Red Herring Prospectus stage

e) Explanation for Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in 10 (d) above) along with our Company's key performance indicators and financial ratios for the Stub period ended on July 31, 2024 and Fiscals 2024, 2023 and 2022.

[●]\*

\*To be included on finalization of Price Band.

11. The Issue is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English newspaper [●], all editions of Hindi newspaper [●] and Regional newspaper [●] where the registered office of the company is situated, each with wide circulation.
12. The Issue Price of Rs. [●] has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "**Risk Factors**", "**Our Business**", "**Management Discussion and Analysis of Financial Position and Results of Operations**" and "**Restated Financial Information**" on pages 22, 116, 170 and 165, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "**Risk Factors**" and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors,  
**Finbud Financial Services Limited,**  
No.10, 1st Floor, 6th Main, 9th Cross,  
Jeevan Bhima Nagar,  
Bangalore – 560075

### **Sub: Statement of Possible Special Tax Benefits Available to Finbud Financial Services Limited (“the Company”) and its shareholders under direct and indirect tax laws**

Dear Sirs,

We refer to the proposed initial public offering of equity shares (the “Offer”) of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the “Taxation Laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2025-2026 relevant to the financial year 2024-25 for inclusion in the Draft Red-Herring Prospectus/ Red-herring Prospectus/ Prospectus (“Offer Document”) for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met
3. the revenue authorities courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

### **LIMITATIONS**

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue). This certificate is issued on the understanding that the management of the company has drawn our attentions to all the matters, which they are aware of, relevant to this certificate and any matter, which may have an impact on our certification.

In the course of the present exercise, we were provided with both written and verbal information, and financial data.

Yours sincerely,

For **M/s. B B S K and Associates**  
Chartered Accountants  
Firm Registration No: 013313S

Harikrishnan K  
Partner  
Membership No: 262701

UDIN: 24262701BKGQHE3297  
Date: 21/Nov/2024  
Place: Chennai

## **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

### **Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2023 i.e., applicable for Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has not opted for section 115BAA for the assessment year 2024-25 and 2025-26.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

### **Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

There are no special tax benefits available to the Company under GST law.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax

## SECTION VI: ABOUT OUR COMPANY

### OUR INDUSTRY

#### *Disclaimer:*

*The information presented in this section has been extracted from publicly available information, data, and statistics. This information, data, and statistics have been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue has verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness, and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on pages 22 and 165 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.*

#### **Overview of the Indian Economy<sup>1</sup>**

India, with its vast and diverse economy, has positioned itself as a significant player in the global market. Despite the challenges posed by the COVID-19 pandemic, India's economy is projected to remain resilient and exhibit robust growth. The country has been capturing an increasing share in the global export of goods and services, demonstrating its competitiveness on the international stage. The government's focus on policies such as Make in India and Atmanirbhar Bharat (Self-Reliant India) aims to promote domestic manufacturing, reduce dependency on imports, and strengthen India's position in global supply chains.

Furthermore, the Production Linked Incentive (PLI) scheme, introduced by the Indian government, provides financial incentives to manufacturers in key sectors, encouraging investments, and fostering technological advancements. These initiatives, combined with a growing entrepreneurial ecosystem, skilled workforce, and favorable demographics, contribute to the overall growth outlook of the Indian economy.

#### **Introduction<sup>2</sup>**

The Indian economy closed FY24 strongly with its growth surpassing market expectations, despite strong external headwinds. Early indications suggest a continuation of the economic momentum during the first quarter of FY25. The emerging robust trends in important high-frequency indicators of growth like the GST collections, e-way bills, electronic toll collections, sale of vehicles, purchasing managers' indices and the value and number of digital transactions attest to the growing strength of the economy.

Industrial activity is gaining momentum. This is clear from improving industrial capacity utilization and volume indicators like the Index of Industrial Production and Purchasing Managers' Index (PMI) for manufacturing. Concurrently, fixed investment is gathering pace on the back of the focus of the Government on capital spending and the resultant crowing in of private investment. The forward-looking surveys of the Reserve Bank also indicate improving consumer confidence and industrial outlook.

The job market trends are reassuring. While the urban unemployment rate declined y-o-y during the quarter ending March 2024, the labour force participation rate and worker-to-population ratio have improved. Formal jobs are rising, as indicated by the growing net payroll additions under the Employee Provident Fund Organization.

Along with growth and employment, the other macroeconomic indicators are also improving. Retail inflation clocked 4.83 per cent in April 2024, the lowest in the past 11 months. On the external front, despite global challenges, India's foreign exchange reserves are comfortable, and the Indian rupee has been one of the most resilient vis-à-vis the US dollar in recent months. From the fiscal angle, robust trends in the capital spending of the general government during April-February of FY24, combined with the fiscal consolidation plans reflected in the Budget for FY25, have laid to rest concerns about debt sustainability. Thus, the major pillars of India's macro-economic strength, including growth, price stability and fiscal management, are directionally positive and mutually reinforcing.

The unrelenting geopolitical tensions and volatility in global commodity prices, especially of petroleum products, present substantial multi-frontal challenges. Nonetheless, the expectation is that the macro-economic buffers nurtured and strengthened during the post-Covid management of the economy will help the Indian economy navigate these challenges reasonably smoothly.

India has SMEs as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

1. <https://www.ibef.org/economy/indian-economy-overview>

2. Monthly economic report-April 2024-Departement of Economic Affairs



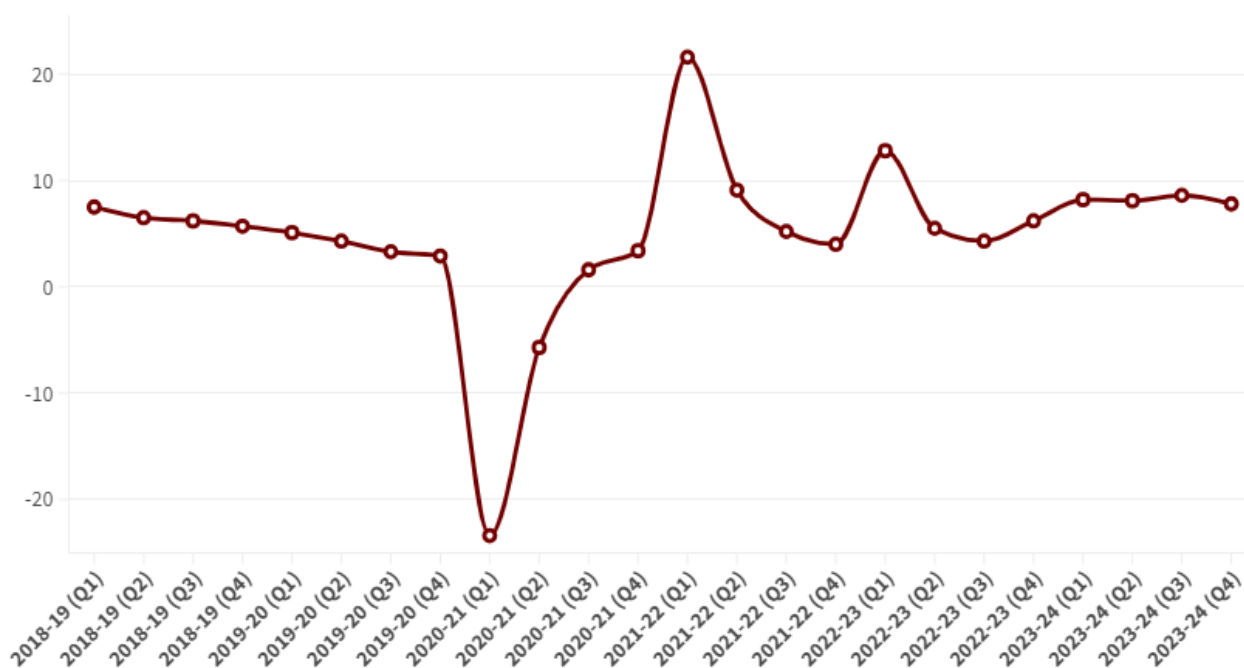
### Market Size<sup>3</sup>

In FY23, GDP growth had declined, with Q3 showing a moderation to 4.4 per cent. The GDP growth rate had fallen to 6.3 per cent in Q2FY23 from 13.5 per cent in Q1FY23, largely due to pandemic-related statistical distortions. However, Q4 numbers exceeded expectations, lifting India's growth to 7.2 per cent for FY23, surpassing the 7 per cent cited in earlier estimates.

India's GDP grew at 7.8 per cent annually in the last quarter (Q4) of FY24. The Centre now estimates the overall growth rate for FY24 to be 8.2 per cent, as per the Ministry of Statistics and Programme Implementation (MOSPI). The Q3 growth rate was revised upwards to 8.6 per cent from 8.4 per cent, with growth in previous quarters recorded at 8.2 per cent in Q1 and 8.1 per cent in Q2. The real Gross Value Added (GVA) for FY24 grew by 7.2 per cent over 6.7 per cent in FY23. This increase is attributed to significant growth in the manufacturing sector (9.9 per cent in FY24 compared to a contraction of 2.2 per cent in FY23) and the mining sector (7.1 per cent in FY24 over 1.9 per cent in FY23).

Experts had anticipated robust growth for the January to March quarter. The Reserve Bank of India (RBI) had estimated Q4FY24 real GDP growth at 7 per cent. The Monetary Policy Committee (MPC) raised the real GDP forecast for FY25 to 7.2 per cent from an earlier estimate of 7 per cent, citing improving rural and urban demand buoyed by favorable monsoon forecasts. Quarterly growth for FY25 is projected at 7.3 per cent for Q1, 7.2 per cent for Q2, and 7.3 per cent for Q3.

**Quarter-wise Real GDP Growth Rates (%) for FY 2018-19 to FY 2023-24 (Q4) (Constant Prices)  
(Base Year: 2011-12)**



Source: MoSPI, India (Publication: PROVISIONAL ESTIMATES OF ANNUAL GDP FOR 2023-24 AND QUARTERLY ESTIMATES OF GDP FOR Q4 OF 2023-24), [Click to get data/visualization](#) • Prepared by Computer Centre @GoIStats

Note: Growth Rates Calculated with respect to Previous Year same quarter; Q1: Quarter 1; Q2: Quarter 2; Q3: Quarter 3; Q4: Quarter 4

### ***FY25 Started with a Strong Performance of Domestic Activity in April<sup>2</sup>***

1. Domestic economic activity remained buoyant in FY24, and the momentum has continued in FY25. GST collection jumped to a high of Rs. 2.1 lakh crore in April 2024. The strong uptick was driven by an increase in domestic transactions and imports. The average GST collections have also displayed a level shift upwards over the years due to heightened economic activity and a widening tax base.

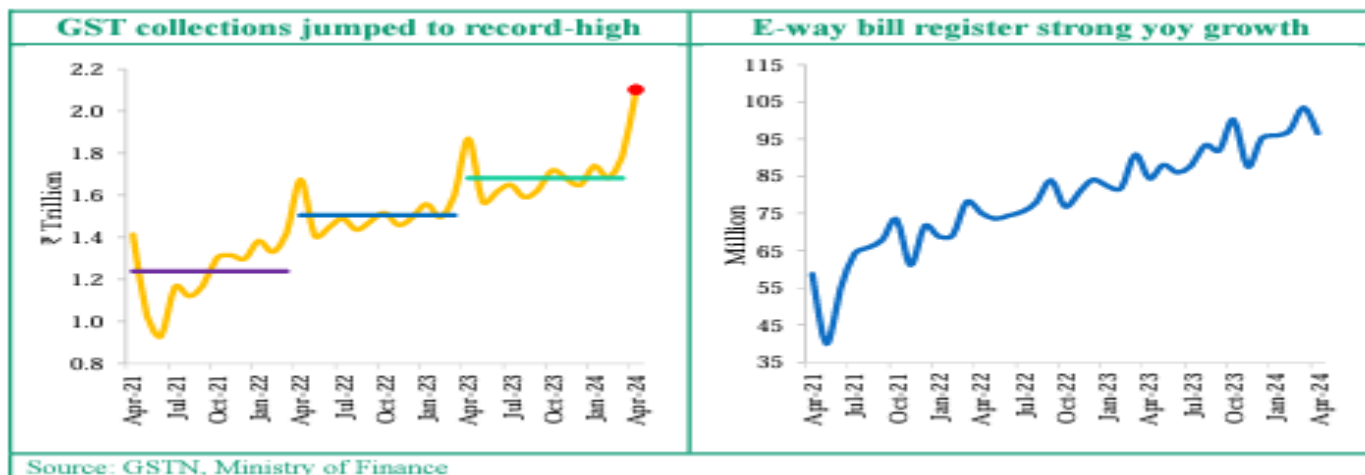
Among lead demand indicators, toll collection registered continued growth in April 2024. Electricity consumption also accelerated in April due to rising temperatures and increased industrial activity. Vehicle registrations surged in April 2024, led by two-wheelers on the back of stable fuel prices and a positive outlook for monsoon.

2. Monthly economic report-April 2024-Departement of Economic Affairs

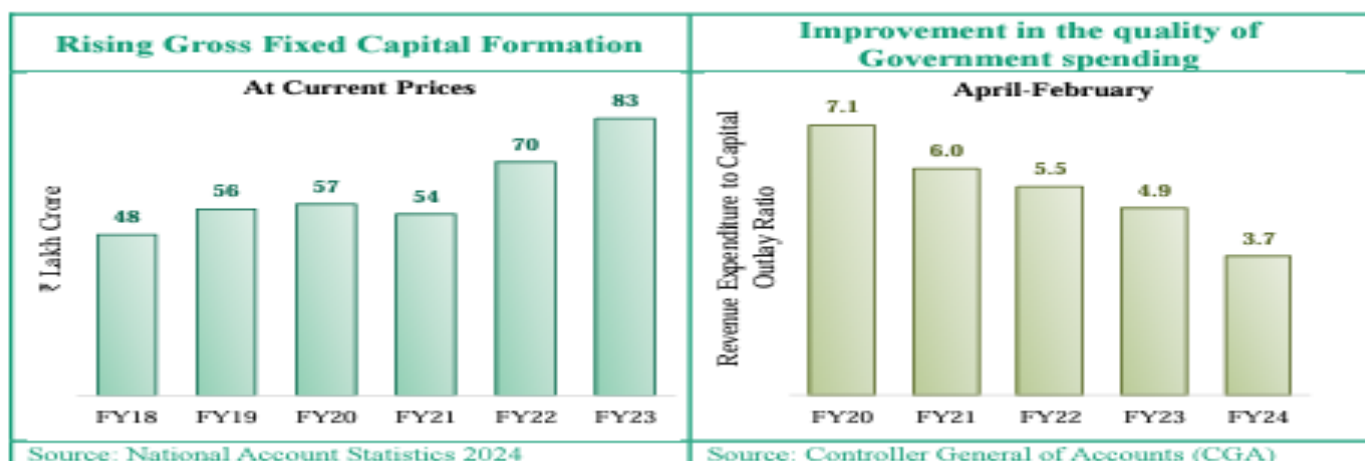
3. <https://economictimes.indiatimes.com/news/economy/indicators/union-budget-2024-look-at-india-gdp-growth-rate-2023-24-indian-economy-gdp-growth->

However, on account of seasonality, e-way bill generation softened compared to March 2024, but registered strong growth compared to the corresponding month last year.

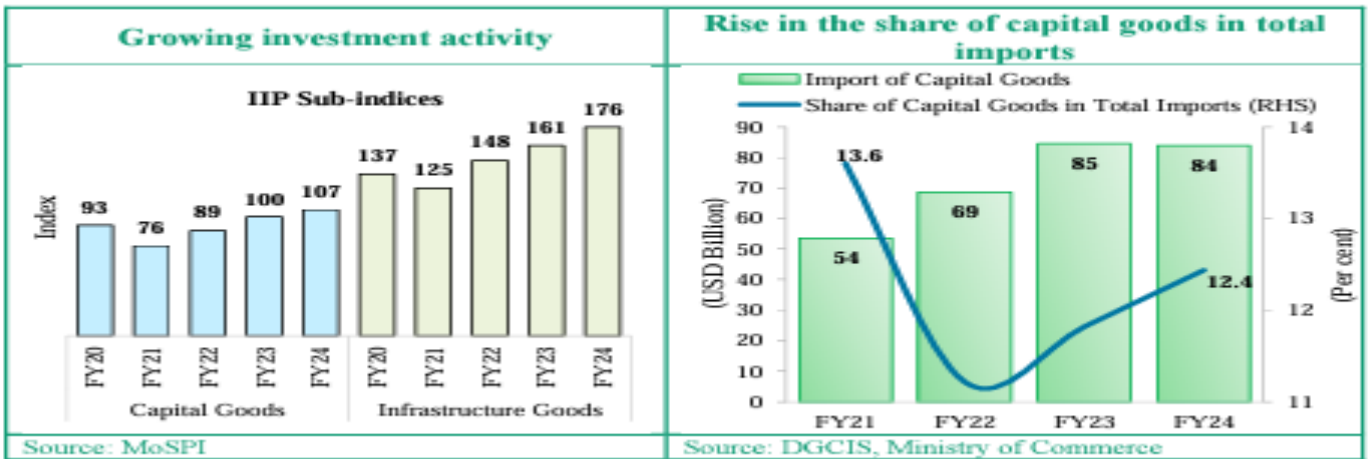
GST collection recorded a 12.4 per cent year-on-year (yoy) growth driven by strong yoy increase in domestic transactions (13.4 per cent) and imports (8.3 per cent). Volume of E-way bill generation moderated to 9.7 crore in April 2024 from 10.4 crore in March 2024, still registering a growth of 14.4 per cent over April 2023. In April 2024, India's power consumption surged by 11 per cent to 144.2 billion units compared to the previous year. Vehicle registration went up by 27 per cent yoy to 2.2 million in April 2024. Toll collections as reported under Electronic Toll collection (ETC) data reached Rs.55.6 billion in April 2024, registering a growth of 8.3 per cent over the corresponding period last year.



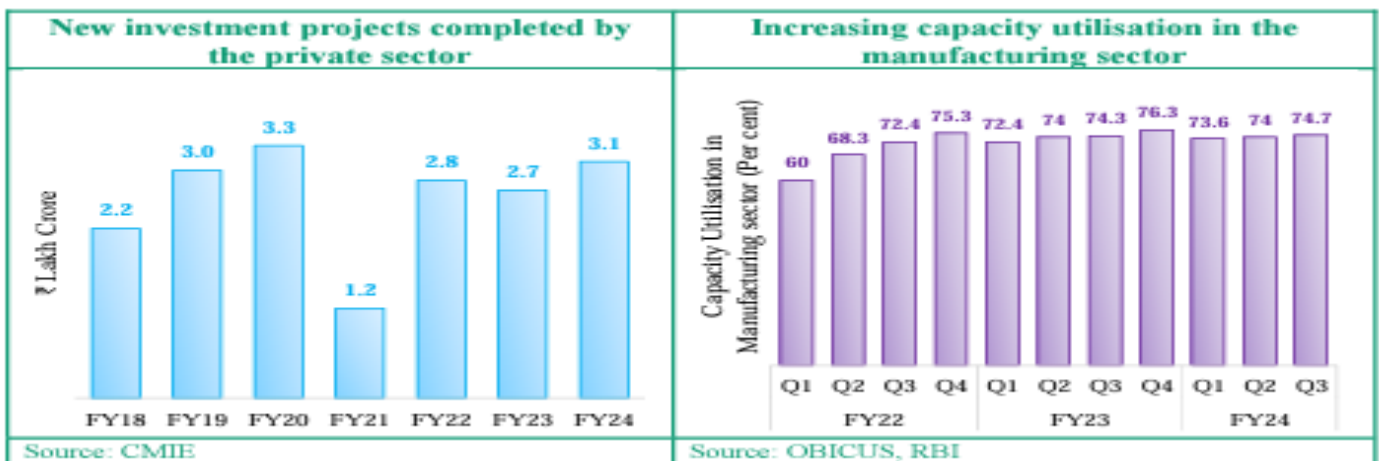
- Investment activity continues to display stability despite ongoing geopolitical headwinds. As per the Second Advance Estimates of National Income released by the National Statistical Office (NSO), the Gross Fixed Capital Formation (GFCF) is expected to be the largest GDP growth driver in FY24, with a percentage contribution of 44.9 per cent. The National Account Statistics 2024 shows GFCF growing by 18.7 per cent in FY23 from Rs.69.8 lakh crore in FY22 to Rs.82.9 lakh crore in FY23, with broad-based growth across sectors. GFCF in private non-financial corporations witnessed a most notable CAGR of 10.6 per cent from FY12 to FY23, highlighting a pick-up in private capital expenditure.



- According to the data released by the Controller General of Accounts, capital expenditure by the Union Government from April 2023 to February 2024 stood at Rs.8.1 lakh crore, 36.5 per cent higher compared to the corresponding period of the previous year. Increased capital expenditure by the Union Government has led to an improvement in the quality of Government spending, as reflected in the decline in the revenue expenditure to capital outlay ratio. The ratio declined from 7.1 in FY20 (April-February) to 3.7 in FY24 (April-February). The increased spending on capex has also incentivised States to increase their capital spending. Capital expenditure by 22 major States grew by 26.6 per cent during April 23-February 24, versus 13.3 per cent in the corresponding period of the previous year.<sup>1</sup> Increased Government investment activity has also resulted in the crowding-in of private investment. Capital Goods and Construction/Infrastructure Goods indices of the Index of Industrial Production (IIP) were 6.2 per cent and 9.6 per cent higher during FY24 compared to the previous year. Though imports of capital goods in FY24 were marginally lower than that in the previous year, their share in overall imports increased from 11.8 per cent in FY23 to 12.4 per cent in FY24, indicating a continued build-up of productive capacity in the economy.

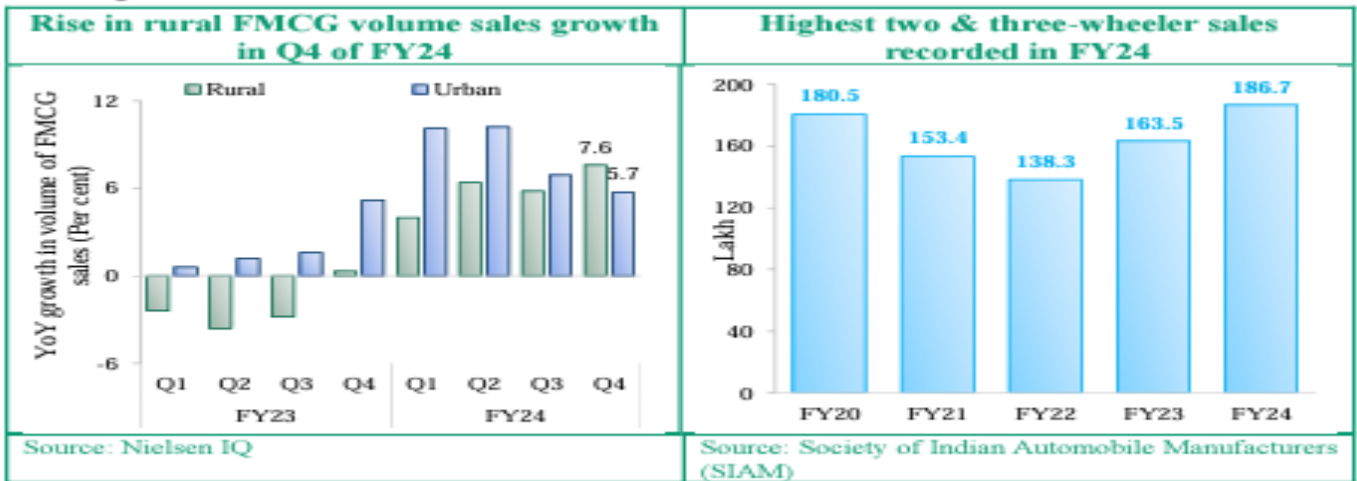


4. The CMIE data on new investment announcements serves as an indicator for corporate capex plans. These figures represent intentions, which may or may not materialise, but they do mirror the sentiments and expectations of the companies. The overall scenario is promising, with a significant improvement compared to the pre-COVID era, despite the intentions being lower than the previous year. In FY24, the private sector announced new investment projects worth Rs.23.5 lakh crore, much higher than the past five years' average of Rs.14.4 lakh crore. Despite new investment projects announced by the private sector being lower in FY24 compared to the previous year, the investment projects completed by the private sector witnessed a significant uptick to Rs.3.1 lakh crore in FY24 from Rs.2.7 lakh crore in FY23.

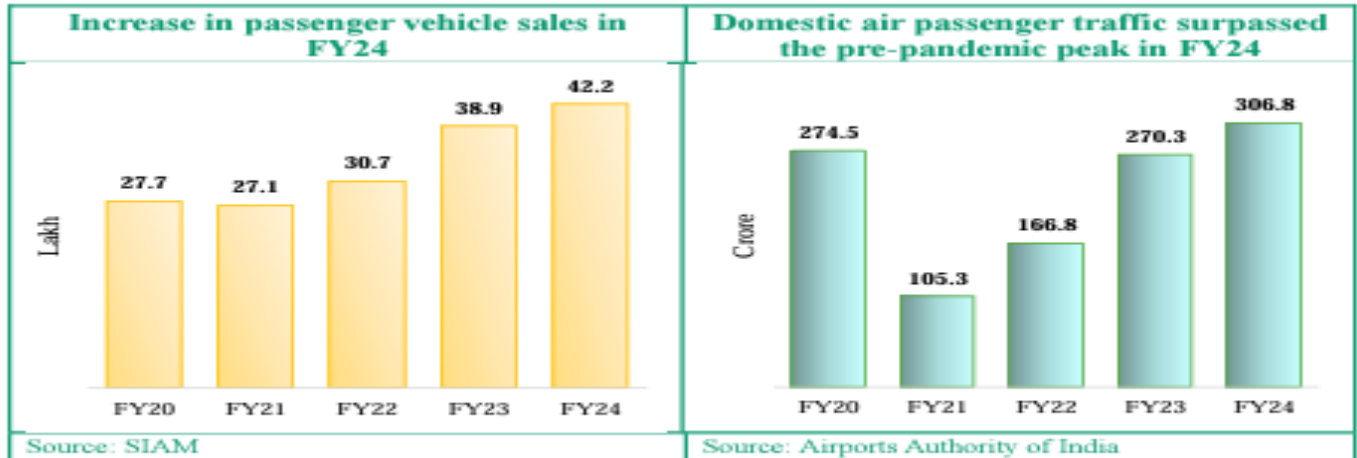


5. The upbeat investment environment is accompanied by increased capacity utilisation in the manufacturing sector, as seen in the RBI's quarterly Order Books, Inventory and Capacity Utilisation Survey (OBICUS) for Q3 of FY24. The aggregate capacity utilisation in the manufacturing sector picked up significantly from 74 per cent in Q2 to 74.7 per cent in Q3 of FY24. Manufacturing companies received a larger number of orders during this quarter as compared to the corresponding quarter of the previous year.

6. While investment activity remains expansive, consumption is being propelled by consistent growth in urban demand and a resurgence in rural demand, thereby contributing to India's growth in FY24. As per the data published by Nielsen IQ, the volume sales of fastmoving consumer goods (FMCG) in rural markets saw a rise of 7.6 per cent in the Q4 of FY24 on a yoy basis. For the first time in five quarters, rural FMCG demand growth outpaced urban growth.



- Other indicators of rural demand also demonstrate a robust growth in consumption activity in FY24. Two and three-wheeler sales increased by 14.2 per cent in FY24, at 186.7 lakh compared to 163.5 lakh in FY23, due to enhanced model availability, new product introduction and positive market sentiments. Carrying the momentum in FY25, two-wheeler sales registered a remarkable growth of 30.8 per cent in April 2024 on a yearly basis.
- The resilience of urban demand is evident in the robust growth of housing personal loans, which increased by 36.9 per cent in FY24. Sales of passenger vehicles saw a rise of 8.4 per cent in FY24, spurred by the launch of cost-effective compressed natural gas fuel options and new electric models, coupled with positive market sentiment and the provision of high-quality after-sales service.
- The robust consumption demand in urban areas is also reflected in rising domestic air passenger traffic. In FY24, domestic air passenger traffic surpassed the pre-pandemic peak, driven by a growing demand for air travel. The momentum in urban demand persisted in FY25, buoyed by positive consumer sentiment and festive celebrations.



- According to the RBI's consumer confidence survey for April 2024, the Current Situation Index (CSI) rose by 3.4 points to 98.5 in March 2024, the highest level since mid-2019. Consumers are quite optimistic about the general economic situation, income and spending. Consumer confidence for the year ahead improved further on the back of optimism in almost all parameters, such as economic situation, employment, income and spending. The Future Expectations Index (FEI)5 also rose further by 2.1 points to 125.2, also its highest level since mid-2019.

### Government Initiatives<sup>1</sup>

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports.

1. <https://www.ibef.org/economy/indian-economy-overview>

Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

1. **Border Tourism Development Programme:** In September 2022, the foundation stone was laid for the Shri Tanot Mandir Complex Project in Jaisalmer under this program, led by Home & Cooperation Minister Mr. Amit Shah.
2. **Agriculture and Farmers Welfare:** In August 2022, four new facilities were inaugurated at the Central Arid Zone Research Institute (CAZRI) by Minister Mr. Narendra Singh Tomar, supporting agricultural research and development.
3. **Special Food Processing Fund:** A fund of Rs. 2,000 crores (US\$ 242.72 million) was established in August 2022 with the National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in Mega Food Parks and processing units.
4. **Mega Cargo Handling Terminals:** The Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode, with an estimated cost of Rs. 5,963 crores (US\$ 747.64 million).
5. **IT Collaboration with Maldives:** In July 2022, India and Maldives signed a Memorandum of Understanding (MoU) to leverage information technology for court digitization, opening up growth opportunities for IT companies and start-ups in both countries.
6. **Wildlife Conservation MoU:** India and Namibia signed an MoU in July 2022 for wildlife conservation and sustainable biodiversity utilization, particularly focusing on reintroducing cheetahs into India's historical range.
7. **International Trade Settlements:** The Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in July 2022, promoting global trade growth and supporting India's export interests.
8. **Gujarat Development Projects:** In June 2022, Prime Minister Mr. Narendra Modi inaugurated and initiated development projects worth Rs. 21,000 crores (US\$ 2.63 billion) in Vadodara, covering sectors like agriculture, IT, manufacturing, tourism, and defence.
9. **AI in Defence:** Minister of Defence Mr. Rajnath Singh launched 75 newly-developed AI products/technologies during the first-ever 'AI in Defence' (AIDef) symposium in New Delhi in July 2022.
10. **UP Investors Summit:** In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone for 1,406 projects worth over Rs. 80,000 crores (US\$ 10.01 billion) at the UP Investors Summit, spanning various sectors including agriculture, IT, renewable energy, tourism, and defence.

These initiatives are part of the government's broader efforts to boost economic growth, enhance infrastructure, promote innovation, and attract investments in various sectors. The government's flagship programs, such as Make in India, Start-up India, Digital India, and the Smart City Mission, are also focused on creating opportunities and improving the economic conditions in the country.

## **The Road Ahead<sup>2</sup>**

Indian economies are performing well, backed by brisk domestic demand and partially by tentative external demand. Domestic manufacturing will likely receive stronger external support in the upcoming months. Modestly improved economic activity and consumer sentiment in Europe and a steady US economy have aided India's exports in April. There are reports that show that the number of organisations in the US and Europe that are focusing on reindustrialisation has increased. Most of these organisations are focussing on enhancing supply chain resilience. This can benefit India's manufacturing firms as part of the China Plus One strategy. The EXIM Bank of India has forecasted that merchandise exports will post a double-digit growth in Q1 of FY25.

Factors like the ongoing recovery in the hotel and tourism industry, increased credit flow to transport and real estate segments, policy support and robust investments in physical and digital infrastructure and logistics will help the services sector. The strong export growth in April 2024 indicates that the momentum in services trade has been carried forward into FY25.

The future inflation path will be shaped by several elements. Government initiatives to stabilise the prices of essential food items, including their open market sale, stock monitoring and trade policy measures are helping to stabilize food prices. The harvest for the Rabi Marketing Season for 2024-25 is expected to temper the prices of key items like wheat and chana. The prediction of a normal Southwest Monsoon also augers well for food production and easing of price pressures. With the assumption of normal monsoon, the RBI forecasts a 4.9 per cent retail inflation for FY25's first quarter.

The positive indications in the farm sector should help India firewall against any adverse pressures that may arise from geopolitical tensions and global commodity prices. Likewise, the strong macro-economic buffers of India should help the real sectors of the economy navigate the external headwinds smoothly and continue the growth momentum of the previous year.

## India's Banking Sector

### Introduction

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

The Indian banking industry has recently witnessed the rollout of innovative banking models like payments and small finance banks. In recent years India has also focused on increasing its banking sector reach, through various schemes like the Pradhan Mantri Jan Dhan Yojana and Post payment banks. Schemes like these coupled with major banking sector reforms like digital payments, neo-banking, a rise of Indian NBFCs and fintech have significantly enhanced India's financial inclusion and helped fuel the credit cycle in the country.

Indian Fintech industry is estimated to be at US\$ 150 billion by 2025. India has the 3rd largest FinTech ecosystem globally. India is one of the fastest-growing Fintech markets in the world.

There are currently more than 2,000 DPIIT-recognized Financial Technology (FinTech) businesses in India, and this number is rapidly increasing. The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII). India's Unified Payments Interface (UPI) has also revolutionized real-time payments and strived to increase its global reach in recent years.

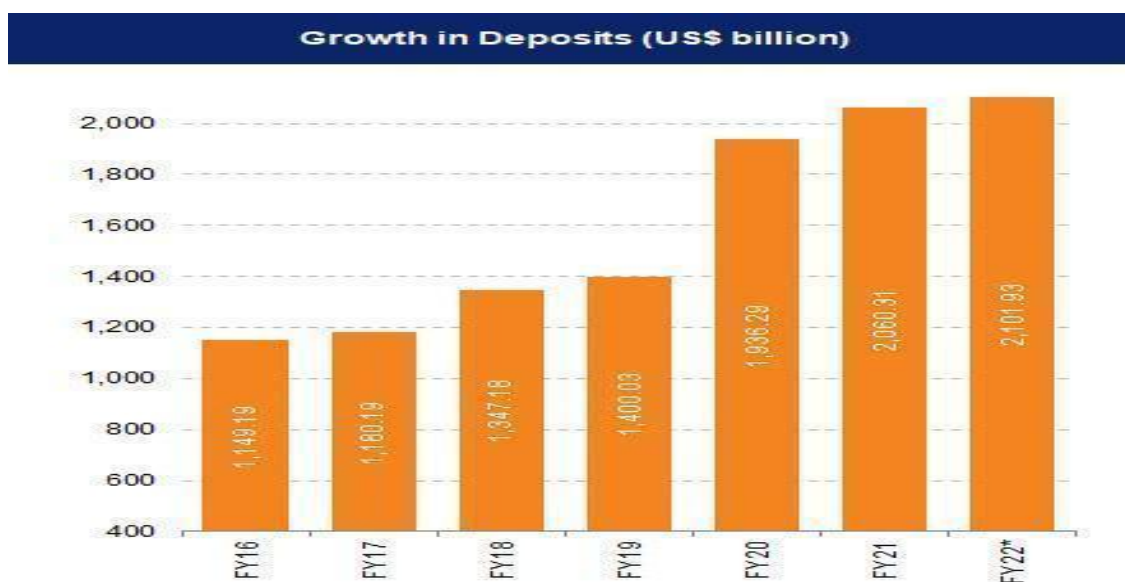
### Market Size

The Indian banking system consists of 12 public sector banks, 21 private sector banks, 44 foreign banks, 12 Small finance banks. As of April 2024, the total number of micro-ATMs in India reached 17,36,972. Moreover, there are 1,26,593 on-site ATMs and Cash Recycling Machines (CRMs) and 91,826 off-site ATMs and CRMs.

Banks added 2,796 ATMs in the first four months of FY23, against 1,486 in FY22 and 2,815 in FY21. 100% of new bank account openings in rural India are being done digitally. BCG predicts that the proportion of digital payments will grow to 65% by 2026. In 2023, total assets in the public and private banking sectors were US\$ 1686.70 billion and US\$ 1016.39 billion, respectively. In 2023, assets of public sector banks accounted for 58.31% of the total banking assets (including public, private sector and foreign banks).

The interest income of public banks reached US\$ 102.4 billion in 2023. In 2023, interest income in the private banking sector reached US\$ 70 billion.

India's digital lending market witnessed a growth of CAGR 39.5% over a span of 10 years. The Indian digital consumer lending market is projected to surpass US\$ 720 billion by 2030, representing nearly 55% of the total US\$ 1.3 trillion digital lending market opportunity in the country.



According to RBI's Scheduled Banks' Statement, deposits of all scheduled banks collectively surged by a whopping Rs 2.04 lakh crore (US\$ 2,452 billion) as of FY24.

According to the RBI, bank deposits stood at Rs. 209.36 trillion (US\$ 2507.62 billion) as of May 3, 2024.

### Investments/Developments



Key investments and developments in India's banking industry include:

- Digital payments have significantly increased in recent years, because of coordinated efforts of the Government and RBI with all the stakeholders, UPI volume for FY24 (until May) recorded to 27,338.
- Google India Digital Services (P) Limited and NPCI International Payments Limited (NIPL), have signed a Memorandum of Understanding (MoU) to expand the transformative impact of UPI to countries beyond India.
- Warehousing Development Regulatory Authority and Punjab & Sind Bank signed Memorandum of Understanding to facilitate low interest rate loans to farmers.
- Fincare Small Finance Bank Limited (Fincare) and AU Small Finance Bank Limited (AU) has merged, with AU being the surviving entity (merged entity).
- In December 2023, ICICI Prudential Life Insurance and Ujjivan Small Finance Bank forged the Bancassurance Partnership.
- In October 2023, AU Small Finance Bank announced the acquisition of Fincare Small Finance Bank in an all-share deal and to merge it with itself.
- According to data released by the National Payments Corporation of India (NPCI), UPI transactions reached 10.241 billion until August 30th, 2023.
- In September 2023, Hitachi Payment Services launched India's first-ever UPI-ATM with NPCI.
- In September 2023, the Reserve Bank of India is likely to bring in CBDC in the call money market.
- In July 2023, Mahindra and Mahindra acquires minority stake in RBL Bank.
- In July 2023, State Bank of India to acquire 100% stake of SBI Capital in SBICAP Ventures for US\$ 85.25 million (Rs. 708 crore).
- In June 2023, State Bank of India to acquire entire 20% stake of SBI Capital Markets in SBI Pension Funds.
- In April 2023, HDFC Bank to acquire 20% or more in Griha Pte subsidiary of HDFC Investments.
- M&A activity with an India angle hit a record US\$ 171 billion in 2022.
- In April 2022, IDFC to sell Mutual Fund Business to Bandhan-Financial Holdings led Consortium for US\$ 550.23 million (Rs. 4,500 crore).
- In March 2022, aggressive Axis Bank acquired Citi's India consumer business for US\$ 1.6 billion.
- In December 2022, HDFC Bank to buy 7.75% stake in fintech start-up Mintoak.
- As per report by Refinitiv, Domestic M&A activity saw record levels of activity in 2022 at US\$ 119.2 billion, up 156.3% from 2021. Companies like HDFC Bank, HDFC, Ambuja Cements, ACC, Adani Group Biocon, Mindtree, L&T Infotech, AM/NS, Essar Ports were involved in M&A deals in 2022.
- On June 2022, the number of bank accounts—opened under the government's flagship financial inclusion drive 'Pradhan Mantri Jan Dhan Yojana (PMJDY)'—reached 45.60 crore and deposits in the Jan Dhan bank accounts totalled Rs. 1.68 trillion (US\$ 21.56 billion).
- In April 2022, India's largest private bank HDFC Bank announced a transformational merger with HDFC Limited.
- On November 09, 2021, RBI announced the launch of its first global hackathon 'HARBINGER 2021 – Innovation for Transformation' with the theme 'Smarter Digital Payments'.
- In November 2021, Kotak Mahindra Bank announced that it has completed the acquisition of a 9.98% stake in KFin Technologies for Rs. 310 crore (US\$ 41.62 million).
- In October 2021, Indian Bank announced that it has acquired a 13.27% stake in the proposed National Asset Reconstruction Company Limited. (NARCL).
- In July 2021, Google Pay for Business has enabled small merchants to access credit through tie-up with the digital lending platform for MSMEs—FlexiLoans.
- In February 2021, Axis Bank acquired a 9.9% share in the Max Bupa Health Insurance Company for Rs. 90.8 crore (US\$ 12.32 million).
- In December 2020, in response to the RBI's cautionary message, the Digital Lenders' Association issued a revised code of conduct for digital lending.
- On November 6, 2020, WhatsApp started UPI payments service in India on receiving the National Payments Corporation of India (NPCI) approval to 'Go Live' on UPI in a graded manner.
- In October 2020, HDFC Bank and Apollo Hospitals partnered to launch the 'HealthyLife Programme', a holistic healthcare solution that makes healthy living accessible and affordable on Apollo's digital platform.
- In 2019, banking and financial services witnessed 32 M&A (merger and acquisition) activities worth US\$ 1.72 billion.
- In April 2020, Axis Bank acquired additional 29% stake in Max Life Insurance.
- In March 2020, State Bank of India (SBI), India's largest lender, raised US\$ 100 million in green bonds through private placement.
- In February 2020, the Cabinet Committee on Economic Affairs gave its approval for continuation of the process of recapitalization of Regional Rural Banks (RRBs) by providing minimum regulatory capital to RRBs for another year beyond 2019-20 - till 2020-21 to those RRBs which are unable to maintain minimum Capital to Risk weighted Assets Ratio (CRAR) of 9% as per the regulatory norms prescribed by RBI.

#### **Government Initiatives**

- As of May 2024, the Jan Dhan Yojana scheme has banked 52.30 crore beneficiaries, with a total amount of Rs. 2,28,057 crore (US\$ 27.32 billion).
- Bank accounts opened under GoI Pradhan Mantri Jan Dhan Yojana have deposits of over ~US\$ 25.13 billion in beneficiary accounts. 51.11 crore beneficiaries banked till December 15<sup>th</sup>, 2023.
- In September 2023, IREDA partners with banks to boost renewable energy projects in India.

- In March 2023, India Post Payments Bank (IPPB), in collaboration with Airtel, announced the launch of WhatsApp Banking Services for IPPB customers in Delhi.
- In October 2022, Prime Minister Mr. Narendra Modi inaugurated 75 Digital Banking Units (DBUs) across 75 districts in India.
- In Union Budget 2023, a national financial information registry would be constructed to serve as the central repository for financial and ancillary data.
- In Union Budget 2023, the KYC process will be streamlined by using a 'risk-based' strategy rather than a 'one size fits all' approach.
- National Asset reconstruction company (NARCL) will take over, 15 non-performing loans (NPLs) worth Rs. 50,000 crore (US\$ 6.70 billion) from the banks.
- National payments corporation India (NPCI) has plans to launch UPI lite which will provide offline UPI services for digital payments. Payments of up to Rs. 200 (US\$ 2.67) can be made using this.
- In the Union budget of 2022-23 India has announced plans for a central bank digital currency (CBDC) which will be possibly known as Digital Rupee.
- National Asset reconstruction company (NARCL) will take over, 15 non-performing loans (NPLs) worth Rs. 50,000 crore (US\$ 6.70 billion) from the banks.
- In November 2021, RBI launched the 'RBI Retail Direct Scheme' for retail investors to increase retail participation in government securities.
- The RBI introduced new auto debit rules with a mandatory additional factor of authentication (AFA), effective from October 01, 2021, to improve the safety and security of card transactions, as part of its risk mitigation measures.
- In September 2021, Central Banks of India and Singapore announced to link their digital payment systems by July 2022 to initiate instant and low-cost fund transfers.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or internet banking access.
- As per Union Budget 2021-22, the government will disinvest IDBI Bank and privatise two public sector banks.
- Government smoothly carried out consolidation, reducing the number of Public Sector Banks by eight.
- In May 2022, Unified Payments Interface (UPI) recorded 5.95 billion transactions worth Rs. 10.41 trillion (US\$ 133.46 billion).
- According to the RBI, India's foreign exchange reserves reached US\$ 630.19 billion as of February 18, 2022.
- The number of transactions through immediate payment service (IMPS) reached 430.67 million and amounted to Rs. 3.70 trillion (US\$ 49.75 billion) in October 2021.
- The RBI has launched a pilot to digitalize KCC lending in a bid for efficiency, higher cost savings, and reduction of TAT. This is expected to transform the flow of credit in the rural economy.
- The RBI has launched a pilot to digitalize KCC lending in a bid for efficiency, higher cost savings, and reduction of TAT. This is expected to transform the flow of credit in the rural economy.
- As per the Union Budget 2023-24, the RBI has launched a pilot to digitalize Kisan Credit Card (KCC) lending in a bid for efficiency, higher cost savings, and reduction of TAT. This is expected to transform the flow of credit in the rural economy.
- As per the Union Budget 2023-24, digital banking, digital payments and fintech innovations have grown at a rapid pace in the country. Taking forward this agenda, and to mark 75 years of our independence, it is proposed to set up 75 Digital Banking Units in 75 districts of the country by Scheduled Commercial Banks.
- Additionally, the government proposed to introduce a digital rupee or a Central Bank Digital Currency (CBDC) which would be issued by the RBI using blockchain and other technologies.
- The government also proposed to bring all the 150,000 post offices under the digital banking core business to enable financial inclusion.
- As per the economic survey 2022-23, the permission by RBI to lending institutions to grant a total moratorium of 6 (3+3) months in case of payment failure due between 1st March 2020 to 31st August 2020, infusion of US\$ 9.1 billion (Rs. 75,000 crore) for Non-Banking Financial Corporations (NBFCs), Housing Finance Companies (HFCs) and Micro Finance Institutions (MFIs), among others, have also contributed to the revival of the real estate sector. The permission by RBI to lending institutions to grant a total moratorium of 6 (3+3) months in case of payment failure due between 1st March 2020 to 31st August 2020, infusion of US\$ 9.1 billion (Rs. 75,000 crore) for Non-Banking Financial Corporations (NBFCs), Housing Finance Companies (HFCs) and Micro Finance Institutions (MFIs), among others, have also contributed to the revival of the real estate sector.
- According to the Economic Survey 2022-23, Over the last few years, the number of neo banking platforms and global investments in the neo-banking segment has also risen consistently. Neo-banks operate under mainstream finance's umbrella but empower specific services long associated with traditional institutions such as banks, payment providers, etc.

## Road Ahead

Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking sector. All these factors suggest that India's banking sector is poised for robust growth as rapidly growing businesses will turn to banks for their credit needs. The advancement in technology has brought mobile and internet banking services to the fore. AI and automation are demonstrating unprecedented value while Blockchain has sparked innovation throughout



the business landscape and is poised to continue in doing so. The banking sector is laying greater emphasis on providing improved services to their clients and upgrading their technology infrastructure to enhance customer's overall experience as well as give banks a competitive edge.

In recent years India has experienced a rise in fintech and microfinancing. India's digital lending stood at US\$ 75 billion in FY18 and is estimated to reach US\$ 1 trillion by FY23 driven by the five-fold increase in digital disbursements. The Indian fintech market has attracted US\$ 29 billion in funding over 2,084 deals so far (January 2017-July 2022), accounting for 14% of global funding and ranking second in terms of deal volume.

By 2025, India's fintech market is expected to reach Rs. 6.2 trillion (US\$ 83.48 billion).

**References:** Media Reports, press releases, Reserve Bank of India, Press Information Bureau, [www.pmjdy.gov.in](http://www.pmjdy.gov.in), Union Budget 2023-24, Economic Survey 2023-24

**Note:** Conversion rate used in April 2024, Rs. 1 = US\$ 0.012, \* - according to an FIS report, # - Microfinances Institution Network

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the Twelve-month period that ended on March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Finbud financial services Limited with our Subsidiary, on a consolidated basis as on the date of this Draft Red Herring Prospectus.

The financial information used in this section, unless otherwise stated, is derived from our restated financial information, as restated and prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations as included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Restated Financial Information” beginning on pages \_22\_ and \_165\_ respectively.

### BUSINESS OVERVIEW

Started in 2012 with the goal of creating a retail loan marketplace, Finance Buddha first began operations in Bangalore. Today, it operates across India, covering over 19,000 postal areas. The company was founded by Vivek Bhatia, Parag Agarwal, and Parth Pande, all of whom have years of experience in financial services. The company has partnered with more than 100 lenders to offer customized loan solutions.

Finance Buddha is a prominent retail loan aggregation platform in India that helps people get personal loans, business loans, and home loans from banks and non-banking financial companies. The company acquires customers through a hybrid strategy using digital marketing and through a wide network of external agents to reach out to prospective borrowers. Once the intent of the customer has been established, the company uses its matchmaking capabilities to advise the customer on the best suited product for his/her needs by allowing them to compare prospective loan offers across multiple lending institutions and hand holds them through the entire loan documentation process till the final disbursement. The decision to either approve or reject the loan application is with the bank/NBFC and hence the Company doesn’t take any credit risk. Upon loan disbursement the Company earns a commission from the lenders. The service is completely free for the customer and is provided with a seamless end to end journey of loan products from discovery to disbursement.

The Company is uniquely differentiated amongst its competitors by being the only major player to have a hybrid business model – conventional lending i.e., Agent channel and Digital Lending i.e., Digital Channel. As different customer looks for different kind of solutions, the company is able to provide the nuance of solutioning that the conventional lending model provides and the speed and ease of delivery that the digital lending model provides to consumers. Conventional or Agent business is the primary & initial customer acquisition strategy for the Company, here in this case with its widely distributed agent network the company gets access to a curated audience of customers where a large part of the preliminary checks is already done on the consumers, thus resulting in higher conversion rates and more optimised model for the lender ecosystem. Once the data of consumer has been processed on the company’s proprietary tech platform and enriched using proprietary and third-party variables, the same is utilised in the future for cross selling/ up selling the customers through the digital lending ecosystem. This is a key differentiating factor compared to most of its peers who either rely on only conventional lending and thus not having a digital arm allowing them to work on customer lifecycle value management or pure digital players who have a high burn in acquiring the first loan from the customers, and struggle to make margins on the business even after multiple years of existence. This unique laddering approach by Finance Buddha makes it a differentiated player in the loan distribution space in the country.

In simple terms, Finance Buddha’s Agent model focuses on reaching a large number of customers with lower profits per loan, while its digital model focuses on fewer customers but with higher profits. This balanced approach allows the company to grow and stay profitable in the long term.

Below are the details about the revenue from Agent model and Digital model for the Stub Period ended on July 31, 2024, and the Financial Year ended on March 31, 2024, 2023 and 2022 (Standalone).

(Rs. In Lakhs)

Particulars	31 July 2024		31 March 2024		31 March 2023		31 March 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Agent Channel	5,841.70	85.76%	16303.40	86.03	11845.30	87.79%	7573.90	86.29%

Digital Channel	970.00	14.24%	2646.40	13.97	1647.30	12.21%	1203.20	13.71%
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#### Key Performance Indicators of our Company

(Rs. In Lakhs)

Key Performance Indicator	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Revenue from operations	6,833.51	19,027.22	13,547.82	8,812.02
EBITDA	528.13	1,062.84	432.12	207.07
EBITDA Margin (%)	7.73%	5.59%	3.19%	2.35%
PAT	309.91	593.08	183.60	-0.87
PAT Margin (%)	4.54%	3.12%	1.36%	-0.01%
ROE (%)	20.44%	49.15%	29.93%	-0.20%
ROCE (%)	21.64%	51.36%	25.60%	13.73%

#### Notes:

- Revenue from operations is the total revenue generated by our Company from the sale of products.
- EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expense's
- EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- PAT is calculated as Profit before tax – Tax Expense's
- PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.
- Return on Equity is ratio of Profit after Tax and Shareholder Equity
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term debt and Long term provisions.

#### SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Extensive agent network across India.</li> <li>- Strong digital lending platform with robust technological infrastructure.</li> <li>- Comprehensive range of loan products.</li> <li>- Partnerships lending institutions.</li> <li>- Effective use of data analytics for customer profiling and loan approval.</li> </ul>	<ul style="list-style-type: none"> <li>- High dependency on agent networks for customer acquisition.</li> <li>- Intense competition from both traditional and digital players.</li> <li>- Operational complexity in managing hybrid models (offline and online).</li> <li>- Vulnerability to regulatory changes affecting lending practices.</li> <li>- Challenges in scaling operations while maintaining service quality.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- Expansion into new product lines such as credit cards and used car loans.</li> <li>- Growth in digital lending market driven by increasing internet penetration.</li> <li>- Increasing demand for personalised financial services.</li> <li>- Potential for strategic alliances and partnerships to enhance market presence.</li> <li>- Leveraging technology to streamline processes and reduce costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Regulatory changes impacting the financial services industry.</li> <li>- Economic downturns affecting loan repayment rates and demand.</li> <li>- Cybersecurity risks and data privacy concerns.</li> <li>- High competition leading to pressure on margins and customer retention.</li> <li>- Market saturation in certain segments affecting growth potential.</li> </ul>

#### DETAILS OF THE MARKET

Our company operates within the digital lending market, which is experiencing rapid growth, driven by increasing internet penetration, smartphone usage, and the adoption of digital financial services.

The digital lending segment is shaped by several key factors, including rapid technological advancements that enhance credit assessment and operational efficiency through AI and blockchain. Consumer behaviour is also pivotal, with increasing preference for digital channels driving growth. Regulatory environments impact the market by setting compliance standards and fostering

financial inclusion. Economic conditions, such as interest rates and economic stability, influence borrowing demand and borrower creditworthiness.

The market is experiencing significant growth driven by increased digital adoption, with consumers favouring online channels for their convenience, speed, and enhanced accessibility. Data-driven decision making is also transforming the landscape, as advanced analytics improve customer profiling, credit scoring, and the personalization of loan offers. Regulatory support further bolsters this sector by fostering financial inclusion and encouraging fintech innovation. Additionally, partnerships and collaborations between fintech firms and traditional financial institutions are becoming more prevalent, enabling them to combine their respective strengths and broaden their market presence.

Our company's hybrid business model allows it to cater to a wide range of customers, from those preferring traditional methods to digitally savvy consumers. The company's extensive agent network and digital marketing capabilities provide a competitive edge in acquiring and retaining customers. Moreover, our company's partnerships with lending institutions, including major banks and NBFCs, further strengthen its market position.

However, the digital lending market faces several challenges, including regulatory compliance and data privacy concerns that necessitate strict adherence to evolving laws and protection measures. Credit risk management remains complex due to the reliance on digital data, which can lead to issues with accuracy and fraud detection. Additionally, the market is highly competitive, with numerous players vying for market share, which can strain profit margins and lead to market saturation. Technological vulnerabilities, including cybersecurity threats, pose significant risks to consumer data and trust. Lastly, varying levels of digital infrastructure across different regions can impact the accessibility and adoption of digital lending services, particularly in emerging markets.

### Market Segmentation

1. **Big Ticket Personal Loans:**
  - **Description:** Personal loans with ticket sizes of INR 5 lakhs and above.
  - **Target Audience:** High-income individuals, primarily in metro cities and Tier 1 cities.
  - **Use Cases:** Large personal expenses such as weddings, home renovation, and debt consolidation.
  - **Contribution to Revenue:** Significant portion of the personal loan segment.
2. **Medium Ticket Personal Loans:**
  - **Description:** Personal loans ranging from INR 2 lakhs to INR 5 lakhs.
  - **Target Audience:** Middle-income individuals across urban and semi-urban areas.
  - **Use Cases:** Medical emergencies, educational expenses, and mid-sized personal expenses.
  - **Contribution to Revenue:** Substantial part of the personal loan segment.
3. **Small Ticket Personal Loans:**
  - **Description:** Personal loans ranging from INR 50,000 to INR 2 lakhs.
  - **Target Audience:** Lower-income individuals and those in smaller cities and towns.
  - **Use Cases:** Smaller personal expenses, short-term financial needs.
  - **Contribution to Revenue:** Important segment for market penetration.
4. **Super Small Ticket Personal Loans:**
  - **Description:** Personal loans ranging from INR 5,000 to INR 50,000.
  - **Target Audience:** Entry-level customers, often first-time borrowers.
  - **Use Cases:** Minor personal expenses, urgent financial needs.
  - **Contribution to Revenue:** Entry-level segment aimed at expanding the customer base.

### FINANCIAL HIGHLIGHTS ON CONSOLIDATED BASIS

(In lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Share Capital	1.57	1.57	1.57	1.57
Net Worth	1,516.50	1206.59	613.50	429.90
Revenue from Operations	6,833.51	19,031.13	13,556.80	8,814.32
Profit after Tax	309.91	593.08	183.60	(0.87)
Earnings per share Basic -Post private placement and Bonus	2.21	4.24	1.31	(0.01)
Net Asset Value per Equity Share (in Rs.)-Post private placement and Bonus	10.83	8.62	4.38	3.07

<b>Total borrowings</b>	1,430.73	1,242.54	739.77	558.48
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**Notes:**

3. *Share capital=Paid up capital of the company.*
4. *Net worth=Restated Equity Share Capital plus Restated Reserves & Surplus.*
5. *Revenue = Restated Revenue from operations plus Restated Other Income*
6. *Earnings per share (Basic & diluted) = Restated profit after tax for the period divided by Restated weighted average number of Equity Shares outstanding during the period.*
7. *Net Asset Value per Equity Share = Restated Net worth divided by Restated weighted average number of Equity Shares outstanding during the period.*
8. *Total borrowings= Long term borrowings plus short term borrowings.*

**Revenue Bifurcations:**

**a. in terms of our product category (Standalone):**

(Rs. In Lakhs)

Particulars	July 31 2024		March 31 2024		March 31 2023		March 31 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
<b>Personal Loan</b>	4820.1	70.8%	13791.1	72.8%	9848.3	73.0%	6722.3	76.6%
<b>Business Loan</b>	1676.9	24.6%	4215.7	22.2%	2865.7	21.2%	1509.3	17.2%
<b>Home Loan</b>	203.1	3.0%	721.8	3.8%	521.8	3.9%	516.9	5.9%
<b>Others</b>	111.6	1.6%	221.2	1.2%	256.8	1.9%	28.6	0.3%

**b. in terms of Digital Channel and Agent Channel (Standalone):**

(Rs. In Lakhs)

Particulars	July 31 2024		March 31 2024		March 31 2023		March 31 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
<b>Digital Channel</b>	970.0	14.24%	2646.4	13.97	1647.3	12.21%	1203.2	13.71%
<b>Agent Channel</b>	5,841.7	85.76%	16303.4	86.03	11845.3	87.79%	7573.9	86.29%

**c. The % of contribution of our Company's Top 5 Lenders vis-à-vis the revenue from operations respectively as of for the stub period ended on July 31,2024 and the Fiscal 2022 , 2023 and 2024 is as follows (Standalone):**

(Rs. In Lakhs)

Particulars	July 31 2024		March 31 2024		March 31 2023		March 31 2022	
	Amount	In %	Amount	In %	Amount	Amount	In %	Amount
<b>Top 1 Lender</b>	1,299.0	19.1%	2,824.6	14.9%	2,671.4	19.8%	1,877.1	21.4%
<b>Top 3 Lenders</b>	2,697.7	39.6%	7,501.9	39.6%	5,830.9	43.2%	3,765.2	42.9%
<b>Top 5 Lenders</b>	3,508.4	51.5%	9,263.5	48.9%	7,285.0	54.0%	5,117.0	58.3%
<b>Top 10 Lenders</b>	4,669.8	68.6%	12,514.6	66.0%	9,583.5	71.0%	7,006.7	79.8%

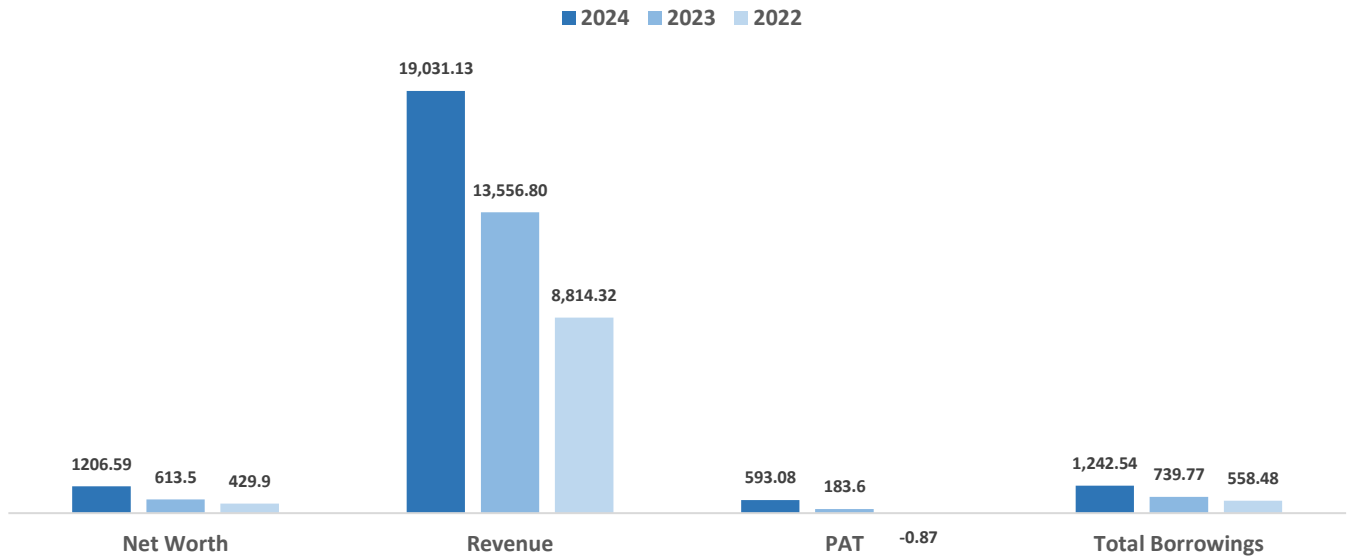
**d. in terms of Bank and NBFC contributions to Lenders Disbursement (Standalone):**

(Rs. In Lakhs)

Particulars	July 31 2024	March 31 2024	March 31 2023	March 31 2022
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	Amount	In %	Amount	In %	Amount	In %	Amount	In %
<b>Banks</b>	2,739.7	40.22%	8,859.8	46.75%	7,379.7	54.69%	5,026.5	57.27%
<b>NBFCs</b>	4,072.0	59.78%	10,090.0	53.25%	6,112.9	45.31%	3,750.6	42.73%

### VISUAL REPRESENTATION OF OUR FINANCIAL HIGHLIGHTS



### GEOGRAPHICAL DISTRIBUTION (STANDALONE)

Name of the State	7/31/2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
<b>Andaman &amp; Nicobar</b>	-	0%	-	0.0%	0.5	0.0%	-	0.0%
<b>Andhra Pradesh</b>	217.1	3.2%	467.1	2.5%	352.7	2.6%	131.8	1.5%
<b>Arunachal Pradesh</b>	-	0.0%	1.6	0.0%	-	0.0%	-	0.0%
<b>Assam</b>	21.4	0.3%	117.5	0.6%	74.8	0.6%	28.6	0.3%
<b>Bihar</b>	130.0	1.9%	332.9	1.8%	305.0	2.3%	145.8	1.7%
<b>Chandigarh</b>	147.0	2.2%	422.3	2.2%	331.1	2.5%	278.8	3.2%
<b>Chattisgarh</b>	7.3	0.1%	19.3	0.1%	14.8	0.1%	4.7	0.1%
<b>Dadra &amp; Nagar Haveli</b>	0.1	0.0%	0.2	0.0%	0.3	0.0%	-	0.0%
<b>Delhi</b>	462.7	6.8%	1,390.9	7.3%	1,095.8	8.1%	839.9	9.6%
<b>Goa</b>	3.0	0.0%	13.5	0.1%	4.6	0.0%	1.8	0.0%
<b>Gujarat</b>	72.7	1.1%	274.0	1.4%	192.1	1.4%	223.1	2.5%
<b>Haryana</b>	219.7	3.2%	506.5	2.7%	361.5	2.7%	297.9	3.4%
<b>Himachal Pradesh</b>	18.1	0.3%	96.3	0.5%	78.2	0.6%	30.8	0.4%
<b>Jammu &amp; Kashmir</b>	0.7	0.0%	4.1	0.0%	7.2	0.1%	4.0	0.0%
<b>Jharkhand</b>	54.5	0.8%	151.6	0.8%	114.8	0.9%	27.0	0.3%
<b>Karnataka</b>	1,931.4	28.4%	6,325.1	33.4%	4,558.8	33.8%	2,505.6	28.5%
<b>Kerala</b>	13.4	0.2%	28.7	0.2%	18.3	0.1%	9.9	0.1%
<b>Madhya Pradesh</b>	163.7	2.4%	349.1	1.8%	178.9	1.3%	96.5	1.1%

<b>Maharashtra</b>	1,069.5	15.7%	2,971.9	15.7%	2,010.1	14.9%	1,673.4	19.1%
<b>Manipur</b>	-	0.0%	0.9	0.0%	1.0	0.0%	0.1	0.0%
<b>Meghalaya</b>	0.1	0.0%	1.1	0.0%	2.0	0.0%	0.3	0.0%
<b>Mizoram</b>	-	0.0%	0.9	0.0%	0.6	0.0%	0.6	0.0%
<b>Nagaland</b>	-	0.0%	0.4	0.0%	0.1	0.0%	-	0.0%
<b>Odisha</b>	26.0	0.4%	111.8	0.6%	49.9	0.4%	14.5	0.2%
<b>Pondicherry</b>	3.8	0.1%	9.0	0.0%	4.4	0.0%	0.6	0.0%
<b>Punjab</b>	130.7	1.9%	357.9	1.9%	208.6	1.5%	99.7	1.1%
<b>Rajasthan</b>	37.1	0.5%	106.5	0.6%	81.6	0.6%	42.5	0.5%
<b>Sikkim</b>	-	0.0%	1.2	0.0%	2.9	0.0%	0.3	0.0%
<b>Tamil Nadu</b>	526.2	7.7%	1,008.7	5.3%	890.7	6.6%	574.3	6.5%
<b>Telangana</b>	881.9	12.9%	2,054.7	10.8%	1,223.2	9.1%	1,285.3	14.6%
<b>Tripura</b>	6.9	0.1%	4.2	0.0%	0.8	0.0%	0.2	0.0%
<b>Uttar Pradesh</b>	216.9	3.2%	599.3	3.2%	457.8	3.4%	262.9	3.0%
<b>Uttarakhand</b>	12.5	0.2%	33.8	0.2%	18.3	0.1%	11.8	0.1%
<b>West Bengal</b>	437.3	6.4%	1,186.8	6.3%	851.2	6.3%	184.4	2.1%

## OUR BUSINESS MODEL

Our company's hybrid business model integrates both an agent-led channel and a digital channel for customer acquisition and service delivery:

### 1. Agent-Led Channel:

- The company has a vast network of master agents and last-mile agents across India. These agents range from small entrepreneurs to larger organised entities.
- The agents reach out to potential customers through various strategies such as outbound telemarketing, advertising, and kiosks at workplaces. They perform preliminary checks on prospective borrowers and use the company's matchmaking system to provide the most relevant loan offers.

### 2. Digital Channel:

- The digital lending segment is growing rapidly, driven by advancements in technology, data analytics, and digital marketing.
- Our company employs a data-driven approach to pre-approve customers for various loan products. The company uses a proprietary technology platform to streamline the loan application process, offering customers a seamless experience from application to disbursement.

## PRODUCT AND PRODUCT RANGE

### *Product Offerings*

1. **Personal Loans:** Unsecured loans primarily targeted at salaried individuals, with an average ticket size of around INR 10 lakhs. This segment forms the largest part of the company's revenue from the agent channel.
2. **Business Loans:** Unsecured loans provided to SMEs with an average ticket size of INR 20 lakhs. This segment contributes significantly to the company's overall revenue.
3. **Home Loans:** Secured loans for purchasing homes or mortgaging existing properties, serving both individuals and SMEs.

### *1. Personal Loans*

**Description:** Personal loans are unsecured loans aimed at salaried individuals who need funds for various personal reasons such as home renovation, debt consolidation, medical emergencies, or other personal expenses.

#### **Features:**

- **Average Ticket Size:** Approximately INR 10 lakhs.
- **Target Customers:** Primarily salaried individuals working in top companies, living in metro, Tier 1, and Tier 2 cities across India.

- **End Use:** Funds can be used for home renovation, debt refinancing, paying off credit card loans, or emergency expenses.

## 2. Business Loans

**Description:** Business loans are unsecured loans provided to small and medium-sized enterprises (SMEs) for their working capital needs, expansion plans, or capital investments.

**Features:**

- **Average Ticket Size:** Around INR 20 lakhs.
- **Target Customers:** SMEs with annual topline ranging from INR 5 crore to INR 50 crore.
- **End Use:** Typically used for working capital, purchasing inventory, expanding business operations, or other capital expenditures.

## 3. Home Loans/Mortgages

**Description:** Home loans are secured loans provided to individuals or SMEs for purchasing a home or mortgaging an existing property.

**Features:**

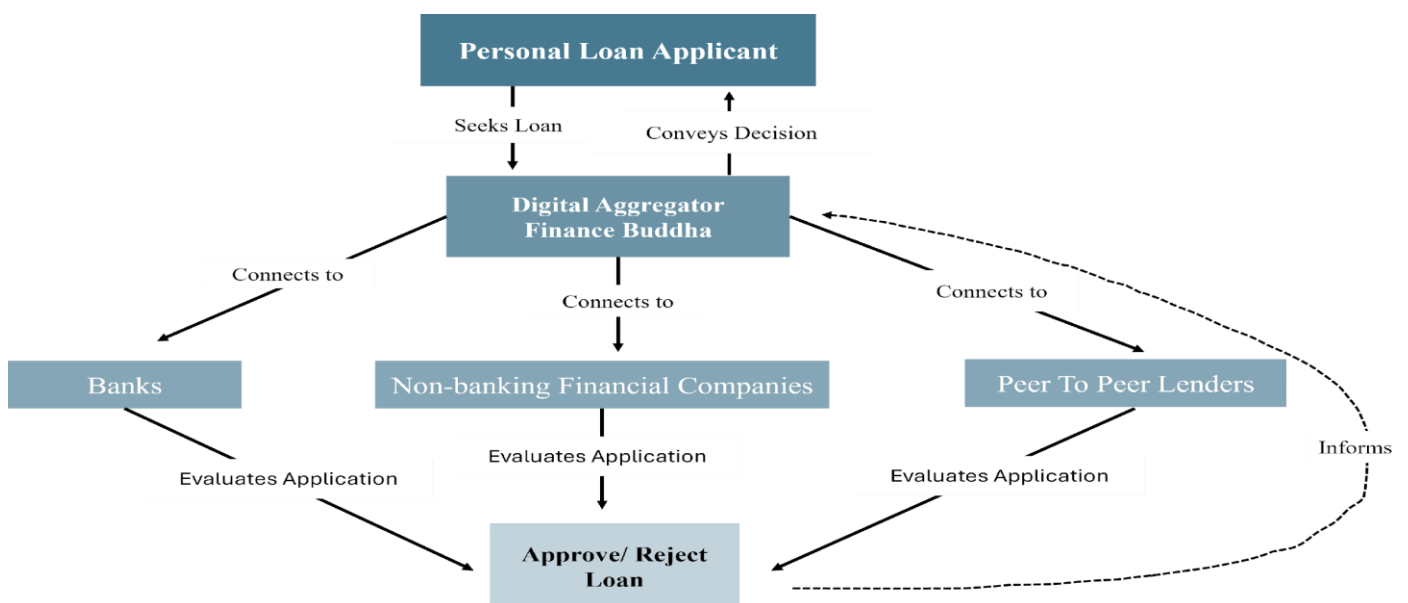
- **Average Ticket Size:** Varies significantly depending on the value of the property and the borrower's profile.
- **Target Customers:** Both salaried individuals and SME owners.
- **End Use:** Purchasing new homes, refinancing existing mortgages, or using *the home equity for other financial needs*.

### Key Differentiators

1. **Wide Range of Loan Products:** Our company offers a comprehensive range of loan products, catering to both personal and business financial needs.
2. **Hybrid Acquisition Model:** The unique combination of offline and online channels ensures a broad reach and efficient customer acquisition.
3. **Technological Integration:** Advanced use of technology and data analytics enhances the customer experience and operational efficiency.
4. **Customer-Centric Approach:** Personalised loan offers, efficient processing, and post-approval support ensure a seamless and transparent borrowing experience.

## BUSINESS PROCESSES

*End to end business process is described below:*





## *1. Customer Acquisition*

- **Agent Channel:**
  - Agents: We have a large network of master agents and last-mile agents.
    - Activities: Agents reach out to potential customers through various methods such as outbound telemarketing, placing advertisements, and setting up kiosks in high-traffic areas like workplaces and public places.
    - Preliminary Checks: Agents perform preliminary checks on prospective borrowers to gather basic information and assess initial eligibility.
- **Digital Channel:**
  - Digital Marketing: Utilises digital marketing strategies including social media marketing, search engine optimization, and targeted online ads to attract customers.
  - Website: Customers can directly visit our website; <https://www.financebuddha.com/> to explore loan options and initiate the application process.
  - Pre-Approval: Digital platforms use data analytics to offer pre-approved loan amounts to potential customers based on their financial profiles.

## *2. Initial Customer Interaction*

- **Agent:**
  - Agents interact with potential customers, explain different loan products, and collect basic information needed for further processing.
- **Digital:**
  - Customers fill out an initial online form providing basic information which is automatically screened for eligibility.

## *3. Loan Matchmaking*

- **Proprietary Technology:** We use a proprietary matchmaking system that analyses customer profiles against various loan products from partnered banks and NBFCs.
- **Best Fit Loans:** The system identifies and suggests the most suitable loan offers to the customer based on their profile and financial needs.

## *4. Loan Application Submission*

- **Agent:**
  - Agent Assistance: Agents assist customers in completing detailed loan applications, ensuring all required information is accurately provided.
- **Digital:**
  - Self-Service: Customers complete and submit detailed loan applications through our website; <https://www.financebuddha.com/>

## *5. Documentation and Verification*

- **Document Collection:** Customers provide necessary documents such as ID proof, income proof, address proof, and any other required documentation.
- **Verification:** We conduct a thorough verification process to authenticate the provided information and documents.

## *6. Loan Approval*

- **Partnered Lenders:** The completed application and verified documents are sent to the respective lenders for final approval.
- **Decision Making:** Lenders review the application, perform their internal credit assessments, and make approval or rejection decisions.

## *7. Loan Disbursement*

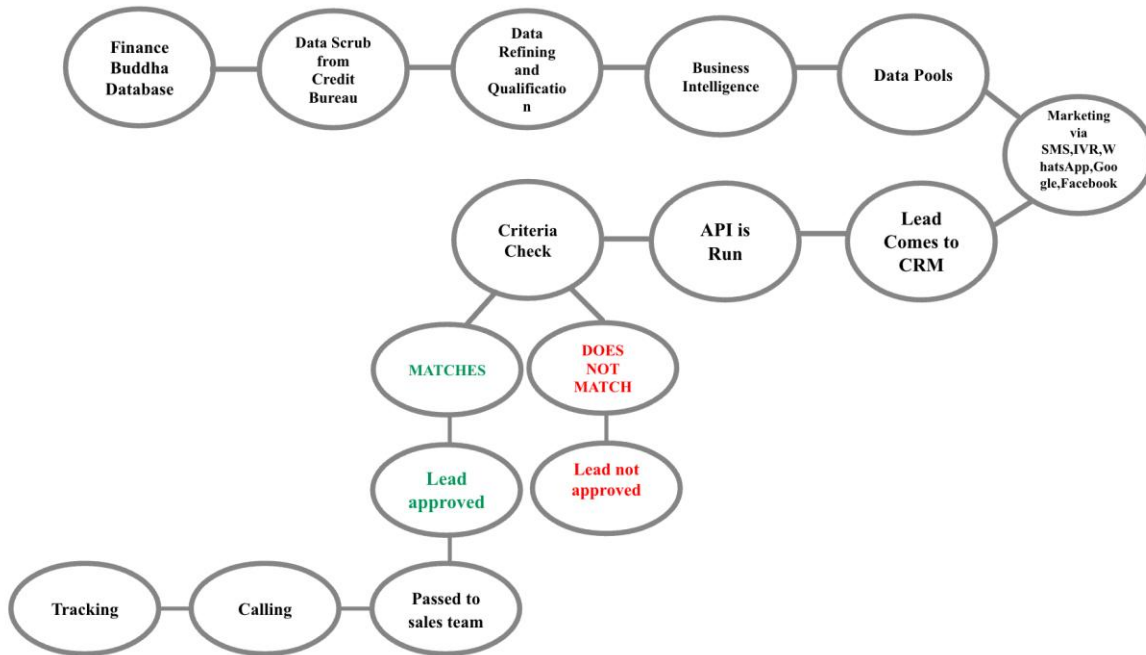
- **Disbursement:** Upon approval, the loan amount is disbursed directly to the customer's bank account.
- **Commission:** We earn a commission from the lending institution for each successful loan disbursement.

## *8. Post-Disbursement Services*

- **Customer Support:** We provide ongoing customer support for any queries related to loan repayment or other services.

- **Cross-Selling Opportunities:** Engages customers with additional financial products and services based on their profile and needs.

*Loan aggregation process is described below:*



#### 1. *Our Database*

The initial repository containing all customer data and information collected by us.

#### 2. *Data Scrub from Credit Bureau*

Customer data is matched and verified against credit bureau records to ensure accuracy and completeness.

#### 3. *Data Refining and Qualification*

Refined data is further qualified to identify potential leads based on predefined criteria.

#### 4. *Business Intelligence*

Analytical tools and business intelligence processes are applied to derive insights and identify high-potential leads.

#### 5. *Data Pools*

Qualified data is organised into data pools for targeted marketing and lead generation campaigns.

#### 6. *Marketing via SMS, IVR, WhatsApp, Google, Facebook*

Leads are contacted through various marketing channels including SMS, Interactive Voice Response (IVR), WhatsApp, Google ads, and Facebook campaigns.

#### 7. *Leads Come to CRM*

Interested leads from marketing campaigns are captured and recorded in the Customer Relationship Management (CRM) system.

#### 8. *API is Run*

APIs are executed to pull additional data and insights into the CRM for comprehensive lead information.

## 9. Criteria Check

The system checks if the leads meet the required criteria for loan approval.

- a. **Matches:** If the criteria are met, the lead is approved and moves to the next step.
- b. **Does Not Match:** If the criteria are not met, the lead is not approved.

## 10. Lead Approved

Approved leads are marked for further processing and sales follow-up.

## 11. Passed to Sales Team

Approved leads are transferred to the sales team for direct engagement and loan processing.

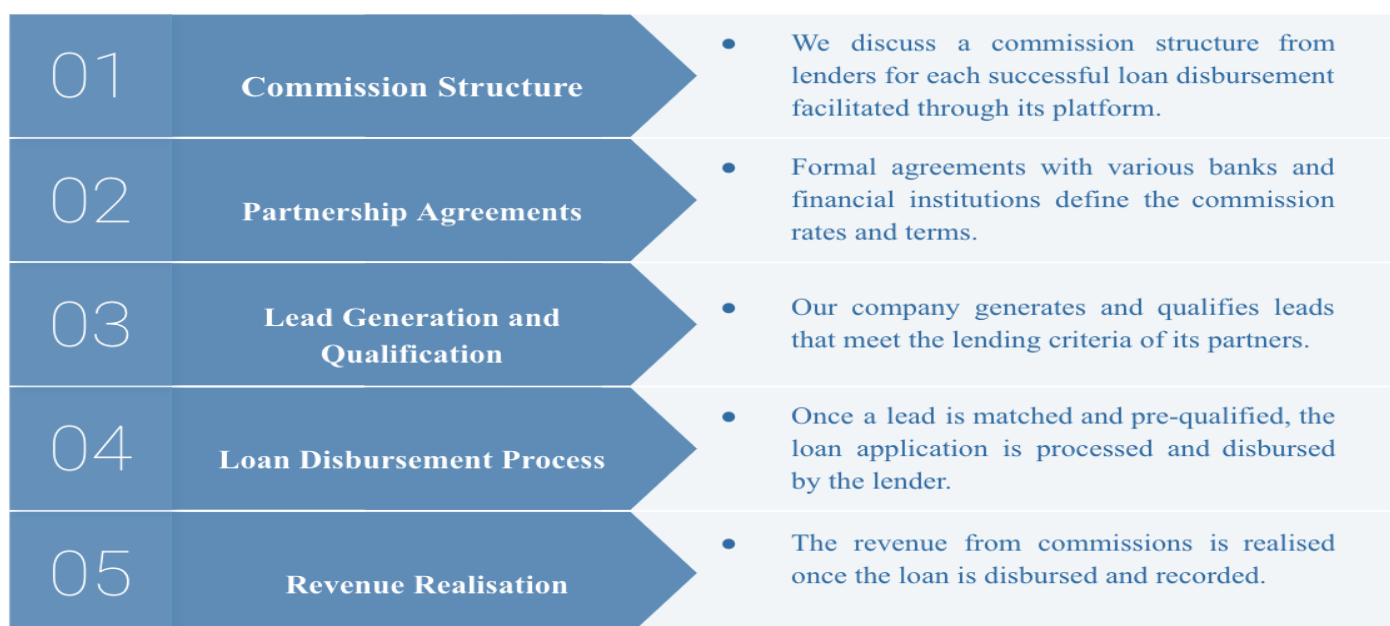
## 12. Calling

The sales team contacts approved leads to discuss loan options, requirements, and next steps.

## 13. Tracking

The sales team and CRM system continuously track the status of each lead to ensure timely follow-ups and conversions.

*Revenue generation process is described below:*



Our company earns its revenue through commissions paid by lenders. This commission-based model is central to the company's business strategy, as it aligns the interests of both Our company and its lending partners. Below are the key aspects of how commissions from lenders work:

### 1. Commission Structure

- **Description:** We discuss a commission structure from lenders for each successful loan disbursement facilitated through its platform.
- **Details:**
  - **Percentage-Based Commission:** The commission is typically a percentage of the loan amount disbursed.
  - **Fixed Fee:** In some cases, there may be a fixed fee per loan disbursed, depending on the agreement with the lender.

### 2. Partnership Agreements

- **Description:** Formal agreements with various banks and financial institutions define the commission rates and terms.

- **Details:**
  - **Negotiated Rates:** Commission rates are negotiated based on the volume of business and the type of loans facilitated.
  - **Exclusive Partnerships:** Some agreements may include exclusive rights to offer certain financial products.

### 3. Lead Generation and Qualification

- **Description:** Our company generates and qualifies leads that meet the lending criteria of its partners.
- **Details:**
  - **Lead Matching:** Advanced algorithms match leads with suitable lenders based on their credit profile and requirements.
  - **Pre-Qualification:** Leads are pre-qualified to ensure they meet the basic eligibility criteria of the lenders, reducing the risk of rejection.

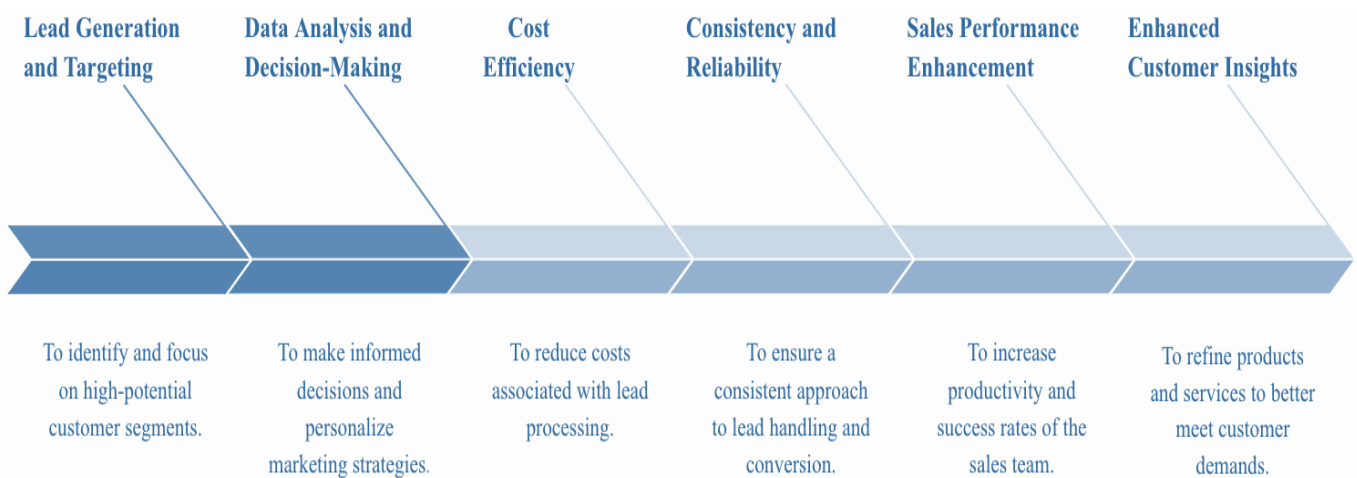
### 4. Loan Disbursement Process

- **Description:** Once a lead is matched and pre-qualified, the loan application is processed and disbursed by the lender.
- **Details:**
  - **Application Submission:** We submit the loan application to the lender along with all required documentation.
  - **Approval and Disbursement:** The lender reviews the application, approves the loan, and disburses the funds.

### 5. Revenue Realisation

- **Description:** The revenue from commissions is realised once the loan is disbursed and recorded.
- **Details:**
  - **Commission Payment:** Lenders pay the agreed commission to us upon successful loan disbursement.
  - **Revenue Accounting:** Commissions are recorded as revenue in our company's financial statements.

Sales procedure is described below:



#### 1. Lead Generation and Targeting

##### Procedure:

- **Collect Data:** We gather customer data through CRM systems and other tools.
- **Segment Customers:** We analyse the data to segment customers based on behaviour, demographics, and preferences.
- **Develop Targeted Strategies:** We create targeted marketing strategies for each segment to ensure high relevance.

**Benefit:** Higher conversion rates and efficient use of marketing resources by focusing on leads with the greatest potential.

#### 2. Data Analysis and Decision-Making

##### Procedure:

- **Analyse Data:** We regularly analyse customer data to understand trends and preferences.
- **Develop Strategies:** We create personalised marketing strategies based on insights from data.

- **Implement Strategies:** We apply these strategies in marketing campaigns and monitor their effectiveness.

**Benefit:** Better alignment of marketing efforts with customer needs, leading to increased sales and customer satisfaction.

### 3. Cost Efficiency

**Procedure:**

- **Automate Processes:** We use CRM and other tools to automate lead generation and qualification processes.
- **Monitor Costs:** We track and evaluate costs associated with lead generation.
- **Optimise Automation:** We continuously refine automation processes to enhance efficiency and reduce costs.

**Benefit:** Lower customer acquisition costs and higher ROI from marketing campaigns.

### 4. Consistency and Reliability

**Procedure:**

- **Standardise Procedures:** We develop and implement standardised procedures for lead management.
- **Train Our Team:** We train the sales team to follow these standardised procedures.
- **Monitor Adherence:** We regularly review processes to ensure adherence and consistency.

**Benefit:** Reliable lead management and improved sales pipeline performance.

### 5. Sales Performance Enhancement

**Procedure:**

- **Qualify Leads:** We ensure that leads are thoroughly qualified before being passed to the sales team.
- **Focus on Closing:** We allow the sales team to focus on closing deals rather than prospecting.
- **Provide Support:** We provide necessary tools and resources to support the sales team's efforts.

**Benefit:** Higher sales volumes and revenue growth.

### 6. Enhanced Customer Insights

**Procedure:**

- **Collect Feedback:** We gather and analyse customer feedback through surveys, reviews, and interactions.
- **Apply Insights:** We use insights gained from feedback to refine products and services.
- **Implement Improvements:** We implement changes based on insights and monitor their impact on customer satisfaction.

**Benefit:** Ability to adapt offerings to meet customer demands, fostering long-term relationships.

## INFRASTRUCTURE & UTILITIES

**Raw Material:** Our Company is engaged in the service industry. Hence, details with regards to raw material is not applicable to us.

**Power:** Our business does not have heavy electricity consumption, except to cater to normal requirements of the offices. We source electricity from power distribution companies designated by the State Electricity Boards for our registered office and other business premises.

**Water:** Our registered office and other business premises have adequate water supply position from the public supply utilities and the same is used for drinking and sanitation purposes. Our current water consumption at our registered office, corporate office and branch offices is minimal and the same is sourced from the local sources.

**Technological Integration:** Finance Buddha's Technology Infrastructure is wholly hosted on Amazon Web Services (AWS) in the Mumbai (ap-south-1) region. We are ISO 27001 certified and comply with all the best practices and security controls. Our online assets are as follows:

Website

Our website frontend is hosted on AWS Amplify and our backend is hosted on EC2 servers that are behind a firewall. Amplify is a serverless platform of AWS so it can scale automatically as per traffic. Our database is hosted on AWS RDS and assets such as images or files are stored on AWS S3.

#### Landing Page

Our landing page serves as the main source of our leads. Here the users can fill out a form to submit their interest in getting a loan. The frontend is also hosted on AWS Amplify. AWS DynamoDB database is used in a serverless setup for scalability.

#### Partner APIs

We are connected to our lending partners via APIs where we share lead information of interested customers. All the APIs are setup on AWS Lambda which gives us the benefit of scaling as per our needs.

#### CRM

We use Salesforce as the CRM for marketing campaigns and for storing lead related information. Our Salesforce instance is also hosted on Amazon Web Services (AWS) in the Mumbai (ap-south-1) region. There are access controls and hierarchy set to control data access.

#### DAP Lead Capture API

We have a lead capture API where affiliate partners can share interested leads to us. We use AWS API Gateway, AWS Lambda and DynamoDB to process the shared leads.

### **CAPACITY UTILISATION**

The Company does not require plant and machinery for its' current business operations, as on date of Draft Red Herring Prospectus.

### **COLLABORATIONS/ TIE-UPS/ JOINT VENTURES**

The Company does not have any Collaboration/Tie Ups/ Joint Ventures, as on date of Red Herring Prospectus.

### **SUBSIDIARIES/ ASSOCIATE COMPANIES**

The Company does not have any subsidiaries or associate companies, as on date of Draft Red Herring Prospectus, except as mentioned below:

1. LTCV Credit Private Limited

#### Corporate Information

LTCV Credit Private Limited headquartered in Karnataka, Bangalore, India was incorporated on 20<sup>th</sup> April 2018 under the provisions of the companies Act, 2013.

#### Nature of business

The company is a non-deposit taking Non-banking Financial Company (NBFC-ND), holding a certificate of Registration from the Reserve Bank of India (RBI) dated January 09,2019.

#### Capital Structure and Shareholding of our Company

The authorised share capital of LTCV Credit Private limited is Rs. 3,00,00,000 divided into 30,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of LTCV Credit Private Limited is Rs.2,04,50,000 divided into Rs.20,40,500 Equity Shares of Rs.10 each. Our Company holds 20,45,000\* equity shares of Rs.10 each aggregating to 100.00% of the total shareholding of LTCV Credit Private Limited.

\*Parth Pandey is the nominee shareholder, holding 1 equity share.

#### Amount of Accumulated Profit or Loss

There are no accumulated profits or losses of LTCV Credit Private Limited that have not been accounted for by our Company.

### **EXPORT AND EXPORT OBLIGATION**

The Company does not have export sales.

The Company does not have any export obligations, as on date of this Draft Red Herring Prospectus.

## HUMAN RESOURCES

Our Company believes that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

S. No.	Department	No. of Employees
1	Sales & Sales Support	253
2	Technology	5
3	Marketing & Analytics	18
4	Finance & Commercial	8
5	Admin & Support Staff	22
	<b>Total</b>	<b>306</b>

Our Company has total employed around 306 employees, excluding KMPs, as on November 27, 2024. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

## MARKETING STRATEGIES

### 1. Digital Marketing:

- **SEO and SEM:** Optimises the website for search engines to improve visibility and attract organic traffic. Uses search engine marketing to target potential customers with ads.
- **Social Media Marketing:** Active presence on platforms like Facebook, Instagram, LinkedIn, and Twitter to engage with customers and promote services.
- **Content Marketing:** Publishes blogs, articles, and videos to educate customers about financial products and services, driving traffic and building brand authority.
- **Email Marketing:** Sends personalised emails and newsletters to potential and existing customers, keeping them informed about new products and offers.

### 2. Offline Marketing:

- **Agent Network:** Utilises a large network of agents for direct customer outreach through telemarketing and in-person interactions.
- **Advertising Campaigns:** Runs advertisements in newspapers, magazines, radio, and TV to reach a broader audience.
- **Public Relations:** Engages in PR activities to build a positive brand image and increase brand awareness.

### 3. Referral Programs:

- Encourages existing customers to refer new customers through referral incentives, enhancing customer acquisition through word-of-mouth marketing.

### 4. Partnerships and Collaborations:

- Partners with banks, NBFCs, and financial institutions to offer a wide range of financial products, leveraging the credibility and reach of established brands.

## BUSINESS STRATEGY

To sustain growth and remain competitive, the company has developed a comprehensive business strategy focusing on operational efficiency, market expansion, and technological advancement. These strategic objectives aim to optimize product offerings, streamline customer experiences, and extend geographical reach, positioning the company effectively within the financial technology landscape. Below is an outline of the key initiatives:

### ● Expansion of Service Offerings

The company diversifies its product line by introducing financial solutions such as investment products, retirement planning services, and specialty loans for niche markets. This diversification meets the evolving requirements of existing customers and engages new customer segments, enhancing market penetration. Strategic collaborations with fintech innovators and financial institutions expand the product portfolio, utilizing technologies like blockchain to improve security and transaction efficiency.

### ● Enhancing Digital Experience

Improvements to the digital interface refine user interactions by incorporating AI-driven features that provide personalized financial advice and product recommendations based on user behaviour and financial history. Enhancements in platform usability and features improve customer retention and satisfaction. The integration of mobile wallets and real-time transaction notifications simplifies financial management for mobile users.

- **Strengthening Agent Network**

The company invests in agent training and development to enhance the quality of offline services and customer interactions. A certification program ensures agents are knowledgeable about the company's offerings and adhere to regulatory standards. Enhancements in performance-based incentives motivate agents and increase sales, supporting the critical role of the agent network in the hybrid business model.

- **Market Expansion**

The company enters new geographical markets identified through market research as having high potential for fintech adoption, particularly in underbanked areas. Tailored marketing strategies adapt to the cultural and economic conditions of each market, aiming to maximize impact. This expansion strategy is supported by local partnerships and adherence to regulatory requirements, facilitating smooth market entry and growth.

- **Data Security and Compliance**

Data security measures are a priority, with investments in advanced cybersecurity technologies to safeguard customer information and transaction data. Regular audits and updates ensure adherence to the latest security standards and regulatory requirements. The company engages in lobbying for favourable regulations in emerging markets, establishing itself as a responsible entity in fintech innovation.

- **Customer Insight and Analytics**


Advanced analytics and machine learning models are implemented to obtain deeper insights into customer behavior and preferences. This analytical approach predicts customer needs, optimizes product offerings, and tailors marketing strategies effectively. Continuous analysis of customer data enables the company to anticipate market trends and adapt proactively.

- **Technology Partnerships and Integrations**

Partnerships with technology providers enhance the platform's functionality and service offering. These partnerships include integrating advanced fraud detection systems, API connections with other financial service providers, and enhanced transaction processing capabilities. Collaboration with technology leaders ensures the platform remains at the forefront of technological advancements and operational reliability.

## INTELLECTUAL PROPERTY

We have applied for Trade Mark particulars whereof are as under:

Sr. No.	Trademark	Word / Logo	Class	Date of certificate	Trademark no.
1	Device Mark		36	04/02/2016	3178638
2	Finance Buddha	Word	36	04/02/2016	3178637

There are domains registered in the name of our company, particulars whereof are as under:

S. No.	Nature of IP	Domain Addresses	Registration date	Expiry date
1	Domain	Financebuddha.com	21/09/2010	21/09/2032

## INSURANCE



Provider	Policy Number	Coverage Amount (In Rs)	Premium (In Rs)	Policy Period
Bajaj Allianz General Insurance Company Limited.	OG-25-9906-4093-00000026	3,79,70,719.00	23,285.00	October 24, 2024 – October 23, 2025

The details of our total insurance coverage and our insurance coverage as a percentage of our total assets, as of 31 July 2024 has been set out below:

(In Rs. Lakhs)

Particulars	As of 31 July 2024
Total Insurance Coverage	379.71
Total Assets	4626.52
Total insurance coverage as a percentage of total insured assets (%)	8.21%

#### PLACE OF BUSINESS OF THE COMPANY

S.N.	Description	State	Owned by	Location	Status	Validity (till)
1	Registered Office	Karnataka	A. Monish Amount of Rent – INR 1,05,000 per month	No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India, 560075	Leased	30/4/2026
2	Corporate Office	Tamil Nadu	George Mathew / Anita George Amount of Rent – INR 17,500 per month	A1, ground floor, Nelson Chambers, 115 Nelson Manickam Road, Aminjikarai, Chennai - 600029	Leased	1/2/2025
3	Corporate Office	Karnataka	M. Lakshmi Amount of Rent – INR 1,47,000 per month (for the first year of occupation, with 5% escalation)	Ground Floor, 1st Floor, 2nd Floor, 3rd Floor, P-65, LIC Colony, 10th Sector, 7th Main, Jeevan Bhima Nagar, Bangalore, Karnataka, India, 560075	Leave and License	18/01/2026
4	Corporate office	Telangana	Salome Duvvur Amount of Rent – INR 46,225 per month (or the current year)	Flat No. 102, Sapthagini Residency, Dwarkadas Colony, Begumpet, Hyderabad – 500016	Rental Agreement	28/02/2026
5	Corporate Office	Uttar Pradesh	Myworx Zone Private Limited Monthly rent – INR 2,48,000 per month	66 seats at Myworx Zone, B- 7, Sector 2, Noida, UP – 201301	Rental Agreement	15/04/2026
6	Corporate Office	West Bengal	Hanuman Estate Limited Amount of Rent – INR 31,000 per month (for the current year)	19, R.N. Mukherjee Road, Kolkata – 700001	Rental Agreement	23/01/2027
7	Corporate Office	Maharashtra	Sawant Samir Digambar	Office No. Unit No 1 C4, 'Gundecha Onclave', Kherani	Leave and License	14/10/2027

			Monthly rent - INR 55,000 per month (subject to escalation of 5% annually)	Road Sakinaka, Andheri East, Mumbai - 400072		
8	Corporate Office	Karnataka	Manjunath Munivenkatappa Monthly rent - INR 32,000 per month	No. 697, 3rd floor, 8th Cross, HAL 3rd stage, New Thipasandra, Bengaluru - 560075	Leased	01/11/2027

## OTHER PLACE OF BUSINESS

Our company also has the following places of business which have been arranged/ allotted by or for it but the actual business has not commenced from such places. The company shall ensure all documentations, licences, registrations etc. with regard to each of the 'places' before commencement of business therefrom:

S.N	State	Location	Status	Purpose
1.	West Bengal	First Floor, No 60c, Chowsringhee Road, Bhownipur, Kolkata, West Bengal, 700020	Rental	GST Registration
2.	Uttar Pradesh	A084, Sector-4, Noida, Gautambuddha Nagar, Uttar Pradesh, 201301	Rental	GST Registration
3.	Haryana	3rd Floor, Plot No.113, Supremework Coworking, Sector 44, Gurugram, Haryana, 122003	Rental	GST Registration
4.	New Delhi	Third Floor, No 304, Deep Shika 8, Deepshika Building, Rajendra Place, New Delhi, 110008	Rental	GST Registration
5.	Chandigarh	1st Floor, 179-180, Madhya Marg, Kkoffee Hotels and Restaurants, Sector 8C, Chandigarh, 160008	Rental	GST Registration

## INDEBTEDNESS

For details of indebtedness please refer to "*Restated Financial Information*" on page 165 of this Draft Red Herring Prospectus.

## COMPETITION

We encounter strong competition from both organised and unorganised players across various regions in India. Competitors provide similar financial products and excel in areas such as interest rates, loan terms, customer service, operational efficiency, timely delivery, and reliability. Adapting to the dynamic financial landscape and regulatory environment is essential for maintaining our competitive edge.

The industry's low entry barriers and rapid growth attract numerous new entrants, suggesting that competition is likely to increase. Despite this, our extensive experience in financial services, commitment to quality assurance, and strong reputation position us favourably. Key factors influencing our competitive position include maintaining robust client relationships, upholding our reputation, and consistently delivering high-quality services at competitive prices.

## KEY REGULATIONS AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to Applicants and are neither designed nor intended to be a substitute for professional legal advice.*

*The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### APPLICABLE LAWS AND RESPECTIVE PREAMBLES

#### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 2013 made way to the enactment of the Companies Act, 2013 and rules made thereunder. The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanisms regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### SEBI REGULATIONS

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### BUSINESS/TRADE RELATED LAWS/REGULATIONS

#### RBI's Guidelines on Digital Lending, 2022 ("Digital Lending Guidelines")

The Digital Lending Guidelines regulate digital lending that can be defined as a remote and automated lending process, largely by use of seamless digital technologies for customer acquisition, credit assessment, loan approval, disbursement, recovery, and associated customer service. It mandates that all loan servicing and repayment must be executed by the borrower directly to the lenders bank account without any pass-through account or pool account of a third party, unless regulatory or statutory mandate provides to the contrary. Further, it mandates that disbursements from the lender to the borrower must always be made into the bank account of the borrower except when such transaction is covered exclusively under statutory or regulatory mandate of any regulator, or when the flow of money is between the lenders in a co-lending transaction, or in case, disbursements are for a specific end use, wherein, the loan is directly disbursed into the bank account of the end-beneficiary. Additionally, it mandates the regulated entities ("REs") to ensure that disbursement is not made to a third-party account, including the accounts of the lending service providers and the digital lending apps/ platforms. Guidelines mandate lenders to provide a precontract Key Fact Statement (KFS) for digital lending products, including Annual Percentage Rate (APR), fees, grievance details, recovery mechanism, and cooling-off period. It also mandates lenders to audit borrower creditworthiness before loans and prevent automatic credit limit increases without explicit consent. The DL Guidelines define a "lending service provider" (LSP) as an agent of a lender who carries out one or more of its functions or part in customer acquisition, underwriting support, pricing support, servicing, monitoring, recovery of specific loan or loan portfolio on behalf of it in conformity with extant outsourcing guidelines issued by the Reserve Bank. It mandates that the lender must inform the borrower at the time of sanctioning the loan and passing on the recovery responsibilities to an LSP of the details of the LSP acting as a recovery agent who is authorized to approach the borrower for recovery.

The DL Guidelines define a "digital lending platform" (DLP) as mobile and web-based applications with user interface that facilitate digital lending services. The lender must ensure collection of data by the DLP is needbased with explicit borrower consent, and only basic identification details essential for operations can be stored. It must be ensured that the DLPs engaged should have a publicly available, comprehensive privacy policy compliant with applicable laws, regulations and RBI guidelines. Further, any lending done through the DLPs engaged, must be reported to the Credit Information Company.

#### New Telecom Policy, 1999, modified by the Department of Telecommunications, GoI on August 5, 2016 ("New Telecom Policy")

Under the New Telecom Policy, for applications such as ecommerce, tele-banking, tele-education and tele-trading, other service providers will be allowed to operate using infrastructure provided by various access providers. No license fee is charged but registration for specific services being offered is required. These service providers do not infringe on the jurisdiction of other access providers and do not provide switched telephony.

### **Telecom Commercial Communications Customer Preference Regulations, 2018 (Customer Preference Regulations)**

The Telecom Regulatory Authority of India (“**TRAI**”) notified the Customer Preference Regulations on July 19, 2018, to curb the problem of unsolicited commercial communication. The Regulations, inter alia, provide for: the registration of senders (businesses and telemarketers) with telecom service providers to reduce the ability of unknown entities reaching out to customers with calls and messages that are fraudulent or otherwise of dubious nature; registration of headers, that is, an alphanumeric string of character or numbers assigned to a sender of commercial communications for segregating different types of messages related to one time passwords, balance inquiries, flight alerts, special offers, etc.; and providing control to the customer to consent to receiving commercial communication and the ability to revoke the consent already granted. Additionally, the concept of registered templates for both message service and voice communication has been introduced to prevent deliberate mixing of promotional messages into the transactional stream. Under these Regulations, it has been mandated that all access providers using SMS to register Entities, Sender IDs, SMS templates in a centralized Distributed Ledger Technology (“**DLT**”) portal from operators. The DLT platform enables a single, sequenced, standardized and cryptographically-secured record of activities by a network of varied participants. Communication messages like OTP, verification codes, notification, etc. sent by businesses to their customers need to be registered in the TRAI DLT platform. Access Providers are required to adopt DLT with permissioned and private DLT networks for implementation of the system, functions and processes as prescribed in Code(s) of Practice to ensure that all necessary regulatory pre-checks are carried out for sending Commercial Communication, and to operate smart contracts among entities for effectively controlling the flow of Commercial Communication.

### **Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder**

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele -shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

### **The Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 (“Advertisement Guidelines”)**

The Advertisement Guidelines provide for the prevention of false or misleading advertisements and making endorsements relating thereto. The Advertisement Guidelines apply inter alia to a manufacturer and to all advertisements regardless of form, format or medium. The Advertisement Guidelines lay down the conditions for non-misleading and valid advertisement and prohibit surrogate or indirect advertisements of goods or services whose advertising is prohibited or restricted by law, by portraying it to be an advertisement for other goods or services, the advertising of which is not prohibited or restricted by law. Further, the Advertisement Guidelines lay down duties of inter alia a manufacturer and provide inter alia that every manufacturer shall ensure that all descriptions, claims and comparisons in an advertisement which relate to matters of objectively ascertainable facts shall be capable of substantiation. The Advertisement Guidelines further provide that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### ***The Foreign Direct Investment***

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“**FDI Policy 2020**”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

#### ***Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder:***

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

#### ***Foreign Trade Policy 2023***

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

### **LAWS RELATING TO INTELLECTUAL PROPERTY**

#### ***Trademarks Act, 1999***

Under the Trademarks Act, 1999 (“**Trademarks Act**”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

#### ***Copyright Act, 1957 and the rules thereunder***

The Copyright Act, 1957, along with the Copyright Rules, 1958, (“**Copyright Laws**”) create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an “original work” by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. The Copyright Laws prescribe fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

### **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

#### ***Code on Wages, 2019***

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to

employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

*\*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.*

### ***Employees Provident Fund and Miscellaneous Provisions Act, 1952***

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### ***Employees State Insurance Act, 1948, as amended (the "ESIC Act")***

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### ***Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")***

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed

on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Public Liability Insurance Act, 1991 (“PLI Act”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressa“) Act, 2”13 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

## **TAX RELATED REGULATIONS**

### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### ***Goods and Service Tax Act, 2017***

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

### ***State Tax on Profession, Trades, Callings and Employment Rules, 1975***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **OTHER GENERAL REGULATIONS**

### ***The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):***

MSME Act was enacted to facilitate the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged

in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### ***State Laws***

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### ***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### ***Other regulations:***

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

## **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### HISTORY OF OUR COMPANY

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.

### CHANGES IN OUR REGISTERED OFFICE

The registered office of our Company is presently situated at No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India, 560075 The changes have been as follows:

Particulars of Registered Office	Date of Event	Purpose
No. 10, 1 <sup>st</sup> Floor, 6 <sup>th</sup> Main, 9 <sup>th</sup> Cross, Jeevan Bhima Nagar, Bangalore 560075	Since Incorporation	NA

### MAIN OBJECTS OF OUR COMPANY

The Main Objects of our Company are inter alia as set forth below:

- To carry on business as Financial and Investment Consultant, DSA and act as issue manager, lead manager, underwriters, sub-underwriters, brokers, dealers, and agents of shares, debenture stocks and other securities.*
- To carry on the business of finance consultants to industrial, agricultural and other business enterprises.*

### AMENDMENTS TO THE MOA SINCE INCORPORATION

S. No.	Particulars	Date of Event
1.	Increase in Authorised Share Capital from INR 1,00,000 to INR 3,00,000	07/01/2016
2.	Alteration in Object Clause in Memorandum of Association	07/01/2016
3.	Increase in Authorised Share Capital from INR 3,00,000 to INR 45,00,000	22/01/2018
4.	Increase in Authorised Share Capital from INR 45,00,000 to INR 20,00,00,000	28/09/2024
5.	Conversion from Private Limited Company to Public Limited Company	12/07/2024

### KEY EVENTS AND MILESTONES

Year	Description
2012	Incorporation of Company
2015	Company goes multi geography with the setting up office in Delhi
2016	Equity Investment by The Chennai Angels (TCA) consortium into the Company
2018	Company sets up 100% subsidiary - LTCV Credit Private Limited
2020	Company crosses 50 crores of topline
2021	Company successfully navigates the impact of COVID on operations. However turnover drops below 50 cr
2022	Significant investment into digital teams by setting up new teams
2023	Company crosses 100 crores of topline
2024	Company crosses 150 crores of topline

### AWARDS AND ACCREDITATIONS

Year	Particulars
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2018-19	Awarded as 'Best Channel Outstanding Support in H1 FY2018-19' from Kotak Mahindra Bank
	Recognition as a 'Valued Channel Partner' from HDFC Bank
2020-21	Awarded as 'Third Highest Contribution of Personal Loan in Karnataka and Kerala' in 2020-21 from Axis Finance
	Certificate of Appreciation from ICICI Bank (Personal Loans)
2021-22	Awarded as 'Top Partner' for performance from Bajaj Finserv
	Appreciation award for outstanding contribution during FY21-22 from IDFC First Bank
2023-24	Awarded the 'Pegasus Excellence Award - Personal Loan' for FY 2023-24 from Tata Capital

## DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of our Company's activity, business model, marketing strategy, strengths and prospects, please refer to the chapters entitled "*Our Business*", "*Management Discussion and Analysis of Financial Conditions*" and "*Basis for Issue Price*" on page 116, 170 and 96 respectively.

## HOLDING COMPANY OF OUR COMPANY

Our Company does not have any holding company as on the date of filing this Draft Red Herring Prospectus.

## SUBSIDIARY COMPANIES OF OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary, LTCV Credit Private Limited.

1. LTCV Credit Private Limited

### Corporate Information

LTCV Credit Private Limited headquartered in Karnataka, Bangalore, India was incorporated on 20<sup>th</sup> April 2018 under the provisions of the companies Act, 2013.

### Nature of business

The company is a non-deposit taking Non-banking Financial Company (NBFC-ND), holding a certificate of Registration from the Reserve Bank of India (RBI) dated January 09,2019.

### Capital Structure and Shareholding of our Company

The authorised share capital of LTCV Credit Private limited is Rs. 3,00,00,000 divided into 30,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of LTCV Credit Private Limited is Rs.2,04,50,000 divided into Rs.20,45,000 Equity Shares of Rs.10 each. Our Company holds 20,45,000\* equity shares of Rs.10 each aggregating to 100.00% of the total shareholding of LTCV Credit Private Limited.

\*Parth Pandey is the nominee shareholder, holding 1 equity share.

### Amount of Accumulated Profit or Loss

There are no accumulated profits or losses of LTCV Credit Private Limited that have not been accounted for by our Company.

## ACQUISITION OF BUSINESS/UNDERTAKINGS & AMALGAMATION

Except as disclosed in this Draft Red Herring Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

## HOLDING COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

## CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to “*Capital Structure*” beginning on page 58 of this Draft Red Herring Prospectus. For details of our Company’s debt facilities, please refer to the section “*Restated Financial Information*” on page 165 of this Draft Red Herring Prospectus.

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

There has been no time / cost overrun in setting up projects by our Company.

#### **INJUNCTION OR RESTRAINING ORDER**

There are no injunctions/ restraining orders that have been passed against the Company.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOANS INTO EQUITY SHARES**

Our Company has not defaulted in making payment of interest and repayment and there is no pending overdue with any lender as of the date of filing of this Draft Red Herring Prospectus. Refer “*Risk Factors*” beginning on Page 22 of this Draft Red Herring Prospectus for further information.

Furthermore, except as disclosed in “*Capital Structure*” beginning on Page 58 of this Draft Red Herring Prospectus, none of the Company's loans have been converted into equity in the past.

#### **LOCK-OUT OR STRIKES**

Our Company, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

#### **SHAREHOLDERS OF OUR COMPANY**

Our Company has Forty-eight shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to “*Capital Structure*” beginning on page 58 of this Draft Red Herring Prospectus.

#### **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see “*Our Management*” on page 145 of this Draft Red Herring Prospectus.

#### **CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in “*Management’s Discussion and Analysis of Financial Conditions & Results of Operations*” beginning on page 170 of this Draft Red Herring Prospectus.

#### **SHAREHOLDERS AGREEMENTS**

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same, except as mentioned below:

<b>Date of Agreement</b>	<b>Parties</b>
August 05, 2024	Finbud Financial Services Limited
	Mr. Vivek Bhatia
	Mr. Parth Pande
	Mr Parag Agarwal
	The Chennai Angels (Existing Investors)
	Mr. Ashish Kacholia
	RBA Finance & Investment Company
<b>Salient Clause of the Agreement</b>	

<b>Right to nominate director or observer</b>	Investors have the right to appoint a non-executive director as their nominee on the company's board and a representative as an observer. These positions cannot be removed without the director's written consent.
<b>Sale by promoter and Tag along</b>	Investors have the right to sell a proportional share of their holdings on the same terms if Promoters or existing investors transfer more than 10% of their combined shares to a third party.
<b>Information rights</b>	Investors holding at least 5% shares are entitled to audited annual financials, unaudited quarterly reports, quarterly progress updates, annual budgets, MIS reports, regulatory filings, board meeting minutes, and additional information upon request, within specified timelines, while maintaining confidentiality.
<b>Alternative vote items</b>	The company, its directors, or shareholders cannot take any actions or decisions on matters outlined in Agreement without the investor's prior written consent, whether in board meetings, committee meetings, general meetings, or through resolutions.
<b>Valuation protection rights</b>	Investors receive valuation protection for lower-than-agreed valuations, with adjustments or share issuances made at the company's or promoters' expense.
<b>Investor Protection Rights</b>	The investor is granted specific protection rights contingent on the company filing the Draft Red Herring Prospectus (DRHP) with SEBI within three months and completing the IPO within six months. The company must amend its Articles of Association to reflect these rights if it fails to file the DRHP on time. These rights are forfeited if the investor's shareholding falls below 1% on a fully diluted basis and are reinstated only when the threshold is met again.
<b>Additional Provisions</b>	Include covenants on Pre-emptive dilution rights, Anti-dilution rights, Exit top investor, Inspection and audit rights and Subsequent round investment conditions.

## COLLABORATION AGREEMENTS

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any collaboration agreements.

## MATERIAL AGREEMENT

Except as below, Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

S. No.	Counter-party	Date	Nature of Agreement	Expiry Date	Key Clauses
1	ICICI Bank Limited	13/03/2014	Service Provider Agreement	Unspecified	Termination: 60 days' notice by either party or immediate for default (fraud, legal breach, insolvency). Indemnity: Service Provider indemnifies ICICI for losses arising from non-performance, data breach, or fraud. Limitation of Liability: ICICI is not liable for indirect damages. Arbitration: 2 arbitrators; seat of arbitration is Mumbai. Sub-contracting: Prohibited without ICICI's consent.
2	Cholamandalam Investment & Finance	2014	Service Provider Agreement	Auto-renewable	Termination: Immediate for breach or insolvency; 1-month notice for other cases. Sub-contracting: Requires prior approval. Payment Terms: Fees detailed in annexures; adjustable by the company. Arbitration: Sole arbitrator appointed by Cholamandalam; Chennai jurisdiction.
3	Axis Finance Limited	05/08/2020	Service Provider Agreement	Valid unless terminated	Termination: 30 days' written notice or immediate for regulatory violations, insolvency, or fraud. Non-exclusivity: Service Provider can work with other clients but must inform Axis in advance. Change of Control: Must notify Axis of major shareholding changes. Arbitration: Sole arbitrator; seat is Mumbai/New Delhi.

4	Bajaj Finance Limited	17/07/2024	DSA/Direct Marketing Agreement	Unspecified	Termination: 30 days' notice by either party or immediate for fraud, legal breaches, or insolvency. Payment Terms: Service provider to invoice monthly; fees are adjustable by Bajaj Finance. Indemnity: Covers losses from fraud, negligence, or data breaches by the Service Provider. Arbitration: Sole arbitrator; seat in Pune.
5	HDFC Limited	13/07/2023	Service Provider Agreement	Initial term of 3 years	Termination: 90 days' notice by either party or immediate for breach, insolvency, or regulatory non-compliance. Exclusivity: Allowed to serve other clients. Indemnity: Service Provider responsible for any legal or reputational damages caused to HDFC. Arbitration: Sole arbitrator; seat in Mumbai.
6	HDFC Bank Limited	18/05/2023	Marketing Alliance Agreement	Valid unless terminated	Termination: 30 days' notice for breach; immediate for fraud, insolvency, or damage to reputation. Indemnity: Covers liabilities from service deficiencies. Limitation of Liability: Limited to value of benefits provided. Arbitration: Sole arbitrator; seat in Mumbai.
7	Kotak Mahindra Bank Limited	01/12/2023	Digital Marketing Association Agreement	Unspecified	Termination: 1-month notice by either party; immediate for service deficiencies or legal violations. Indemnity: Covers penalties or damages arising from breach of agreement or law. Sub-contracting: Requires prior approval. Arbitration: Sole arbitrator; seat in Chennai.
8	Aditya Birla Finance Limited	30/04/2024	Master Services Agreement	Automatic renewal	Termination: 30 days' notice or immediate for fraud, breach, insolvency, or legal non-compliance. Payment Terms: Based on Statement of Works; adjustable by ABFL. Indemnity: Covers deficiencies, data breaches, and legal risks. Arbitration: Sole arbitrator; seat in Mumbai.
9	Kotak Mahindra Prime Limited	27/03/2024	Service Provider Agreement	Unspecified	Termination: For legal violations, default, or unsatisfactory performance. Indemnity: Covers all damages and costs from breach of agreement or negligence. Sub-contracting: Allowed with prior approval; contractor terms must align with agreement. Arbitration: Sole arbitrator; seat in Mumbai.
10	IndusInd Bank Limited	23/04/2024	Direct Sales Associate Agreement	5 years	Termination: 90 days' notice by either party or immediate for breach, insolvency, or legal violations. Non-exclusivity: Service Provider can engage with other clients. Sub-contracting: Allowed with approval; Service Provider liable for subcontractors. Indemnity: Covers losses from non-performance, fraud, or data breaches. Arbitration: Sole arbitrator; seat in Mumbai.
11	Tata Capital Financial Services Limited	17/02/2021	Service Provider Agreement	Valid unless terminated	Termination: 30 days' notice or immediate for fraud, insolvency, or breach. Indemnity: Covers data breaches and legal risks. Arbitration: Sole arbitrator; seat in Mumbai.
12	IndusInd Bank Limited	27/03/2024	Direct Sales Associate Agreement	5 years	Termination: 90 days' notice or immediate for breach, insolvency, or regulatory violations. Arbitration: Sole arbitrator; seat in Mumbai.
13	HDFC Bank Limited	09/12/2022	Service Provider Agreement	08/12/2025	Termination: Immediate for breach or insolvency. Payment Terms: Fees adjustable per annexures. Indemnity: Covers legal risks. Arbitration: Sole arbitrator; seat in Mumbai.
14	Axis Bank Limited	25/02/2023	Service Provider Agreement	Unspecified	Termination: 30 days' notice for breach or regulatory violations. Indemnity: Covers penalties and damages. Arbitration: Sole arbitrator; seat in Mumbai.

15	Axis Bank Limited	15/04/2024	Service Provider Agreement	14/04/2027	Termination: Immediate for regulatory breaches or fraud. Indemnity: Covers legal liabilities. Arbitration: Sole arbitrator; seat in Mumbai.
16	Cholamandalam Investment and Finance Company	2022	Service Provider Agreement	Unspecified	Termination: Immediate for breach. Payment Terms: As per annexures. Arbitration: Sole arbitrator; seat in Chennai.
17	Bajaj Finance Limited	Unspecified	Service Provider Agreement	3 years from unspecified date	Term and Validity: Agreement remains in force for 3 years unless terminated as per conditions in the agreement. Termination: BFL may terminate without notice under specific conditions such as non-performance, breach of obligations, insolvency, misconduct, or jeopardizing BFL's interests. Nature of Services: Assist BFL in proposals for financing facility, procure customers, and provide required financial/business information. Change of Control: Any changes in Service Provider's constitution must be intimated to BFL. Exclusivity: Services are non-exclusive. Sub-contracting: Not allowed without prior consent. Payment Terms: Fees as per Schedule C or mutually agreed terms. Indemnification: Service Provider indemnifies BFL against liabilities arising from negligence, breach, or misconduct, with a liability period extending 8 years post-termination. Assignments: Transfer of agreement rights requires BFL's prior consent. Governing Law: India. Jurisdiction: Courts of Pune. Arbitration: Sole arbitrator; seat in Pune.

#### **NON-COMPETE AGREEMENT**

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

#### **JOINT VENTURE AGREEMENT**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

#### **STRATEGIC PARTNERS**

Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

#### **FINANCIAL PARTNERS**

Our Company does not have any financial partners as on the date of this Draft Red Herring Prospectus.

#### **CORPORATE PROFILE OF OUR COMPANY**

For details on the description of our Company's activities, the growth of our Company, please see "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" on pages 116, 170 and 96 of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on our Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Red Herring Prospectus, our Board consists of 6 (Six) Directors, out of whom 3 (Three) is an Executive Director and 3 (Three) are Non-Executive out of whom 1 (One) is a Director and 2 (Two) are Independent Directors.

Sr. No.	Name	DIN	Category	Designation
1.	Parag Agarwal	03167515	Executive	Whole-Time Director & Chief Financial Officer
2.	Parth Pande	05250700	Executive	Whole-Time Director
3.	Vivek Bhatia	05250711	Executive	Whole-Time Director
4.	Ajay Vikram Singh	10774297	Non-Executive	Independent Director
5.	Payal Shah	10766791	Non-Executive	Independent Director (Women)
6.	Kavuri Praveen	07610943	Non-Executive	Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Bombayity and Term	Age	Other Directorship(s)
1	<p><b>Parag Agarwal</b>                      Designation: Whole-Time Director &amp; Chief Financial Officer                      Address: 20071 Prestige Shantiniketan, ITPL Main Road, Whitefield, Mahadevapura, Bengaluru, Karnataka - 560048                      Date of Birth: 31/03/1980                      Qualification: Master's in Business Administration                      Occupation: Business                      Experience: 19 Years                      Term of Office: 5 Years                      Date of Expiration of Term: March 31, 2025</p>	45	<p><b>List of Associated Companies</b></p> <ul style="list-style-type: none"> <li>● LTCV Credit Private Limited</li> </ul> <p><b>List of Associated LLP</b> N/A</p>
2	<p><b>Parth Pande</b>                      Designation: Whole-Time Director                      Address: 3165 Prestige Misty Waters, Sy No 6/2 A 6/2B Vayunandana Layout, Next to Jain Heritage School, Kempapura, Hebbal, Bangalore North, H.a. Farm, Bengaluru, Karnataka - 560024                      Qualification: Master's in Business Administration                      Occupation: Business                      Experience: 19 Years                      Term of Office: 5 Years                      Date of Expiration of Term: March 31, 2025</p>	43	<p><b>List of Associated Companies</b></p> <ul style="list-style-type: none"> <li>● LTCV Credit Private Limited</li> </ul> <p><b>List of Associated LLP</b> N/A</p>
3	<p><b>Vivek Bhatia</b>                      Designation: Whole-Time Director                      Address: No 717, 7th Main, 2nd Cross, HRBR Layout, Kalyan Nagar, Bangalore, Karnataka-560043                      Date of Birth: 31/08/1974                      Qualification: Bachelor of Commerce                      Occupation: Business</p>	50	<p><b>List of Associated Companies</b> N/A</p> <p><b>List of Associated LLPs</b> N/A</p>

	Experience: 25 Years Term of Office: 5 Years Date of Expiration of Term: March 31, 2025		
4	<b>Ajay Vikram Singh</b> Designation: Independent Director Address: Flat No 3 A Lalitha Kunj 6/1A Middleton Street, Kolkata, West Bengal -700071 Date of Birth: 15/01/1977 Qualification: Master's in Business Administration Occupation: Business Experience: 24 Years Term of Office: 5 Years Date of Expiration of Term: November 15, 2029	48	<b>List of Associated Companies</b> N/A <b>List of Associated LLPs</b> N/A
5	<b>Payal Shah</b> Designation: Independent Director Address: D-1007 South City Apartment Arakere Mico Apartment, B G Road, Bangalore South, Karnataka Date of Birth: 08/11/1981 Qualification: PGDBM in Marketing and Finance Occupation: Business Experience: 19+ Years Term of Office: 5 Years Date of Expiration of Term: November 15, 2029	43	<b>List of Associated Companies</b> N/A <b>List of Associated LLPs</b> N/A
6	<b>Kavuri Praveen</b> Designation: Director Address: A-204, Indraprasth Greens, Shyamal Cross Roads, Behind Shangrila Arcade, Satelite Ahmedabad City, Ahemdabad Date of Birth: 12/08/1993 Qualification: B.Tech in Chemical Engineering Occupation: Business Experience: 12+ Years Term of Office: Retire by Rotation Date of Expiration of Term: NA	31	<b>List of Associated Companies</b> <ul style="list-style-type: none"> <li>● Grovion Energy Private Limited</li> <li>● Asianware Home Private Limited</li> <li>● Halfcute Internet Private Limited</li> <li>● All Commerce Technologies Private Limited</li> </ul> <b>List of Associated LLPs</b> <ul style="list-style-type: none"> <li>● Sustsheet Solar LLP</li> <li>● Cazo Foodtech LLP</li> </ul>

## BRIEF PROFILE OF THE DIRECTORS

**Parag Agarwal** is the Whole-Time Director of our Company, bringing over 20 years of experience in investment management and financial services. He held senior positions in private equity, including Vice President of Investments at Masan Group and Investment Manager at Avigo, where he was instrumental in managing significant investment portfolios across Southeast Asia and India. He holds an MBA from SCMHRD Pune and currently oversees pan-India agent management and financial operations at our Company.

**Parth Pande** is the Whole-Time Director of our Company, which he co-founded after a decade-long career with Citibank, where he served as Vice President. His expertise lies in digital business management, including marketing, product, technology, and analytics. At Citibank, he was responsible for managing a highly profitable retail asset franchise, overseeing a substantial loan book, and leading a large team of bankers and sales staff. He holds an MBA in Marketing from SCMHRD Pune and a BSc in Computer Science from Bangalore University.

**Vivek Bhatia** is the Whole-Time Director of our Company. With a background in entrepreneurship, he has been instrumental in growing the organization's human resources. He holds a B.Com degree from St. Joseph's College of Commerce and has extensive experience managing operations, HR, and agent networks in South India. Before founding our Company, he gained significant expertise in the retail financial services distribution landscape through his previous ventures.

**Ajay Vikram Singh**, is the Independent Director of the company, holds a bachelor's in computer science engineering from the Army Institute of Technology, Pune (1996-2000), and an MBA from IIM Calcutta (2002-2004). He spent 14 years at Citibank, where he held key leadership roles in Consumer Banking, gaining expertise in new product development, P&L management, and team building. As Business Head for Unsecured Lending at Clix Capital (2018-2020), he scaled digital-led models across personal,



business, and mobile financing. At Xiaomi India (2020-2021), he led Financial Services, expanding lending, payments, and protection products. In 2021, he joined Paytm as SVP - Lending, later serving as CBO for User Growth, and in 2023, he became Head of Cards & Retail Lending at HSBC India.

**Payal Shah** is the Independent Director of the company. She holds a bachelor's degree in commerce from Mount Carmel College (2002) and completed her Post Graduate Diploma in Business Management (PGDBM) with a specialization in Marketing and Finance from SCMHRD, Pune, in 2004. In March 2004, she began her career at McKinsey & Company as a Research Analyst, specializing in secondary research, where she worked until 2006. Following this, she joined Sequoia Capital as an Investment Associate/Analyst in 2006, where her role involved due diligence and sourcing new investment opportunities. She remained with Sequoia until June 2011. From 2012 to 2020, Payal held various roles, including Business Development Manager (BDM) at Acumen India, Head of Investments at Axilor Ventures, and Head of Municipal Strengthening at Janaagraha Centre for Citizenship & Democracy. In these positions, she led teams, sought new opportunities, and enhanced governance initiatives. Since 2022, Payal has been a Venture Partner at Paramark Ventures, where she is responsible for sourcing investment opportunities and conducting due diligence.

**Kavuri Praveen**, Director of the Company, holds a B. Tech in Chemical Engineering from IIT Kharagpur (2014). As CTO of Dotlabs Private Limited (2011-2015), he developed *sehat.com*, a doctor discovery platform. From 2016 to 2018, he served as CTO at Finance Buddha, creating an online personal loan marketplace and an internal lead management system. In 2016, he founded CakeZone, a D2C cake brand later acquired by Curefoods in October 2021. He is currently the co-founder and CEO of Allcommerce, founded in November 2021.

### **Confirmations**

*As on the date of this Draft Red Herring Prospectus:*

- a) *None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the NSE, during the term of their directorship in such company.*
- b) *None of the Directors are on the RBI List of wilful defaulters*
- c) *None of our Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.*
- d) *None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018. None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.*
- e) *None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.*
- f) *None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*

### **FAMILY RELATIONSHIP BETWEEN DIRECTORS**

None of the Directors or Director and Key Managerial Personnel or Senior Management of the Company are related to each other as per Section 2(77) of the Companies Act, 2013.

### **DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) IN LISTED COMPANIES WHOSE SHARES HAVE BEEN / WERE SUSPENDED FROM BEING TRADED ON THE STOCK EXCHANGES AND REASONS FOR SUSPENSION**

None of our Directors is / was a Director in any listed company during the last five years before the date of filing of this Draft Red Herring Prospectus, whose shares have been / were suspended from being traded on any stock exchange.

### **DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) IN LISTED COMPANIES WHICH HAVE BEEN/ WERE DELISTED FROM THE STOCK EXCHANGE(S) AND REASONS FOR DELISTING**

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

### **DETAILS OF ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CONSUMERS, SUPPLIERS OR OTHERS, PURSUANT TO WHICH OF THE DIRECTORS WERE SELECTED AS A DIRECTOR OR MEMBER OF SENIOR MANAGEMENT**

There are no arrangements or understandings with major shareholders, consumers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.

### **DETAILS OF SERVICE CONTRACTS**

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, the directors have been issued Appointment letters for their term of appointment.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

## **BORROWING POWER OF THE BOARD**

In terms of the special resolution passed at an Extraordinary General Meeting of our Company held on September 28, 2024 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, the consent of members of the Company has been accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of INR 20 Crores.

## **COMPENSATION OF WHOLE-TIME DIRECTOR(S)**

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our WTD(s) for Fiscal 2024:

<b>Name of the Executive Director</b>	<b>Designation</b>	<b>Compensation (in Rs. Lakhs)*</b>
Parag Agarwal	Whole-Time Director & Chief Financial Officer	35.77
Parth Pande	Whole-Time Director	55.77
Vivek Bhatia	Whole-Time Director	27.77

## **PAYMENTS OR BENEFITS TO OUR DIRECTORS**

### **Non-Executive Directors:**

Non-Executive Directors of the company - both Independent and Non-Independent - may be paid sitting fee, commission, and any other amounts as may be decided by our board in accordance with the provisions of the Articles of Association, the Companies Act, and other applicable laws & regulations.

### **Contingent and deferred compensation payable to the Directors**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

### **Bonus or profit-sharing plan for our directors**

Our Company does not have any performance-linked bonus or a profit-sharing plan in which our directors have participated.

### **Payment of benefits (non-salary related)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered. Our Company will not pay any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

## **SHAREHOLDING OF DIRECTORS OF OUR COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him/her for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Director	No. of Equity Shares held	% of pre-issue Equity Share Capital of our Company
1.	Parag Agarwal	30,02,949	21.45%
2.	Parth Pande	30,01,347	21.44%
3.	Vivek Bhatia	30,85,452	22.04%

## INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances. Provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Except as stated in the chapter “*Our Management*” and “*Restated Financial Information*” beginning on page 145 and 165 respectively and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors are not interested in the appointment of or acting as Book Running Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

### *Interest in promotion of Our Company*

Except Parag Agarwal, Parth Pande and Vivek Bhatia, who are Promoters of our company, none of our directors have any interest in the promotion of our Company other than in ordinary course of business.

### *Interest in the property of Our Company*

Our Directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

### *Interest in the business of Our Company*

Save and except as stated otherwise in “*Related Party Transaction*” in the chapter titled “*Restated Financial Information*” beginning on page number 165 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

### *Bonus or profit-sharing plan for the directors*

There is no bonus or profit-sharing plan for the Directors of our Company.

### *Other indirect interest*

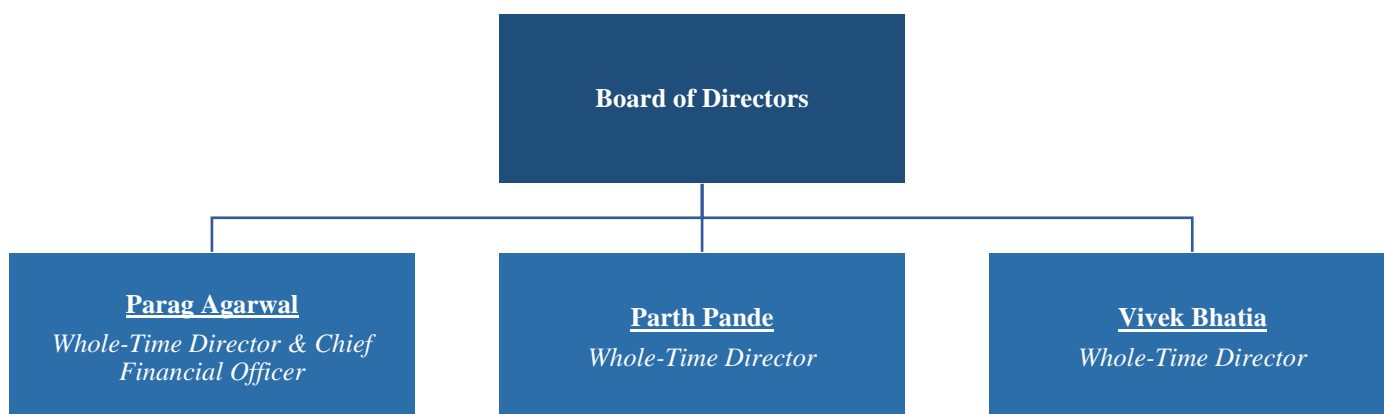
Except as stated in chapter titled “**Restated Financial Information**” beginning on page 165 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

## **CHANGES IN THE BOARD**

Save and except as mentioned below, there has been no change in directorships in our Company:

S.No	Name	Designation	Date of Appointment/ Cessation	Reason
1	Vivek Bhatia	Whole-Time Director	09/07/2012	Appointment
2	Parag Agarwal	Whole-Time Director	01/04/2014	Appointment
3	Parth Pande	Whole-Time Director	01/01/2015	Appointment
4	Venkataraman Prabhakar Ram	Director	01/07/2023	Appointment
5	Vivekananda Udaya Bhandarkar	Company Secretary and Compliance Officer	16/09/2024	Appointment
6	Parag Agarwal	Chief Financial Officer	06/11/2024	Appointment
7	Venkataraman Prabhakar Ram	Director	06/11/2024	Cessation
8	Ajay Vikram Singh	Independent Director	15/11/2024	Appointment
9	Payal Shah	Independent Director	15/11/2024	Appointment
10	Kavuri Praveen	Director	15/11/2024	Appointment

## **MANAGEMENT ORGANIZATIONAL STRUCTURE**



## **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has

complied with the corporate governance requirement, particularly in relation to appointment of independent directors including a woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. *Audit Committee*

2. *Nomination and Remuneration Committee*

**Audit Committee**

The Audit Committee was constituted vide Board resolution dated December 17, 2024, pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

<b>Name of the Director</b>	<b>Status in the Committee</b>	<b>Nature of Directorship</b>
Ajay Vikram Singh	Chairman	Independent
Payal Shah	Member	Independent
Parag Agarwal	Member	Whole-Time Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.

- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.

The Audit Committee enjoys following powers:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise if it considers necessary
- The audit committee may invite such executives as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on the occasions, it may also meet without the presence of any executives of the Issuer. The finance director, head of the internal audit committee.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall cease to be a member of this committee.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on December 17, 2024, As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

<b>Name of the Director</b>	<b>Status in the Committee</b>	<b>Nature of Directorship</b>
Payal Shah	Chairman	Non-Executive Independent Director
Ajay Vikram Singh	Member	Non-Executive Independent Director
Praveen Kavuri	Member	Non-Executive Director
Vivek Bhatia	Member	Whole-Time Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
 

(1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The Meetings of the Committee shall be held at least once a year. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, including at least one independent director. Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the EMERGE Platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **KEY MANAGERIAL PERSONNEL**

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

<b>Sr. No.</b>	<b>Name, Designation, Date of Joining, Qualification, Term and Previous Employment</b>	<b>Past business experience, and functions and areas of experience</b>
<b>1</b>	<p><b>Name:</b> Parag Agarwal  <b>Designation:</b> Whole Time Director &amp; Chief Financial Officer  <b>Date of Joining:</b> 07/05/2013  <b>Qualification:</b> Master's in Business Administration  <b>Term of Office:</b> 5 Year  <b>Date of Expiration of Term:</b> March 31, 2025  <b>Previous Employment:</b> Masan Group</p>	<p><b>Past Business Experience:</b> Parag Agarwal is the Whole-Time Director of our Company with over 20 years of experience in investment management and financial services. He previously held senior positions in private equity, including Vice President of Investments at Masan Group and Investment Manager at Avigo. In these roles, he managed investment portfolios across South East Asia and India, focusing on financial markets and investment strategies.</p> <p><b>Functions:</b> He oversees pan-India agent management and financial operations at our Company. His responsibilities include developing financial strategies, managing investor relations, and overseeing financial planning and analysis.</p> <p><b>Areas of Experience:</b> He has experience in investment management, financial planning, portfolio management, and operational leadership. His background includes cross-border investments and working within diverse regulatory environments in South East Asia.</p>
<b>2</b>	<p><b>Name:</b> Parth Pande  <b>Designation:</b> Whole Time Director  <b>Date of Joining:</b> 09/07/2012  <b>Qualification:</b> Master's in Business Administration  <b>Term of Office:</b> 5 Year  <b>Date of Expiration of Term:</b> March 31, 2025</p>	<p><b>Past Business Experience:</b> Parth Pande is the Whole-Time Director of our Company and co-founded the organization after a decade-long career at Citibank, where he served as Vice President. At Citibank, he managed a retail asset franchise, overseeing loan portfolios and leading teams in retail banking operations.</p> <p><b>Functions:</b> He is responsible for managing the digital business functions of our Company. His areas of responsibility include digital</p>

	<b>Previous Employment:</b> Citi Bank	marketing, product development, technology, analytics, digital operations, and monetization strategies.  <b>Areas of Experience:</b> He has experience in digital business management, including digital marketing, product development, technology integration, and data analytics. His role focuses on optimizing digital platforms, operational efficiencies, and data-driven decision-making.
3	<b>Name:</b> Vivek Bhatia <b>Designation:</b> Whole Time Director <b>Date of Joining:</b> 09/07/2012 <b>Qualification:</b> Bachelor's in Commerce <b>Term of Office:</b> 5 Year <b>Date of Expiration of Term:</b> March 31, 2025 <b>Previous Employment:</b> Self Employed	<b>Past Business Experience:</b> Vivek Bhatia is the Whole-Time Director of our Company with over two decades of entrepreneurial experience. Before co-founding our Company, he established and managed multiple ventures, including a proprietorship firm that partnered with Citibank for retail asset distribution. He also operated a manufacturing unit for hygiene paper products, supplying to retail supermarkets.  <b>Functions:</b> He oversees operational and human resource functions, particularly in managing the agent network in South India. His responsibilities include operational process management, HR policy development, and distribution network administration.  <b>Areas of Experience:</b> He has experience in operations management, human resource development, and agent network administration. His background includes business development, strategic planning, and understanding the financial services and manufacturing sectors.
4	<b>Name:</b> Vivekananda Udaya Bhandarkar <b>Designation:</b> Company Secretary and Compliance Officer <b>Date of Joining:</b> <b>Qualification:</b> Company Secretary <b>Term of Office:</b> Permanent <b>Date of Expiration of Term:</b> NA <b>Previous Employment:</b> JDNASSA & Associates	<b>Past Business Experience:</b> Vivekananda Bhandarkar began his career as a Legal Assistant at V G Bhat & Associates (2009–2014), assisting with paralegal compliance and court petitions. He later served as a Management Trainee at J.B. Bhawe & Co. and JDNASSA & Associates (2015–2016), expanding his skills in company law, FEMA compliance, and share capital audits. After qualifying as a Company Secretary in 2016, he practiced independently until 2021 and now manages his own business.  <b>Functions:</b> Vivekananda's core functions include preparing board and AGM minutes, maintaining statutory registers, managing corporate restructuring, and drafting compliance reports. He also worked on FEMA filings, share capital audits, and attended AGMs to ensure corporate governance standards.  <b>Areas of Experience:</b> Vivekananda's experience covers corporate compliance, company secretarial practices, and paralegal functions. Skilled in company law, SEBI, and FEMA regulations, he has a strong foundation in legal compliance and governance. His contributions to professional publications and industry events reflect his active engagement in the field.

#### COMPENSATION OF KEY MANAGERIAL PERSONNEL

The table below sets forth the details of the compensation (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our key managerial personnel for Fiscal 2024:

Name of the KMP	Designation	Compensation for the Fiscal 2024 (in Rs. Lakhs)
Parag Agarwal	Whole Time Director & Chief Financial Officer	35.77
Parth Pande	Whole Time Director	55.77



Vivek Bhatia	Whole Time Director	27.77
Vivekananda Udaya Bhandarkar	Company Secretary and Compliance Officer	NIL*

\*The above were not designated as Company Secretary and Compliance Officer during the Fiscal 2024.

Notes:

- i. All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- ii. There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.
- iii. None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company; although they abide by their terms of appointments.

#### **FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

#### **BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel holds any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus, except as follows:

Sr. No.	Name of Key Managerial Personnel	Designation	No. of Equity Shares held	% of pre-issue Equity Share Capital of our Company
1.	Parag Agarwal	Whole Time Director & Chief Financial Officer	30,02,949	21.45%
2.	Parth Pande	Whole Time Director	30,01,347	21.44%
3.	Vivek Bhatia	Whole Time Director	30,85,452	22.04%

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS**

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name of KMP	Date of Change	Reason
1.	Vivek Bhatia	09-07-2012	Appointment as Whole Time Director
2.	Parag Agarwal	01-04-2014	Appointment as Whole Time Director
3.	Parth Pande	01-01-2015	Appointment as Whole Time Director
4.	Vivekananda Udaya Bhandarkar	16/09/2024	Appointment as Company Secretary and Compliance Officer
5.	Parag Agarwal	06/11/2024	Appointment as Chief Financial Officer

*Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.*

#### **SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE**

We have not issued any Employee Stock Options till the date. For details of our Employee Stock Options scheme refer ‘*Capital Structure*’ on page 58 of this Draft Red Herring Prospectus.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

There are no loans outstanding against the key managerial personnel other than the loan mentioned in the chapter – *Restated Financial Information* page 165 of this Draft Red Herring Prospectus.

#### **PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Restated Financial Information*” and the chapter titled “*Our Business*” beginning on pages 165 and 116 of this Draft Red Herring Prospectus, we have not paid/given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

#### **RETIREMENT BENEFITS**


Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.


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## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus, our Promoters hold 90,89,748 Equity Shares, representing 64.92% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please see "*Capital Structure*" beginning on page 58 of this Draft Red Herring Prospectus.

**Brief profiles of our Individual Promoters is as under:**

	<b>Name</b>	Parag Agarwal
	<b>Date of Birth and Age</b>	31/03/1980, i.e. 45 Years
	<b>PAN</b>	AGSPA1398J
	<b>Personal Address</b>	20071 Prestige Shantiniketan, ITPL Main Road, Whitefield, Mahadevapura, Bengaluru, Karnataka - 560048
	<b>Qualification</b>	Master's in Business Administration
	<b>Directorships &amp; Other Ventures</b>	<b>List of Associated Companies</b> <ul style="list-style-type: none"> <li>● LTCV Credit Private Limited</li> </ul> <b>List of Associated LLP</b> <ul style="list-style-type: none"> <li>● N/A</li> </ul>
	<b>Experience</b>	19 Years
	<b>Occupation</b>	Business
	<b>No. of Equity Shares &amp; % pre-Issue Shareholding</b>	30,02,949 & 21.45%

	<b>Name</b>	Parth Pande
	<b>Date of Birth and Age</b>	16/11/1981, i.e. 43 Years
	<b>PAN</b>	AKSPPP6085E
	<b>Personal Address</b>	3165 Prestige Misty Waters, Sy No 6/2 A 6/2B Vayunandana Layout, Next to Jain Heritage School, Kempapura, Hebbal, Bangalore North, H.a. Farm, Bengaluru, Karnataka - 560024
	<b>Qualification</b>	Master's in business administration
	<b>Directorships &amp; Other Ventures</b>	<b>List of Associated Companies</b> <ul style="list-style-type: none"> <li>● LTCV Credit Private Limited</li> </ul> <b>List of Associated LLP</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>
	<b>Experience</b>	19 Years
	<b>Occupation</b>	Business
	<b>No. of Equity Shares &amp; % pre-Issue Shareholding</b>	30,01,347 & 21.44%

	<b>Name</b>	Vivek Bhatia
	<b>Date of Birth and Age</b>	31/08/1974, i.e. 50 Years
	<b>PAN</b>	ACKPB4368C
	<b>Personal Address</b>	No 717, 7th Main, 2nd Cross, HRBR Layout, Kalyan Nagar, Bangalore, Karnataka-560043
	<b>Qualification</b>	Bachelor's in Commerce
	<b>Directorships &amp; Other Ventures</b>	<b>List of Associated Companies</b> N/A  <b>List of Associated LLPs</b> <ul style="list-style-type: none"> <li>• N/A</li> </ul>
	<b>Experience</b>	25 Years
	<b>Occupation</b>	Business
	<b>No. of Equity Shares &amp; % pre-Issue Shareholding</b>	30,85,452 & 22.04%

## UNDERTAKINGS AND CONFIRMATIONS

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhaar and Passport Number of the Promoters will be submitted to the EMERGE Platform of NSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.
- Our Promoters has confirmed that they have not been identified as wilful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

## COMMON PURSUITS/ CONFLICT OF INTEREST

There is no other venture of the Promoters which is engaged in a similar line of business as our Company as on date of this Draft Red Herring Prospectus. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

## RELATIONSHIP OF PROMOTER WITH OUR DIRECTORS

Our Promoters are part of our Board of Directors as Managing Director. None of our Promoters are related to any of our Company's Directors within the meaning of Section 2(77) of the Companies Act, 2013, except as disclosed in "***Our Management***" beginning on page number 145 of this Draft Red Herring Prospectus.

## EXPERIENCE OF OUR PROMOTERS

For information, refer to "***Our Management***" beginning on page number 145 of this Draft Red Herring Prospectus.

## INTEREST OF PROMOTER

### Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

### Interest in the property of Our Company

Our Promoters have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red

Herring Prospectus. Our Promoters also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

For more information, refer to “*Our Business*” beginning on page number 116 of this Draft Red Herring Prospectus.

#### Interest as member of Our Company

Our Promoters hold 90,89,748 Shares aggregating to 64.92% of pre-issue Equity Share Capital in our Company and are therefore interested in the extent of his respective shareholding and the dividend declared, if any, by our Company. Except to the extent of his respective shareholding in our Company and benefits provided to our Promoters given in “*Our Management*” beginning on page 145 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

#### Interest as Director of our Company

Except as stated in the “*Restated Financial Information*” beginning on page 165 of the Draft Red Herring Prospectus, our Promoters Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

### **COMPANIES / FIRMS FROM WHICH THE PROMOTER HAVE DISASSOCIATED THEMSELVES IN THE LAST (3) THREE YEARS**

Our Promoters has not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

### **OTHER VENTURES OF OUR PROMOTER**

Save and except as disclosed in the ‘*Our Promoters and Promoter Group*’ beginning on page 157 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### **CHANGE IN THE CONTROL OF OUR COMPANY**

There has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, the Current Promoters of our Company are Parth Pande, Vivek Bhatia and Parag Agarwal. Initial subscribers to the MoA of our Company were Parth Pande and Vivek Bhatia. Parag Agarwal was not the original promoter of our Company, and he became a Promoter, in terms of the SEBI ICDR Regulations.

\*For details of acquisition of shareholding by our Promoters, please see “*Capital Structure*” on page 58..

### **LITIGATION INVOLVING OUR PROMOTER**

For details of legal and regulatory proceedings involving our Promoters, please refer to “*Outstanding Litigation and Material Developments*” beginning on page 183 of this Draft Red Herring Prospectus.

### **PAYMENT OF BENEFITS TO OUR PROMOTER AND PROMOTER GROUP DURING THE LAST TWO YEARS**

Save and except as disclosed under “*Restated Financial Information*” beginning on page number 165 of the Draft Red Herring Prospectus, there has been no Payment or benefit to promoter during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

### **OTHER CONFIRMATIONS**

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under “*Outstanding Litigation and Material Developments*” beginning on page 183 of this Draft Red Herring Prospectus.

### **GUARANTEES**

Our promoter may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Restated Financial Information*” on page 167 and 165 respectively of this Draft Red Herring Prospectus.

## RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Company, please refer to “*Restated Financial Information*” beginning on page 165 of the Draft Red Herring Prospectus.

## INFORMATION OF OUR GROUP COMPANIES

For details related to Our Group Companies please refer “*Our Group Companies*” on page 162 of this Draft Red Herring Prospectus.

## OUR PROMOTER GROUP

Our Company has three individual promoters namely, (1) *Parth Pande*, (2) *Vivek Bhatia* and (3) *Parag Agarwal*. The ‘Promoter Group’ of the company is according as under:

- **Parag Agarwal, Promoter and his Group:**

S. No.	Name of Promoter/Promoter Group	Classification	Relationship with Promoter
<b>Promoter (Individual)</b>			
1	Parag Agarwal	Promoter	Promoter
<b>Individuals forming parts of the Promoter Group under Regulation 2(1)(pp)(ii) of ICDR, 2018</b>			
1.	Late J.P. Agarwal	Promoter Group	Father
2.	Rajeshwari Agarwal	Promoter Group	Mother
3.	Tanisha Bhalla	Promoter Group	Spouse
4.	Vihaan Agarwal (Minor)	Promoter Group	Son
5.	Pragati Agarwal	Promoter Group	Sister
6.	K.P. Singh	Promoter Group	Father of Spouse
7.	Jasmeet Bhalla	Promoter Group	Mother of Spouse
8.	Shruti Bhalla	Promoter Group	Sister of Spouse
<b>HUF or LLP forming parts of the Promoter Group</b>			
1	Parag Agarwal HUF		

- **Parth Pande, Promoter and his Group:**

S. No.	Name of Promoter/Promoter Group	Classification	Relationship with Promoter
<b>Promoter (Individual)</b>			
1	Parth Pande	Promoter	Promoter
<b>Individuals forming parts of the Promoter Group under Regulation 2(1)(pp)(ii) of ICDR, 2018</b>			
1	Rahul Pande	Promoter Group	Father
2	Jaya Pande	Promoter Group	Mother
3	Jayati De	Promoter Group	Spouse
4	Siddhart Pande	Promoter Group	Brother
5	Anajan Kumar Dey	Promoter Group	Father of Spouse
6	Bratati De	Promoter Group	Mother of Spouse
7	Ronita De	Promoter Group	Sister of Spouse

- **Vivek Bhatia, Promoter and his Group:**

S. No.	Name of Promoter/Promoter Group	Classification	Relationship with Promoter
<b>Promoter (Individual)</b>			
1	Vivek Bhatia	Promoter	Promoter
<b>Individuals forming parts of the Promoter Group under Regulation 2(1)(pp)(ii) of ICDR, 2018</b>			
1	Meera Bhatia	Promoter Group	Mother
2	Saloni Bhatia	Promoter Group	Spouse
3	Vaibhav Bhatia	Promoter Group	Brother
4	Tia Bhatia	Promoter Group	Daughter
5	Satish Kumar Bhatia	Promoter Group	Father of Spouse

6	Chanchal Bhatia	Promoter Group	Mother of Spouse
7	Puneet Bhatia	Promoter Group	Brother of Spouse
8	Ajay Bhatia	Promoter Group	Brother of Spouse

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Issue Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the chapter titled “Restated Financial Information” beginning on Page 165 of this Draft Red Herring Prospectus.

Pursuant to a resolution passed by our Board dated December 17, 2024 for the purpose of disclosure in the Issue Documents for the Issue, a company shall be considered material and disclosed as “Group Company”, if:

- 1) Such company (ies) in which, the investment in the form of equity or loan by the Company exceeds 10% of the net worth of the Company for the last audited financial year;
- 2) Where the Company has entered into one or more transactions with such company (ies) in the last audited financial year, cumulatively exceeding 10% of the total revenue of the Company for the last audited financial year;
- 3) Any other company/ entities that the Board may decide to consider material.

Accordingly, based on the parameters outlined above, as on date of this Draft Red Herring Prospectus, our Board has identified the following companies as Our Group Companies (“Group Companies”):

S. No	Name of Group Companies	Date of Acquisition	Country of Incorporation	% Equity interest July 31, 2024	% Equity interest March 31, 2024
1.	LTCV Credit Private Limited	20 April, 2018	India	100%	100%

S. No	Name of Group Companies	Registered Office address
1.	LTCV Credit Private Limited	No.10,1st Floor, 6th Main, 8th B Cross, Jeevan Bheema Nagar, Bangalore, Karnataka -560075

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the top five Group Companies (determined on the basis of their market capitalization or annual turnover, as applicable), based on their respective audited financial statements for the preceding three years shall be hosted on their respective websites or on the website of our Company, as indicated below:

S. No	Name of Group Companies	Website
1.	LTCV Credit Private Limited	<a href="https://www.financebuddha.com/investors">https://www.financebuddha.com/investors</a>

### Common pursuits

#### Conflict of Interest

There is no conflict of interest between our Group Company and our Company.

#### Business Interest

Our Group Companies do not have any business interest in our Company except as otherwise disclosed in the “*Summary of the Issue Document – Summary of related party transactions*” and “*Restated Financial Information – Annexure A2 (5) – Related Party Transactions*”, on pages 16 and 165, respectively.

#### Related business transactions with our Group Companies and their significance on the financial performance of our Company

Except as set forth in “*Restated Financial Information*” beginning on page 165, there are no related business transactions between our Group Companies and our Company.

### Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Company which may have a material impact on our Company.



## Financial Performance

### Summarised Statement of Profit and Loss

Particulars	July 31, 2024	'March 31, 2024	'March 31, 2023	'March 31, 2022
Revenue from operations	21.75	77.47	55.30	34.96
Other income	-	-	-	-
<b>Total Income</b>	<b>21.75</b>	<b>77.47</b>	<b>55.30</b>	<b>34.96</b>
Employee benefits expense	0.65	3.01	5.97	7.54
Finance cost	0	0	0	0
Depreciation and amortisation expenses	-0.02	0.09	0.04	0
Other expenses	20.27	72.30	45.95	26.64
<b>Total Expenses</b>	<b>20.90</b>	<b>75.41</b>	<b>51.96</b>	<b>34.19</b>
<b>Profit before tax</b>	<b>0.85</b>	<b>2.06</b>	<b>3.34</b>	<b>0.78</b>
Tax expense	0	0.53	0.96	0.36
<b>Profit after tax</b>	<b>0.85</b>	<b>1.53</b>	<b>2.38</b>	<b>0.41</b>

### Summarised Balance Sheet

Particulars	July 31, 2024	'March 31, 2024	'March 31, 2023	'March 31, 2022
Equity & Reserves	235.70	234.89	233.31	230.92
Non-current liabilities	0.00	0.00	0.00	0.00
Current liabilities	208.12	112.86	124.66	44.00
Non-current assets	187.55	143.30	75.28	26.64
Current assets	256.27	204.46	282.70	248.29

## DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, the Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act. The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year/Fiscal, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the 167 future. For more information on restrictive covenants under our current loan agreements, see “**Financial Indebtedness**” on page .

For further details, please refer to the section titled “**Restated Financial Information**” beginning on page 165 of this Draft Red Herring Prospectus.

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**SECTION VII – RESTATED FINANCIAL INFORMATION**

**RESTATED AUDITED FINANCIAL INFORMATION**

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
<b>1.</b>	Independent Auditors' Report and Consolidated Restated Financial Statements for the year ended March 31, 2022, March 31, 2023, March 31, 2024, and period ended July 31, 2024, of the Company	F-1 – F-17
<b>2.</b>	Independent Auditors' Report and Standalone Restated Financial Statements for the year ended March 31, 2022, March 31, 2023, March 31, 2024 and period ended July 31, 2024, of the Company	F-18 – F-34

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# B B S K and Associates

## Chartered Accountants

### INDEPENDENT AUDITOR'S EXAMINATION REPORT ON CONSOLIDATED RESTATED FINANCIAL STATEMENT

To

**The Board of Directors of**

**Finbud Financial Services Limited**

No.10, 1st floor,  
6th main road,9th cross,  
Jeevan Bhima Nagar,  
Bangalore, Karnataka-560075.

Respected Sirs/Madams,

1. We have examined, the attached Consolidated Restated Financial Statements of FINBUD FINANCIAL SERVICES LIMITED (the “**Company**” or the “**Issuer**”, Formerly known as FINBUD FINANCIAL SERVICES PRIVATE LIMITED) comprising the Consolidated Restated Statement of Assets and Liabilities as at July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Consolidated Restated Statement of Profit and Loss for the years YTD July 31, 2024, 2023-24, 2022-23 and 2021-22, and the Consolidated Restated Statement of Cash Flows for the period ended July 31, 2024, March 31, 2024 March 31, 2023 and March 31, 2022 and the summary of significant accounting policies and other explanatory information (collectively, the “**Consolidated Restated Financial Statements**”), for the purpose of inclusion in the Draft Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“**ICDR Regulations**”); and
  - c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by The Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Consolidated Restated Financial Statements & other financial information for the purpose above mentioned. The Board of Directors responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Consolidated Restated Financial Information.
3. The Consolidated Restated Financial Statements given in **Annexure B** have been prepared by the management of the Company as per the basis of preparation para stated in Annexure B1 & B2 to the Consolidated Restated Financial Statements. The Consolidated Restated Financial Statements have been prepared by making adjustments (refer annexure B 2A) to the Audited financial statements for



# B B S K and Associates

## Chartered Accountants

years ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 as prepared in accordance with accounting principles generally accepted in India at the relevant time and approved by the Company in its board meetings. The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Consolidated Restated Financial Statements. The Board of Directors of the Company are also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.

4. We have examined such Consolidated Restated Financial Statements taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter.
  - b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Consolidated Restated Financial Statements; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

5. For the purpose of our examination, we have relied on:

Audited Consolidated Financial Statements for the years ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 that have been audited by BBSK and Associates, Chartered accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. However, we have carried out limited review audit of the financial statements for the year ended July 31, 2024 and re-audit for the year ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 as required by SEBI regulations.

6. Based on our examination and according to the information and explanations given to us, we report that the Consolidated Restated Financial Statements have been prepared after incorporating adjustments for:
    - a) the changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting years;
    - b) prior period and other material amount in the respective financial years to which they relate;
- New no. 9, Old no.69, 1<sup>st</sup> Floor, Luz Avenue 5<sup>th</sup> Street, Mylapore, Chennai – 600 004.



# **B B S K and Associates**

## **Chartered Accountants**

- c) extra-ordinary items, if any, that needs to be disclosed separately in the accounts requiring adjustments;
  - d) qualifications in the Audit Reports issued by Statutory Auditor, however, there were no qualification in the Audit Reports issued by Statutory Auditor for the years ended July 31, 2024 March 31, 2024, March 31,2023 and March 31, 2022; and
7. The Consolidated Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 3 above.
  8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  9. We, BBSK and Associates, Chartered Accountants have been subjected to the peer review process of The Institute of Chartered Accountants of India (“ICAI”) and hold a valid Certificate No. 016871 dated 11-05-2024 issued by the “Peer Review Board” of the ICAI.
  10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  11. Our report is intended solely for use of the Board of Directors for the purpose of inclusion in the Draft Red Herring Prospectus. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For B B S K and Associates**  
Chartered Accountants  
Firm Registration No.: 013313S

**Baladasan Bharathi**  
Partner  
Membership No.: 214061  
UDIN: 24214061BKCJZQ3842  
Date: 17-10-2024  
Place: Chennai

Annexure B - Restated Consolidated Financial Statement  
**FINBUD FINANCIAL SERVICES LIMITED**  
(CIN: U67190KA2012PLC064767)  
Balance Sheet as at 31 July 2024  
(All amounts are in Lakhs except for share data or otherwise stated)

(Rs in lakhs)

Particulars	Annexure (B)	As at 31/07/2024	As at 31/03/2024	As at 31/03/2023	As at 31/03/2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	3	1.57	1.57	1.57	1.57
(b) Reserves and Surplus	4	1,514.93	1,205.02	611.93	428.33
<b>Total</b>		<b>1,516.50</b>	<b>1,206.59</b>	<b>613.50</b>	<b>429.90</b>
<b>(2) Non-current liabilities</b>					
(a) Long-term Borrowings	5	616.71	525.50	619.02	352.46
(b) Long-term Provisions	6	128.69	128.69	103.59	85.64
<b>Total</b>		<b>745.40</b>	<b>654.18</b>	<b>722.60</b>	<b>438.11</b>
<b>(3) Current liabilities</b>					
(a) Short-term Borrowings	7	814.02	717.04	120.75	206.01
(b) Trade Payables	8	-	3.18	-	7.83
- Due to Micro and Small Enterprises		-	3.18	-	7.83
- Due to Others		500.64	1,268.56	841.13	720.05
(c) Other Current Liabilities	9	653.40	453.95	443.09	568.74
(d) Short-term Provisions	10	396.57	263.25	49.26	88.67
<b>Total</b>		<b>2,364.63</b>	<b>2,705.98</b>	<b>1,454.24</b>	<b>1,591.31</b>
<b>Total Equity and Liabilities</b>		<b>4,626.53</b>	<b>4,566.75</b>	<b>2,790.34</b>	<b>2,459.32</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
<b>(a) Property, Plant and Equipment and Intangible Assets</b>					
(i) Property, Plant and Equipment	11	282.04	281.25	218.69	153.84
(ii) Intangible Assets	12	0.16	0.16	0.16	0.16
(b) Non-current Investments	13	10.75	-	-	-
(c) Deferred Tax Assets (net)	13	100.37	102.69	96.00	113.84
(d) Long-term Loans and Advances		186.76	142.47	74.29	26.60
<b>Total</b>		<b>580.07</b>	<b>526.57</b>	<b>389.14</b>	<b>294.45</b>
<b>(2) Current assets</b>					
(a) Trade Receivables	14	2,656.30	2,714.98	1,534.33	1,206.10
(b) Cash and cash equivalents	15	12.89	250.64	238.83	32.98
(c) Short-term Loans and Advances	16	985.24	703.33	465.80	776.67
(d) Other Current Assets	17	392.01	371.22	162.24	149.12
<b>Total</b>		<b>4,046.45</b>	<b>4,040.18</b>	<b>2,401.21</b>	<b>2,164.87</b>
<b>Total Assets</b>		<b>4,626.53</b>	<b>4,566.75</b>	<b>2,790.34</b>	<b>2,459.32</b>

See accompanying Annexures to the financial statements

As per our report of even date

**For B B S K and Associates**  
Chartered Accountants  
Firm's Registration No. 0133135  
Peer Review No: 016871

**For and on behalf of the Board of**  
**FINBUD FINANCIAL SERVICES LIMITED**

**Baladasan Bharathi**  
Partner  
Membership No. 214061  
UDIN: 24214061BKCJZQ3842  
Place: Chennai  
Date: 17 - Oct - 2024

**Vivek Bhatia**  
Whole Time Director  
DIN 05250711  
Place: Bengaluru  
Date: 17 - Oct - 2024

**Parag Agarwal**  
Whole Time Director & CFO  
DIN 03167515

**Vivekananda Udaya Bhandarkar**  
Company Secretary  
Membership No. 52278

FINBUD FINANCIAL SERVICES LIMITED

(CIN: U67190KA2012PLC064767)

Statement of Profit and loss for the year ended 31 July 2024

(All amounts are in Lakhs except for share data or otherwise stated)

(Rs in lakhs)

Particulars	Annexure (B)	For the Period ended 31/07/2024	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>Income</b>					
Revenue from Operations	18	6,833.51	19,027.22	13,547.82	8,812.02
Other Income	19	-	3.91	8.98	2.30
<b>Total Income</b>		<b>6,833.51</b>	<b>19,031.13</b>	<b>13,556.80</b>	<b>8,814.32</b>
<b>Expenses</b>					
Employee Benefit Expenses	20	777.27	1,815.17	1,445.29	1,289.48
Finance Costs	21	42.35	115.38	98.38	101.78
Depreciation and Amortization Expenses	22	38.64	107.17	90.03	87.87
Other Expenses	23	5,528.11	16,153.12	11,679.38	7,317.77
<b>Total expenses</b>		<b>6,386.36</b>	<b>18,190.84</b>	<b>13,313.08</b>	<b>8,796.91</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>447.14</b>	<b>840.28</b>	<b>243.72</b>	<b>17.41</b>
Exceptional Item					
<b>Profit/(Loss) before Extraordinary Item and Tax</b>		<b>447.14</b>	<b>840.28</b>	<b>243.72</b>	<b>17.41</b>
Extraordinary Item					
<b>Profit/(Loss) before Tax</b>		<b>447.14</b>	<b>840.28</b>	<b>243.72</b>	<b>17.41</b>
Tax Expenses					
- Current Tax		134.91	253.89	42.28	2.83
- Deferred Tax		2.32	-6.69	17.84	17.95
- MAT Credit Entitlement					-2.50
<b>Profit/(Loss) after Tax</b>		<b>309.91</b>	<b>593.08</b>	<b>183.60</b>	<b>-0.87</b>
Earnings Per Share (Face Value per Share Rs.10 each)					
-Basic (In Rs)		1,971.70	3,773.28	1,168.10	-5.54
-Diluted (In Rs)		-	-	-	-

See accompanying Annexures to the financial statements

As per our report of even date

For B B S K and Associates

Chartered Accountants

Firm's Registration No. 0133135

Peer Review No: 016871

For and on behalf of the Board of

FINBUD FINANCIAL SERVICES LIMITED

**Baladasan Bharathi**

Partner

Membership No. 214061

UDIN: 24214061BKJCJZQ3842

Place: Chennai

Date: 17 - Oct - 2024

**Vivek Bhatia**

Whole Time Director

DIN 05250711

Place: Bengaluru

Date: 17 - Oct - 2024

**Parag Agarwal**

Whole Time Director & CFO

DIN 03167515

**Vivekananda Udaya Bhandarkar**

Company Secretary

Membership No. 52278



FINBUD FINANCIAL SERVICES LIMITED  
(CIN: U67190KA2012PLC064767)  
Restated Financials Cash Flow Statement  
(All amounts are in Lakhs except for share data or otherwise stated)

(Rs in lakhs)

Particulars	Annexure (B)	For the Period ended 31/07/2024	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after tax		309.91	593.08	183.60	-0.87
Depreciation and Amortisation Expense		38.64	107.17	90.03	87.87
Provision for tax		137.23	247.20	60.12	20.79
Interest Income		-	-3.91	-8.98	-2.30
Finance Costs		42.35	115.38	98.38	101.78
<b>Operating Profit before working capital changes</b>		<b>528.13</b>	<b>1,058.93</b>	<b>423.15</b>	<b>207.27</b>
<b>Adjustment for:</b>					
Trade Receivables		58.68	-1,180.65	-328.23	-538.42
Loans and Advances		-326.20	-305.71	263.19	72.84
Other Current Assets		-20.78	-208.98	-13.13	-149.12
Other Non Current Assets		2.32	-6.69	17.84	17.95
Trade Payables		-771.10	430.60	113.25	433.83
Other Current Liabilities		199.43	10.86	-125.65	151.47
Short-term Provisions		133.32	213.99	-39.41	-5.67
Long-term Provisions		-	25.10	17.94	18.75
Cash (Used in)/Generated from Operations		-196.20	37.45	328.94	208.91
Tax paid(Net)		137.23	247.20	60.12	20.79
<b>Net Cash (Used in)/Generated from Operating Activities</b>		<b>-333.43</b>	<b>-209.75</b>	<b>268.83</b>	<b>188.12</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		-39.40	-169.73	-154.87	-80.78
Interest received		-	3.91	8.98	2.30
Purchase of Non current Investments		-10.75	-	-	-
<b>Net Cash (Used in)/Generated from Investing Activities</b>		<b>-50.15</b>	<b>-165.83</b>	<b>-145.90</b>	<b>-78.48</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Buyback of Shares		-	-	-	-50.04
Proceeds from Long Term Borrowings		91.22	-	266.56	-
Repayment of Long Term Borrowings		-	-93.52	-	-180.35
Proceeds from Short Term Borrowings		96.97	596.29	-	130.65
Repayment of Short Term Borrowings		-	-	-85.26	-
Interest Paid		-42.35	-115.38	-98.38	-101.78
<b>Net Cash (Used in)/Generated from Financing Activities</b>		<b>145.84</b>	<b>387.39</b>	<b>82.92</b>	<b>-201.53</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>-237.74</b>	<b>11.81</b>	<b>205.84</b>	<b>-91.89</b>
Opening Balance of Cash and Cash Equivalents		250.64	238.83	32.98	124.88
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-	-	-
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>15</b>	<b>12.89</b>	<b>250.64</b>	<b>238.83</b>	<b>32.98</b>

**Note:**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

**See accompanying Annexures to the financial statements**

As per our report of even date  
**For B B S K and Associates**  
Chartered Accountants  
Firm's Registration No. 0133135  
Peer Review No: 016871

**For and on behalf of the Board of**  
**FINBUD FINANCIAL SERVICES LIMITED**

**Baladasan Bharathi**  
Partner  
Membership No. 214061  
UDIN: 24214061BKCJZQ3842  
Place: Chennai  
Date: 17 - Oct - 2024

**Vivek Bhatia**  
Whole Time Director  
DIN 05250711  
Place: Bengaluru  
Date: 17 - Oct - 2024

**Parag Agarwal**  
Whole Time Director & CFO  
DIN 03167515

**Vivekananda Udaya Bhandarkar**  
Company Secretary  
Membership No. 52278

Finbud Financial Services Limited  
(CIN: U67190KA2012PLC064767)  
Annexures to the financial statements for the year ended 31 July 2024  
(All amounts are in lakhs except for share data or otherwise stated)  
Expressed in Indian Rupees

#### Annexure B1

##### Background and activity

Finbud Financial Services Limited (formerly known as Finbud Financial Services Private Limited) ("the Company") was incorporated on 9 July 2012. The Company's main activities is to provide financial advisory, brokerage and consultancy services in the form of providing a retail loan distribution platform tailor made for salaried and self-employed individuals.

#### Annexure B2

##### 1. Significant accounting policies

###### A. Basis for preparation of Consolidated Restated financial statements

The Consolidated Restated Statement of assets and liabilities of the Company as at July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the related Consolidated Restated Statement of profits and losses, and cash flow for the year ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and accompanying annexures to the Consolidated Restated Statements (hereinafter collectively called "Consolidated Restated Financial Statements"). The Company has prepared the Consolidated Restated Financial Statements on the basis that it will continue to operate as a going concern. The Consolidated Restated Financial Statements have been prepared to comply in all material respects with the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act")
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and
- (c) Guidance Note on Reports in Company Prospectuses (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI")

The Consolidated Restated Financial Statements has been compiled from Audited financial statements of the Company as at and for the years ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 which have been approved by the Board of Directors and financial statements as at and for the period ended July 31, 2024 prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years. The Consolidated Restated Financial Statements are presented in INR, and all values are rounded to the nearest Lakhs, except when otherwise indicated.

###### B. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Examples of such estimates include provision for doubtful debts, income taxes, contingent liabilities and useful life of fixed tangible assets and intangible assets.

###### C. Current-non-current classification

All assets and liabilities are classified into current and non-current.

###### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

###### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

###### Operating cycle

The Company has ascertained its Operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

###### D. Property, plant and equipment and depreciation

- a. Fixed assets are stated at cost inclusive of erection expenses and other incidental expenses in connection with the acquisition of the assets and net of VAT and GST, if any. The borrowing cost on the additions to fixed assets is capitalised in accordance with AS 16.
- b. Depreciation has been provided based on the useful life assigned to each asset in accordance with Schedule II of the Act.

###### E. Trade Receivables and other receivables

Trade Receivables and other receivables are stated at book value.

###### F. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured and is expected to be received. Revenue is disclosed net of taxes.

Revenue from services comprises service income from marketing of financial products of financial institutions including banks.

###### G. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### H. Earnings per share

Basic earnings per share amounts are computed by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of shares outstanding during the year. For the purpose of diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### I. Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to the maximum amount of depreciated historical cost.

#### J. Leases

Finance leases, which effectively transfer substantially all risks and benefits incidental to ownership of the leased item, are capitalised at the lower of fair market value or the present value of the minimum lease payments at the inception of the lease and disclosed as assets taken on lease. Lease payments are apportioned between finance charges and lease liability based on the implicit interest rate or incremental borrowing rate as applicable.

Operating lease payments are recognised as an expense in the profit and loss account on a straight line basis over the period of lease.

#### K. Employee benefits

Provident fund - Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. Contributions are charged to the profit and loss account on accrual basis.

Gratuity - The Payment of Gratuity Act, 1972 is applicable to the Company for the years presented. The provision for the amount of gratuity payable is based on an actuarial valuation obtained from an independent actuary and correspondingly charged off to the statement of profit and loss during the year. Detailed disclosures as per AS 15 paras 50 to 123 is not applicable since the company is a SMC Level 2 company, Hence, limited disclosure as required for level 2 SMC is given below.

Compensated absences - The policy of the Company is not to carry forward unavailed leave of its employees. Accordingly, no provision for short term compensated absence is made by the Company as at the balance sheet date.

#### L. Cash flows statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

#### 2. Taxes on income

a. Provision for current tax is made for the amount of tax payable in respect of taxable income for the year determined in accordance with the Income Tax Act, 1961.

b. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of such assets. Deferred tax assets / liabilities are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

#### 3. Particulars of capacities

a. Licensed capacity: Not applicable

b. The operations of the Company primarily relate to marketing of financial products.

#### 4. Capital commitments and contingencies

The Company did not have any capital commitments or any contingent liabilities as at 31 July 2024 (2024: Nil).

#### 5. Related party disclosures

a) Name of the related parties, KMP and their relationship

Parties	Relationship
PARAG AGARWAL	Director
PARTH PANDE	Director
VIVEK NARSDERKUMAR BHATIA	Director
VENKATARAMAN PRABHAKAR RAM	Director
Saloni Bhatia	Relative of Director
Tanisha Bhalla	Relative of Director
LTCV Credit Private limited	Subsidiary

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Related Party Transactions		(Rs in lakhs)			
Particulars	Relationship	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Loan</b>					
Net amount paid to Vivek Bhatia	Director	6.73		101.02	
Net amount received from Vivek Bhatia	Director	52.50	226.61		57.76
Net amount received from Parag Agarwal	Director	2.66	3.40	1.74	3.40
Net amount received from LTCV	Subsidiary		0.29		
Net amount paid to LTCV	Subsidiary			2.72	29.28
Net amount received from Saloni Bhatia	Relative of Director	138.30	100.57		
Net amount received from Tanisha Bhalla	Relative of Director	5.00	2.42543		
<b>Managerial remuneration</b>					
- VIVEK NARINDERKUMAR BHATIA	Director	9.26	27.77	23.77	23.77
- PARAG AGARWAL	Director	11.92	35.77	30.77	22.78
- PARTH PANDE	Director	18.59	55.77	42.77	33.79
- Saloni Bhatia	Relative of Director	9.33	28.00	19.00	12.00
- Tanisha Bhalla	Relative of Director	6.67	20.00	12.00	11.00

Related Party Balances		(Rs in lakhs)			
Particulars	Relationship	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Loans from Director</b>					
- VIVEK NARINDERKUMAR BHATIA	Director	288.70	242.92	16.31	117.34
- PARAG AGARWAL	Director	8.53	5.86	2.47	0.73
- Saloni Bhatia	Relative of Director	138.30	100.57	-	-
- Tanisha Bhalla	Relative of Director	5.00	2.43	-	-
LTCV Credit Private limited	Subsidiary	218.16	247.08	247.37	244.65

#### 6. Deferred tax asset

The break-up of deferred tax asset as at 31 March 2024 computed as per AS 22 is given below:

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
	Rs.	Rs.	Rs.	Rs.
<b>a. Deferred tax asset:</b>				
Provision for gratuity	37.76	37.76	30.29	23.35
Expenses disallowed	-	2.14	0.83	0.70
Unabsorbed Depreciation 2020-21	-	-	-	20.97
Carry forward loss AY 22-23(net of current year adjustment)	-	-	-	8.32
Depreciable assets	62.62	62.80	64.80	60.46
<b>Total deferred tax asset</b>	<b>100.37</b>	<b>102.69</b>	<b>95.93</b>	<b>113.80</b>

#### 7. Foreign Exchange Earnings and Outflow

There is no forex inflow and outflow during the said year.

#### 8. Leases

The company has taken offices and residential premises under cancellable operating lease agreement. The company intends to renew such lease in the normal course of business. The total rental expense under cancellable operating leases of Rs.84.19 (March 24: 206.07) has been disclosed as rent in Consolidated statement of profit and loss for the year ended 31-July 2024

#### 9. Gratuity

Assumption	For the Period ended			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Discount rate	7.55%	7.55%	7.23%	7.49%
Retirement Age	58	58	58	58
Salary Escalation	5.53%	5.53%	5.53%	5.53%
Attrition Rate	5%	5%	5%	5%
<b>Mortality</b>	<b>Indian Assured Lives Mortality (2012-14) Ultimate</b>			

#### 10. Earnings per share

Particulars	As at			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
a. Net profit after tax (Rs.in lakhs)	309.91	593.08	183.60	-0.87
b. Weighted average number of equity shares of face value of Rs.10/- each outstanding during the year (units)	15,718	15,718	15,718	15,718
c. Restated weighted average number of equity shares of face value of Rs.10/- each outstanding during the year (units)				
c. Basic earnings per share (face value of Rs. 10/- each) (Rs.)	1,971.70	3,773.28	1,168.10	(5.54)
e. Adjusted earnings per share (face value of Rs. 10/- each) (Rs.)				
d. Diluted earnings per share (face value of Rs. 10/- each) (Rs.)				
<b>Calculation of weighted average number of shares</b>				
Particulars	As at			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Number of shares outstanding on 1 April	15718	15,718	15,718	15,718
Weighted average number of shares issued during the year				
Weighted average number of shares on 31 July 2024	15718	15,718	15,718	15,718

#### 11. Dues to Micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act')

The Ministry of Micro, Small and Medium enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2022, 31 March 2023, 31 March 2024 and 31 July 2024 has been made in the financial statements based on the information received and available with the Company. Further, in view of the management, the impact of interest, that may be payable in accordance with the provision of the MSMED Act is nil. The Company has not received any claim for interest from any supplier under the said MSMED Act.

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Particulars	As at 31/07/2024	As at 31/03/2024	As at 31/03/2023	As at 31/03/2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year				
- Principal	-	3.18	-	7.83
- Interest	-	-	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).	-	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-	-	-
	-	-	-	-

The information to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. There are no over dues to the parties on account of principle amount and/or interest and accordingly no additional disclosures have been made.

## 12. Other Statutory Information

- i) There are no proceedings initiated or pending against the company as at July 31, 2024, under Prohibition of Benami Property Transaction Act, 1988 (As amended in 2016).
- ii) The Company do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or;
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii) The Company has no borrowings from banks or financial institutions or other lenders for which it is declared as wilful defaulter at any time during the year or after the end of reporting period, but before the date when financial statements are approved or in an earlier period, and the default has not continued for the whole or part of the current year by any bank or financial institution or other lender.
- ix) The Company is not holding any immovable property. Hence, this clause is not applicable.
- x) The Company does not have any investment property at the end of the financial year. Hence, the disclosure is not applicable
- xi) The Company has not revalued its Property, Plant & Equipment during the year.
- xii) The Company is not having any capital work in progress during the year or previous year.
- xiii) The Company is not having any intangible asset under development during the year or previous year.
- xiv) The Company has not granted any loan or advance in nature of loan to promoters, directors, key managerial personnel and related parties as defined under the Companies Act 2013 either severally or jointly with any other person that is (a) repayable on demand or (b) without specifying any terms or period of repayment during the year or previous year. There is no guarantee given or security provided by the Company.

## 13. Others

Financial figures have been rounded off to the nearest Lakhs wherever applicable.

ANNEXURE B - 2A: STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED

1 Material Regrouping:

Appropriate adjustments have been made in the consolidated Restated Financial Statements of Assets and Liabilities & Profit and Losses, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company.

2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:"

Particulars	For the Period ended			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
(A) Net Profits as per audited financial statements (A)	309.91	615.36	148.28	12.17
Add/(Less): Adjustments on account of -				
1) Revenue from Operations	-	-	-	-2.30
2) Other Income	-	-	-	2.30
3) Deferred Tax	-	-22.28	35.32	-13.04
Total Adjustments (B)	-	-22.28	35.32	-13.04
Restated Profit/ (Loss) (A+B)	309.91	593.08	183.60	(0.87)

(₹ in Lakhs)

"Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:"

Particulars	As at			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
(A) Total Equity and Liabilities (A)	4,626.53	4,566.75	2,725.21	2,431.47
Add/(Less): Adjustments on account of change in Profit/Loss				
1) Reserves and Surplus	-	-	22.28	-13.04
2) Long-term Borrowings	-	-	-0.00	-
3) Long-term Provisions	-	-	0.01	-
4) Short-term Borrowings	-	-	1.13	0.00
5) Trade Payables				
- Due to Micro and Small Enterprises	-	-	-	-
- Due to Others	-	-	-0.01	-0.37
6) Other Current Liabilities	-	-	50.03	39.71
7) Short-term Provisions	-	-	-8.31	1.54
Total Adjustments (B)	-	-	65.13	27.84
Restated Total Equity and Liabilities (A+B)	4,626.53	4,566.75	2,790.34	2,459.32
(C) Total Assets (C)	4,626.53	4,566.75	2,725.21	2,431.47
Add/(Less): Adjustments on account of change in Profit/Loss				
1) Non-current assets				
(a) Property, Plant and Equipment and Intangible Assets				
(i) Property, Plant and Equipment	-	-	0.00	-
(ii) Intangible Assets	-	-	-0.00	-
(b) Non-current Investments	-	-	-	-
(c) Deferred Tax Assets (net)	-	-	22.28	-13.04
(d) Long-term Loans and Advances	-	-	-0.00	-
(2) Current assets				
(a) Trade Receivables	0	-	-	-
(b) Cash and cash equivalents	0	-	-	-0.00
(c) Short-term Loans and Advances	0	-	-0.02	-108.23
(d) Other Current Assets	0	-	42.87	149.12
Total Adjustments (D)	-	-	65.13	27.84
Restated Total Equity and Liabilities (C+D)	4,626.53	4,566.75	2,790.34	2,459.32

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3 Share Capital

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Authorised Share Capital				
Preference shares, Rs. 10 par value, 10000 (Previous Year 10000) Equity Shares	1	1	1	1
Equity Shares, Rs. 10 par value, 40000 (Previous Year 40000) Equity Shares	4	4	4	4
Preference shares, Rs. 1000 par value, 4000 (Previous Year 4000) Preference Shares	40	40	40	40
	45	45	45	45
Issued, Subscribed and Fully Paid up Share Capital				
Preference shares, Rs. 10 par value 0 (Previous Year 0) Equity Shares paid up	1.57	1.57	1.57	1.57
Equity Shares, Rs. 10 par value 15718 (Previous Year 15718) Equity Shares paid up				
<b>Total</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>

(i) Reconciliation of number of shares

Equity Shares	31 July 2024		31 March 2024		31 March 2023		31 March 2022	
	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)
Opening balance	15,718	1.57	15,718	1.57	15,718	1.57	15,718	1.57
Issued during the year	-	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>15,718</b>	<b>1.57</b>	<b>15,718</b>	<b>1.57</b>	<b>15,718</b>	<b>1.57</b>	<b>15,718</b>	<b>1.57</b>
<b>Preference shares</b>								
Opening balance	-	-	-	-	-	-	127	1,27,000.00
Issued during the year	-	-	-	-	-	-	-	-
Shares redeemed during the year	-	-	-	-	-	-	127	1,27,000.00
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	31 July 2024		31 March 2024		31 March 2023		31 March 2022	
	No. of shares	In %	No. of shares	In %	No. of shares	In %	No. of shares	In %
Vivek Bhatia	4,332	27.56%	4,332	27.56%	4,202	26.73%	4202	26.73%
Parag Agarwal	4,332	27.56%	4,332	27.56%	4,202	26.73%	4202	26.73%
Parth Pandey	4,330	27.55%	4,330	27.55%	4,200	26.72%	4200	26.72%
Prabhakar Ram V	806	5.13%	806	5.13%	806	5.13%	806	5.13%

4 Reserves and Surplus

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Capital Redemption Reserve				
Opening Balance	23.65	23.65	23.65	22.38
Add: Transfer from P&L	-	-	-	1.27
Closing Balance	23.65	23.65	23.65	23.65
Securities Premium				
Opening Balance	410.16	410.16	410.16	458.93
Add: Issue of Shares	-	-	-	-
Less: Deletion	-	-	-	-
Premium on redemption of Preference Shares	-	-	-	48.77
Closing Balance	410.16	410.16	410.16	410.16
Statement of Profit and loss				
Balance at the beginning of the year	771.21	178.12	-5.48	-3.34
Add: Profit/(loss) during the year	309.91	593.08	183.60	-0.87
Less: Appropriation	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	1.27
<b>Balance at the end of the year</b>	<b>1,081.12</b>	<b>771.21</b>	<b>178.12</b>	<b>-5.48</b>
<b>Total</b>	<b>1,514.93</b>	<b>1,205.02</b>	<b>611.93</b>	<b>428.33</b>

5 Long term borrowings

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Unsecured				
Term loans from banks	38.44	61.69	101.09	99.01
Unsecured Loans from Related Parties	-	-	-	118.11
Term loans from NBFCs	228.27	113.80	92.93	135.35
Inter corporate borrowings	350.00	350.00	425.00	-
<b>Total</b>	<b>616.71</b>	<b>525.50</b>	<b>619.02</b>	<b>352.46</b>

6 Long term provisions

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Provision for employee benefits	128.69	128.69	103.59	85.64
<b>Total</b>	<b>128.69</b>	<b>128.69</b>	<b>103.59</b>	<b>85.64</b>

7 Short term borrowings

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Secured				
1. Short term borrowings from banks	199.15	223.50	1.13	9.78
Unsecured				
1. Loan from related parties	430.53	351.78	18.78	-
2. Current portion of term loans from banks	83.09	90.42	73.63	76.46
3. Current portion of term loans from NBFCs	101.25	51.34	27.21	119.78
<b>Total</b>	<b>814.02</b>	<b>717.04</b>	<b>120.75</b>	<b>206.01</b>

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8 Trade payables					(Rs in lakhs)
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022	
Due to micro and small enterprises	-	3.18	-	7.83	
Due to others	500.64	1,268.56	841.13	720.05	
<b>Total</b>	<b>500.64</b>	<b>1,271.73</b>	<b>841.13</b>	<b>727.89</b>	

8.1 Trade Payable ageing schedule as at 31 July 2024 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	499.17	1.47	-	-	500.64
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>					<b>500.64</b>

8.2 Trade Payable ageing schedule as at 31 March 2024 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.18	-	-	-	3.18
Others	1,267.09	1.47	-	-	1,268.56
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>					<b>1,271.73</b>

8.3 Trade Payable ageing schedule as at 31 March 2023 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	840.91	0.22	-	-	841.13
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>					<b>841.13</b>

8.4 Trade Payable ageing schedule as at 31 March 2022 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	7.83	-	-	-	7.83
Others	720.05	-	-	-	720.05
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>					<b>727.89</b>

9 Other current liabilities (Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Statutory dues	409.48	244.16	263.44	392.24
Expenses payable	82.26	78.44	58.16	66.86
Other liabilities	149.53	129.73	115.14	109.63
Interest received in advance	12.13	1.61	6.35	-
<b>Total</b>	<b>653.40</b>	<b>453.95</b>	<b>443.09</b>	<b>568.74</b>

10 Short term provisions (Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Provision for employee benefits	7.03	7.03	5.29	4.16
Provision for income tax	388.90	253.89	42.27	83.07
Provision for audit fee	-	1.69	1.69	1.44
Provision for standard assets	0.65	0.65	-	-
<b>Total</b>	<b>396.57</b>	<b>263.25</b>	<b>49.26</b>	<b>88.67</b>



## FINBUD FINANCIAL SERVICES LIMITED

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Annexures forming part of the Financial Statements

(All amounts are in lakhs except for share data or otherwise stated)

### 11. Property, Plant and Equipment

(Rs in lakhs)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	Net Block
	As on 01-Apr-24	Addition	Deduction	As on 31-Jul-24	As on 01-Apr-24	for the year	Deduction	As on 31-Jul-24	As on 31-Jul-24	As on 31-Mar-24
<b>(i) Property, Plant and Equipment</b>										
Computer & Accessories	395.61	23.30		418.91	309.09	21.01		330.11	88.81	78.90
Electrical Items	41.79			41.79	34.34	0.64		34.98	6.80	12.73
Furniture & Fixtures	529.14	16.10	-	545.24	347.14	16.53		363.67	181.57	118.98
Motor Vehicle	8.30			8.30	2.99	0.46		3.45	4.85	7.17
<b>For the Financial Year( 2024-25)</b>	<b>974.84</b>	<b>39.40</b>	<b>-</b>	<b>1,014.24</b>	<b>693.56</b>	<b>38.64</b>	<b>-</b>	<b>732.20</b>	<b>282.04</b>	<b>217.78</b>
<b>For the Financial Year( 2023-24)</b>	<b>805.10</b>	<b>169.73</b>	<b>-</b>	<b>974.84</b>	<b>586.37</b>	<b>107.17</b>	<b>-</b>	<b>693.54</b>	<b>281.25</b>	<b>217.78</b>
<b>For the Financial Year( 2022-23)</b>	<b>650.23</b>	<b>154.87</b>	<b>-</b>	<b>805.10</b>	<b>496.38</b>	<b>90.03</b>	<b>-</b>	<b>586.41</b>	<b>218.69</b>	<b>153.84</b>
<b>For the Financial Year( 2021-22)</b>	<b>569.45</b>	<b>80.78</b>	<b>-</b>	<b>650.23</b>	<b>408.57</b>	<b>87.87</b>	<b>-</b>	<b>496.38</b>	<b>153.84</b>	<b>160.88</b>

<b>(ii) Intangible Assets</b>										
Software	7.54			7.54	7.38		-	7.38	0.16	0.16
<b>For the Financial Year( 2023-24)</b>	<b>7.54</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>7.38</b>	<b>-</b>	<b>-</b>	<b>7.38</b>	<b>0.16</b>	<b>0.16</b>
<b>For the Financial Year( 2022-23)</b>	<b>7.54</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>7.38</b>	<b>-</b>	<b>-</b>	<b>7.38</b>	<b>0.16</b>	<b>0.16</b>
<b>For the Financial Year( 2021-22)</b>	<b>7.54</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>7.32</b>	<b>-</b>	<b>0.06</b>	<b>7.38</b>	<b>0.16</b>	<b>0.21</b>

#### Life of assets under companies act 2013

Machinery, electrical installations and equipment	15 years
Furniture and fittings	5 to 10 years
Computers	3 to 6 years
Vehicles	8 to 10 years
Software	3 years

12 Non current investments (Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Painting	10.75	-	-	-
<b>Total</b>	<b>10.75</b>	<b>-</b>	<b>-</b>	<b>-</b>

13 Deferred tax assets net (Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Deferred tax asset	100.37	102.69	96.00	113.84
<b>Total</b>	<b>100.37</b>	<b>102.69</b>	<b>96.00</b>	<b>113.84</b>

14 Trade receivables (Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Unsecured considered good	2,656.30	2,714.98	1,534.33	1,206.10
<b>Total</b>	<b>2,656.30</b>	<b>2,714.98</b>	<b>1,534.33</b>	<b>1,206.10</b>

14.1 Trade Receivables ageing schedule as at 31 July 2024 (Rs in lakhs)						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	2,647.42	6.30	2.59			2,656.30
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Total</b>						<b>2,656.30</b>

14.2 Trade Receivables ageing schedule as at 31 March 2024 (Rs in lakhs)						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	2,706.09	6.30	2.59			2,714.98
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Total</b>						<b>2,714.98</b>

14.3 Trade Receivables ageing schedule as at 31 March 2023 (Rs in lakhs)						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	1,501.39	17.82	15.02	0.10		1,534.33
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Total</b>						<b>1,534.33</b>

14.4 Trade Receivables ageing schedule as at 31 March 2022 (Rs in lakhs)						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	1,186.13	16.67	1.18	2.11		1,206.10
Undisputed Trade Receivables-considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Total</b>						<b>1,206.10</b>

15 Cash and cash equivalents (Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Cash on hand	0.28	0.28	0.47	0.82
Balances with banks in current accounts	12.40	250.15	238.16	31.96
<b>Cash and cash equivalents - total</b>	<b>12.69</b>	<b>250.43</b>	<b>238.63</b>	<b>32.78</b>
Other Bank Balances				
Deposits with original maturity for more than 12 months	0.21	0.21	0.21	0.21
<b>Total</b>	<b>12.89</b>	<b>250.64</b>	<b>238.83</b>	<b>32.98</b>

FINBUD FINANCIAL SERVICES LIMITED  
(CIN: U67190KA2012PLC064767)  
Annexures forming part of the Financial Statements  
(All amounts are in lakhs except for share data or otherwise stated)

16 Short term loans and advances

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Loans and advances to employees	82.92	72.22	48.92	37.52
Advances to suppliers	427.23	357.37	149.61	295.90
Balances with government authorities	343.45	157.96	132.21	223.50
Loans Unsecured ( Considered Good)	131.65	115.79	135.06	219.76
<b>Total</b>	<b>985.24</b>	<b>703.33</b>	<b>465.80</b>	<b>776.67</b>

Long term loans and advances  
(Unsecured, considered good unless otherwise stated)

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Long term loans and advances	186.76	142.47	74.29	26.60
<b>Total</b>	<b>186.76</b>	<b>142.47</b>	<b>74.29</b>	<b>26.60</b>

17 Other current assets

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Deposits	1.98	1.28	1.00	1.82
MAT credit entitlement	1.44	1.44	2.50	2.50
Other assets	232.00	221.06	46.84	45.51
Rental advance	156.59	147.45	111.91	99.29
<b>Total</b>	<b>392.01</b>	<b>371.22</b>	<b>162.24</b>	<b>149.12</b>

18 Revenue from operations

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Sale of services	4,915.45	17,016.18	12,310.63	7,972.36
Others				
-Income accrued but not due	1,918.06	2,011.04	1,237.19	839.67
<b>Total</b>	<b>6,833.51</b>	<b>19,027.22</b>	<b>13,547.82</b>	<b>8,812.02</b>

19 Other Income

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Interest Income	-	3.91	8.98	0.22
Write-Back	-	-	-	2.08
<b>Total</b>	<b>-</b>	<b>3.91</b>	<b>8.98</b>	<b>2.30</b>

20 Employee benefit expenses

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Salaries and wages	704.78	1,617.58	1,304.25	1,185.11
Contribution to provident and other funds	10.08	23.25	21.00	25.46
Staff welfare expenses	62.41	147.50	100.97	67.25
Gratuity expenses	-	26.84	19.08	11.66
<b>Total</b>	<b>777.27</b>	<b>1,815.17</b>	<b>1,445.29</b>	<b>1,289.48</b>

21 Finance costs

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Interest expense	37.74	109.76	88.86	96.76
Bank Charges	4.61	5.62	9.51	5.02
<b>Total</b>	<b>42.35</b>	<b>115.38</b>	<b>98.38</b>	<b>101.78</b>

22 Depreciation and amortization expenses

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Depreciation on property, plant and equipment	38.64	107.17	90.03	87.87
<b>Total</b>	<b>38.64</b>	<b>107.17</b>	<b>90.03</b>	<b>87.87</b>

23 Other expenses

(Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Commission	4,054.58	11,276.56	7,894.46	4,136.10
Insurance	0.04	0.69	0.74	0.89
Power and fuel	16.91	40.52	32.75	22.22
Professional fees (Refer note 23a below)	38.76	141.00	126.93	154.84
Office expenses	2.53	5.75	3.07	1.37
Rent	84.19	206.07	155.53	125.15
Repairs others	25.24	101.06	120.04	94.07
Rates and taxes	21.94	122.08	70.48	42.83
Travelling expenses	10.09	93.09	50.58	77.19
Miscellaneous expenses	1.18	0.67	7.99	3.11
Communication expenses	13.70	94.91	81.47	70.99
Marketing and business promotion	1,090.66	3,495.97	3,008.90	2,555.14
Printing and stationary	4.43	12.13	10.72	11.12
Subscription charges	163.06	562.63	115.73	22.75
Hiring Charges	0.80	-	-	-
<b>Total</b>	<b>5,528.11</b>	<b>16,153.12</b>	<b>11,679.38</b>	<b>7,317.77</b>

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Statutory audit		14.00	10.00	6.75
Tax audit		2.00	1.00	1.00
<b>Total</b>	<b>-</b>	<b>16.00</b>	<b>11.00</b>	<b>7.75</b>

14 Financial Ratios

S.No.	Particulars	Numerator	Denominator	As at 31 July 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	% Variance for the FY 24-25	% Variance for the FY 23-24	% Variance for the FY 22-23	% Variance for the FY 21-22	Reason if Variance > 25% for the FY 24 - 25	Reason if Variance > 25% for the FY 23 - 24	Reason if Variance > 25% for the FY 22 - 23	Reason if Variance > 25% for the FY 21 - 22
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.71	1.49	1.65	1.36	1.70	14.61%	-9.58%	21.37%	-20.10%	NA	NA	NA	NA
2	Return on Equity (in %)	PAT less Preference Dividend, if any	Shareholder's Equity	23%	65%	35%	-0.19%	-15%	-65.07%	85.18%	-18497.37%	-98.73%	The variance is due to Disproportionate increase in other expenses.	The variance is due to Disproportionate increase in reserves and surplus.	The variance is due to increase in Revenue.	The Variance id due to increase in Revenue.
3	Inventory Turnover Ratio (in times)	Cost of goods sold	Average Inventory	NA	NA	NA	NA	NA	NA	NA	NA	NA	This ratio is not applicable as the company has no inventory.	This ratio is not applicable as the company has no inventory.	This ratio is not applicable as the company has no inventory.	This ratio is not applicable as the company has no inventory.
4	Trade Receivables Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	2.54	8.96	9.89	9.41	9.15	-71.59%	-9.43%	5.12%	2.79%	The variance is due to changes in sale of services and average receivable	N/A	N/A	N/A
5	Trade Payables Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	NA	NA	NA	NA	NA	NA	NA	NA	NA	This ratio is not applicable since there is no purchase of goods during the year	This ratio is not applicable since there is no purchase of goods during the year	This ratio is not applicable since there is no purchase of goods during the year	This ratio is not applicable since there is no purchase of goods during the year
6	Net Capital Turnover Ratio (in times)	Net Sales	Working capital (Current assets-current liabilities)	4.06	14.26	14.31	15.36	7.14	-71.51%	-0.32%	-6.88%	115.20%	the variance is due to changes in sale of service and working capital.	N/A	N/A	the variance is due to Disproportionate increase in sales and decrease in net working capital.
7	Net Profit Ratio (in %)	Net Profit after Tax	Net Sales	4.54%	3.12%	1.36%	-0.01%	-1.46%	45.50%	130.00%	-13809.86%	-99.32%	the variance is due to increases in Other Expenses.	the variance is due to increase in profit.	the variance is due to loss in previous year, profit in current year.	the variance is due to decrease in net loss.
8	Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	29%	72%	36%	21%	-2%	-59.37%	98.28%	73.83%	-945.81%	The variance due to increase in Capital Employed and decrease in EBIT	The variance is due to Increasing in the EBIT and disproportionate increase in capital employed	the variance is due to loss in previous year, profit in current year.	the variance is due to negative EBIT in previous year, positive EBIT in current year.
9	Debt - Equity ratio (in times)	Debt	Equity	0.94	1.03	1.21	1.30	1.26	-8.39%	-14.60%	-7.18%	2.70%	NA	NA	NA	NA
10	Debt service coverage ratio (in times)	Earning for debt service = Net profit after taxes + Non-cash operating expenses + Interest + Other non cash adjustments	Debt services = Interest and lease payments + Principal repayments	3.94	2.86	2.03	0.56	0.25	37.47%	41.23%	262.33%	120.94%	This is due to decrease in operating activities	This is due to increase in Interest and principal payments	This is due to increase in Interest and principal payments and decrease in operating activities	This is due to decrease in Interest and principal payments and increase in operating activities
11	Return on Investment (in %)	Income generated from invested funds	Average Invested funds	NA	NA	NA	NA	NA	NA	NA	NA	NA	This ratio is not applicable since there is no income generated from invested funds	This ratio is not applicable since there is no income generated from invested funds	This ratio is not applicable since there is no income generated from invested funds	This ratio is not applicable since there is no income generated from invested funds

As per our report of even date  
For B B S K and Associates  
Chartered Accountants  
Firm's Registration No. 0133135  
Peer Review No: 016871

For and on behalf of the Board of  
FINBUD FINANCIAL SERVICES LIMITED

Baladasan Bharathi  
Partner  
Membership No. 214061  
UDIN: 24214061BKJZQ3842  
Place: Chennai  
Date: 17 - Oct - 2024

Vivek Bhatia  
Whole Time Director  
DIN 05250711  
Place: Bengaluru  
Date: 17 - Oct - 2024

Parag Agarwal  
Whole Time Director & CFO  
DIN 03167515

Vivekananda Udaya Bhandarkar  
Company Secretary  
Membership No. 52278



# B B S K and Associates

## Chartered Accountants

### INDEPENDENT AUDITOR'S EXAMINATION REPORT ON STANDALONE RESTATED FINANCIAL STATEMENT

To

The Board of Directors of

Finbud Financial Services Limited

No.10, 1st floor,  
6th main road,9th cross,  
Jeevan Bhima Nagar,  
Bangalore, Karnataka-560075.

Respected Sirs/Madams,

1. We have examined, the attached Standalone Restated Financial Statements of FINBUD FINANCIAL SERVICES LIMITED (the “**Company**” or the “**Issuer**”, Formerly known as FINBUD FINANCIAL SERVICES PRIVATE LIMITED) comprising the Standalone Restated Statement of Assets and Liabilities as at July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Standalone Restated Statement of Profit and Loss for the years YTD July 31, 2024, 2023-24, 2022-23 and 2021-22, and the Standalone Restated Statement of Cash Flows for the period ended July 31, 2024, March 31, 2024 March 31, 2023 and March 31, 2022 and the summary of significant accounting policies and other explanatory information (collectively, the “**Standalone Restated Financial Statements**”), for the purpose of inclusion in the Draft Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“**ICDR Regulations**”); and
  - c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by The Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Standalone Restated Financial Statements & other financial information for the purpose above mentioned. The Board of Directors responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Standalone Restated Financial Information.
3. The Standalone Restated Financial Statements given in **Annexure A** have been prepared by the management of the Company as per the basis of preparation para stated in Annexure A1 & A2 to the Standalone Restated Financial Statements. The Standalone Restated Financial Statements have been prepared by making adjustments (refer annexure A 2A) to the Audited financial statements for years



# B B S K and Associates

## Chartered Accountants

ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 as prepared in accordance with accounting principles generally accepted in India at the relevant time and approved by the Company in its board meetings. The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Standalone Restated Financial Statements. The Board of Directors of the Company are also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.

4. We have examined such Standalone Restated Financial Statements taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter.
  - b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Standalone Restated Financial Statements; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

5. For the purpose of our examination, we have relied on:

Audited Standalone Financial Statements for the years ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 that have been audited by BBSK and Associates, Chartered accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. However, we have carried out limited review audit of the financial statements for the year ended July 31, 2024 and re-audit for the year ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 as required by SEBI regulations.

6. Based on our examination and according to the information and explanations given to us, we report that the Standalone Restated Financial Statements have been prepared after incorporating adjustments for:
    - a) the changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting years;
    - b) prior period and other material amount in the respective financial years to which they relate;
- New no. 9, Old no.69, 1<sup>st</sup> Floor, Luz Avenue 5<sup>th</sup> Street, Mylapore, Chennai – 600 004.



# **B B S K and Associates**

## **Chartered Accountants**

- c) extra-ordinary items, if any, that needs to be disclosed separately in the accounts requiring adjustments;
  - d) qualifications in the Audit Reports issued by Statutory Auditor, however, there were no qualification in the Audit Reports issued by Statutory Auditor for the years ended July 31, 2024 March 31, 2024, March 31,2023 and March 31, 2022; and
7. The Standalone Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 3 above.
  8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  9. We, BBSK and Associates, Chartered Accountants have been subjected to the peer review process of The Institute of Chartered Accountants of India (“ICAI”) and hold a valid Certificate No. 016871 dated 11-05-2024 issued by the “Peer Review Board” of the ICAI.
  10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  11. Our report is intended solely for use of the Board of Directors for the purpose of inclusion in the Draft Red Herring Prospectus. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For B B S K and Associates**  
Chartered Accountants  
Firm Registration No.: 0133135

**Baladasan Bharathi**  
Partner  
Membership No.: 214061

UDIN: 24214061BKCJZP7629  
Date : 17-10-2024  
Place: Chennai

Annexure A - Restated Standalone Financial Statement  
**FINBUD FINANCIAL SERVICES LIMITED**  
(CIN: U67190KA2012PLC064767)  
Balance Sheet as at 31 July 2024  
(All amounts are in Lakhs except for share data or otherwise stated)

(Rs in lakhs)

Particulars	Annexure (A)	As at 31/07/2024	As at 31/03/2024	As at 31/03/2023	As at 31/03/2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	3	1.57	1.57	1.57	1.57
(b) Reserves and Surplus	4	1,483.73	1,174.67	583.12	401.90
<b>Total</b>		<b>1,485.30</b>	<b>1,176.24</b>	<b>584.69</b>	<b>403.47</b>
<b>(2) Non-current liabilities</b>					
(a) Long-term Borrowings	5	616.71	525.50	619.02	352.46
(b) Long-term Provisions	6	128.69	128.69	103.59	85.64
<b>Total</b>		<b>745.40</b>	<b>654.18</b>	<b>722.60</b>	<b>438.11</b>
<b>(3) Current liabilities</b>					
(a) Short-term Borrowings	7	813.98	717.04	120.75	206.01
(b) Trade Payables	8				
- Due to Micro and Small Enterprises		-	3.18	-	7.83
- Due to Others		499.24	1,237.86	823.73	719.25
(c) Other Current Liabilities	9	447.81	374.53	338.52	527.31
(d) Short-term Provisions	10	395.48	260.57	46.57	86.89
<b>Total</b>		<b>2,156.51</b>	<b>2,593.17</b>	<b>1,329.57</b>	<b>1,547.30</b>
<b>Total Equity and Liabilities</b>		<b>4,387.21</b>	<b>4,423.59</b>	<b>2,636.87</b>	<b>2,388.88</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	11	281.24	280.43	217.78	153.84
(ii) Intangible Assets		0.16	0.16	0.16	0.16
(b) Non-current Investments	12	215.25	204.50	204.50	204.50
(c) Deferred Tax Assets (net)	13	100.37	102.69	95.93	113.80
<b>Total</b>		<b>597.03</b>	<b>587.78</b>	<b>518.36</b>	<b>472.31</b>
<b>(2) Current assets</b>					
(a) Trade Receivables	14	2,646.90	2,714.98	1,497.69	1,202.08
(b) Cash and cash equivalents	15	7.65	163.06	127.99	8.66
(c) Short-term Loans and Advances	16	743.63	586.45	330.58	556.82
(d) Other Current Assets	17	392.01	371.32	162.24	149.02
<b>Total</b>		<b>3,790.18</b>	<b>3,835.81</b>	<b>2,118.51</b>	<b>1,916.58</b>
<b>Total Assets</b>		<b>4,387.21</b>	<b>4,423.59</b>	<b>2,636.87</b>	<b>2,388.88</b>

See accompanying Annexures to the financial statements

As per our report of even date

For B B S K and Associates

Chartered Accountants

Firm's Registration No. 013313S

Peer Review No: 016871

For and on behalf of the Board of

FINBUD FINANCIAL SERVICES LIMITED

Baladasan Bharathi

Partner

Membership No. 214061

UDIN: 24214061BKCJZP7629

Place: Chennai

Date: 17-Oct-2024

Vivek Bhatia

Whole Time Director

DIN 05250711

Place: Bengaluru

Date: 17 - Oct - 2024

Parag Agarwal

Whole Time Director & CFO

DIN 03167515

Vivekananda Udaya Bhandarkar

Company Secretary

Membership No. 52278



FINBUD FINANCIAL SERVICES LIMITED

(CIN: U67190KA2012PLC064767)

Statement of Profit and loss for the year ended 31 July 2024

(All amounts are in Lakhs except for share data or otherwise stated)

(Rs in lakhs)

Particulars	Annexure (A)	For the Period ended 31/07/2024	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>Income</b>					
Revenue from Operations	18	6,811.76	18,949.75	13,492.52	8,777.06
Other Income	19	-	3.91	8.98	2.30
<b>Total Income</b>		<b>6,811.76</b>	<b>18,953.66</b>	<b>13,501.50</b>	<b>8,779.36</b>
<b>Expenses</b>					
Employee Benefit Expenses	20	776.62	1,812.15	1,439.32	1,281.94
Finance Costs	21	42.35	115.38	98.38	101.78
Depreciation and Amortization Expenses	22	38.66	107.08	89.99	87.87
Other Expenses	23	5,507.84	16,080.82	11,633.43	7,291.13
<b>Total expenses</b>		<b>6,365.46</b>	<b>18,115.44</b>	<b>13,261.12</b>	<b>8,762.72</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>446.29</b>	<b>838.23</b>	<b>240.38</b>	<b>16.63</b>
Exceptional Item					
<b>Profit/(Loss) before Extraordinary Item and Tax</b>		<b>446.29</b>	<b>838.23</b>	<b>240.38</b>	<b>16.63</b>
Extraordinary Item					
<b>Profit/(Loss) before Tax</b>		<b>446.29</b>	<b>838.23</b>	<b>240.38</b>	<b>16.63</b>
Tax Expenses					
- Current Tax		134.91	253.44	41.28	2.50
- Deferred Tax		2.32	-6.77	17.88	17.92
- MAT Credit Entitlement					-2.50
<b>Profit/(Loss) after Tax</b>		<b>309.06</b>	<b>591.55</b>	<b>181.22</b>	<b>-1.28</b>
Earnings Per Share (Face Value per Share Rs.10 each)					
-Basic (In Rs)		1,966.28	3,763.52	1,152.94	-8.16
-Diluted (In Rs)					

See accompanying Annexures to the financial statements

As per our report of even date

**For B B S K and Associates**  
Chartered Accountants  
Firm's Registration No. 0133135  
Peer Review No: 016871

**For and on behalf of the Board of**  
**FINBUD FINANCIAL SERVICES LIMITED**

**Baladasan Bharathi**  
Partner  
Membership No. 214061  
UDIN: 24214061BKJJP7629  
Place: Chennai  
Date: 17-Oct-2024

**Vivek Bhatia**  
Whole Time Director  
DIN 05250711  
Place: Bengaluru  
Date: 17 - Oct - 2024

**Parag Agarwal**  
Whole Time Director & CFO  
DIN 03167515

**Vivekananda Udaya Bhandarkar**  
Company Secretary  
Membership No. 52278

FINBUD FINANCIAL SERVICES LIMITED  
(CIN: U67190KA2012PLC064767)  
Restated Financials Cash Flow Statement  
(All amounts are in Lakhs except for share data or otherwise stated)

Particulars	Annexure (A)	(Rs in lakhs)			
		For the Period ended 31/07/2024	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after tax		309.06	591.55	181.22	-1.28
Depreciation and Amortisation Expense		38.66	107.08	89.99	87.87
Provision for tax		137.23	246.68	59.16	2.50
Interest Income		-	-3.91	-8.98	0.22
Finance Costs		42.35	115.38	98.38	101.78
<b>Operating Profit before working capital changes</b>		<b>527.30</b>	<b>1,056.78</b>	<b>419.77</b>	<b>191.09</b>
<b>Adjustment for:</b>					
Trade Receivables		68.08	-1,217.29	-295.61	-534.40
Loans and Advances		-157.18	-255.87	226.24	-37.97
Other Current Assets		-20.69	-209.08	-13.22	-
Other Non-Current Assets		2.32	-6.77	17.88	17.92
Trade Payables		-741.79	417.31	96.64	436.73
Other Current Liabilities		73.28	36.01	-188.79	113.57
Short-term Provisions		134.91	213.99	-40.32	-4.59
Long-term Provisions		-	25.10	17.94	18.75
Cash (Used in)/Generated from Operations		-113.77	60.19	240.51	201.09
Tax paid(Net)		137.23	246.68	59.16	2.50
<b>Net Cash (Used in)/Generated from Operating Activities</b>		<b>-251.00</b>	<b>-186.49</b>	<b>181.35</b>	<b>198.59</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		-39.47	-169.73	-154.87	-80.78
Interest received		-	3.91	8.98	-0.22
Purchase of Non current Investments		-10.75	-	-	-
<b>Net Cash (Used in)/Generated from Investing Activities</b>		<b>-50.22</b>	<b>-165.83</b>	<b>-145.89</b>	<b>-81.00</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Buyback of Shares		-	-	-	-50.04
Proceeds from Long Term Borrowings		91.22	-	266.56	-180.35
Repayment of Long Term Borrowings		-	-93.52	-	130.64
Proceeds from Short Term Borrowings		96.94	596.29	-	-
Repayment of Short Term Borrowings		-	-	-84.31	-
Interest Paid		-42.35	-115.38	-98.38	-101.78
Net Cash (Used in)/Generated from Financing Activities		145.81	387.39	83.87	-201.53
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>-155.41</b>	<b>35.07</b>	<b>119.33</b>	<b>-83.94</b>
Opening Balance of Cash and Cash Equivalents		163.06	127.99	8.66	92.60
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-	-	-
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>15</b>	<b>7.65</b>	<b>163.06</b>	<b>127.99</b>	<b>8.66</b>

**Note:**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

**See accompanying Annexures to the financial statements**

As per our report of even date  
For B B S K and Associates  
Chartered Accountants  
Firm's Registration No. 0133135  
Peer Review No: 016871

For and on behalf of the Board of  
FINBUD FINANCIAL SERVICES LIMITED

**Baladasan Bharathi**  
Partner  
Membership No. 214061  
UDIN: 24214061BKCJZP7629  
Place: Chennai  
Date: 17-Oct-2024

**Vivek Bhatia**  
Whole Time Director  
DIN 05250711  
Place: Bengaluru  
Date: 17 - Oct - 2024

**Parag Agarwal**  
Whole Time Director & CFO  
DIN 03167515

**Vivekananda Udaya Bhandarkar**  
Company Secretary  
Membership No. 52278

ANNEXURE A - 2A: STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED

1 Material Regrouping:

Appropriate adjustments have been made in the Standalone Restated Financial Statements of Assets and Liabilities & Profit and Losses, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company.

2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:"

Particulars	For the Period ended			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
(A) Net Profits as per audited financial statements (A)	309.06	613.83	145.90	11.76
Add/(Less): Adjustments on account of -				
1) Revenue from Operations	-	-	-	-2.30
2) Other Income	-	-	-	2.30
3) Deferred Tax	-	-22.28	35.32	-13.04
Total Adjustments (B)	-	-22.28	35.32	-13.04
Restated Profit/ (Loss) (A+B)	309.06	591.55	181.22	(1.28)

(₹ in Lakhs)

"Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:"

Particulars	As at			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
(A) Total Equity and Liabilities (A)	4,387.21	4,423.59	2,614.60	2,401.29
Add/(Less): Adjustments on account of change in Profit/Loss				
1) Reserves and Surplus	-	-0.00	22.28	-13.04
2) Long-term Borrowings	-	-	-0.00	-0.00
3) Long-term Provisions	-	-	-0.00	-
4) Short-term Borrowings	-	-	1.13	0.00
5) Trade Payables				
- Due to Micro and Small Enterprises	-	-	-	-
- Due to Others	-	-	0.00	-0.37
6) Other Current Liabilities	-	-	8.86	1.00
7) Short-term Provisions	-	-	-10.00	-
Total Adjustments (B)	-	-0.00	22.27	-12.41
Restated Total Equity and Liabilities (A+B)	4,387.21	4,423.59	2,636.87	2,388.88
(C) Total Assets (C)	4,387.21	4,423.59	2,614.60	2,401.29
Add/(Less): Adjustments on account of change in Profit/Loss				
1) Non-current assets				
(a) Property, Plant and Equipment and Intangible Assets				
(i) Property, Plant and Equipment	-	-	-0.00	-0.00
(ii) Intangible Assets	-	-	-0.00	-
(b) Non-current Investments	-	-	-	-
(c) Deferred Tax Assets (net)	-	-	22.28	-13.04
(2) Current assets				
(a) Trade Receivables	0	-	0.00	-
(b) Cash and cash equivalents	0	-	0.00	-0.00
(c) Short-term Loans and Advances	0	-	-0.02	-148.38
(d) Other Current Assets	0	-	0.01	149.02
Total Adjustments (D)	-	-	22.27	-12.41
Restated Total Equity and Liabilities (C+D)	4,387.21	4,423.59	2,636.87	2,388.88

Finbud Financial Services Private Limited  
(CIN: U67190KA2012PLC064767)  
Annexures to the financial statements for the year ended 31 July 2024  
(All amounts are in lakhs except for share data or otherwise stated)  
Expressed in Indian Rupees

#### Annexure A1

##### Background and activity

Finbud Financial Services Limited (formerly known as Finbud Financial Services Private Limited) ("the Company") was incorporated on 9 July 2012. The Company's main activities is to provide financial advisory, brokerage and consultancy services in the form of providing a retail loan distribution platform tailor made for salaried and self-employed individuals.

#### Annexure A2

##### 1. Significant accounting policies

###### A. Basis for preparation of the financial statements

The Standalone Restated Statement of assets and liabilities of the Company as at July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the related Standalone Restated Statement of profits and losses, and cash flow for the year ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and accompanying annexures to the Standalone Restated Statements (hereinafter collectively called "Standalone Restated Financial Statements"). The Company has prepared the Standalone Restated Financial Statements on the basis that it will continue to operate as a going concern. The Standalone Restated Financial Statements have been prepared to comply in all material respects with the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act")
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and
- (c) Guidance Note on Reports in Company Prospectuses (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI")

The Standalone Restated Financial Statements has been compiled from Audited financial statements of the Company as at and for the years ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 which have been approved by the Board of Directors and financial statements as at and for the period ended July 31, 2024 prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years. The Standalone Restated Financial Statements are presented in INR, and all values are rounded to the nearest Lakhs, except when otherwise indicated.

###### B. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Examples of such estimates include provision for doubtful debts, income taxes, contingent liabilities and useful life of fixed tangible assets and intangible assets.

###### C. Current-non-current classification

All assets and liabilities are classified into current and non-current.

###### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

###### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

###### Operating cycle

The Company has ascertained its Operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Finbud Financial Services Private Limited  
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**D. Property, plant and equipment and depreciation**

- a. Fixed assets are stated at cost inclusive of erection expenses and other incidental expenses in connection with the acquisition of the assets and net of VAT and GST, if any. The borrowing cost on the additions to fixed assets is capitalised in accordance with AS 16.
- b. Depreciation has been provided based on the useful life assigned to each asset in accordance with Schedule II of the Act.

**E. Trade Receivables and other receivables**

Trade Receivables and other receivables are stated at book value.

**F. Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured and is expected to be received. Revenue is disclosed net of taxes.

Revenue from services comprises service income from marketing of financial products of financial institutions including banks.

**G. Provisions, contingent liabilities and contingent assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**H. Earnings per share**

Basic earnings per share amounts are computed by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of shares outstanding during the year. For the purpose of diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**I. Impairment**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to the maximum amount of depreciated historical cost.

**J. Leases**

Finance leases, which effectively transfer substantially all risks and benefits incidental to ownership of the leased item, are capitalised at the lower of fair market value or the present value of the minimum lease payments at the inception of the lease and disclosed as assets taken on lease. Lease payments are apportioned between finance charges and lease liability based on the implicit interest rate or incremental borrowing rate as applicable.

Operating lease payments are recognised as an expense in the profit and loss account on a straight line basis over the period of lease.

**K. Employee benefits**

Provident fund - Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. Contributions are charged to the profit and loss account on accrual basis.

Gratuity - The Payment of Gratuity Act, 1972 is applicable to the Company for the years presented. The provision for the amount of gratuity payable is based on an actuarial valuation obtained from an independent actuary and correspondingly charged off to the statement of profit and loss during the year. Detailed disclosures as per AS 15 paras 50 to 123 is not applicable since the company is a SMC level 2 company. Hence, limited disclosure as required for level 2 SMC is given below.

Compensated absences - The policy of the Company is not to carry forward unavailed leave of its employees. Accordingly, no provision for short term compensated absence is made by the Company as at the balance sheet date.

**L. Cash flows statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

**2. Taxes on income**

- a. Provision for current tax is made for the amount of tax payable in respect of taxable income for the year determined in accordance with the Income Tax Act, 1961.
- b. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of such assets. Deferred tax assets / liabilities are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**3. Particulars of capacities**

- a. Licensed capacity: Not applicable
- b. The operations of the Company primarily relate to marketing of financial products.

Finbud Financial Services Private Limited  
(CIN: U67190KA2012PLC064767)  
Annexures to the financial statements for the year ended 31 July 2024  
(All amounts are in lakhs except for share data or otherwise stated)  
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4. Capital commitments and contingencies

The Company did not have any capital commitments or any contingent liabilities as at 31 July 2024 (2024: Nil).

5. Related party disclosures

a) Name of the related parties, KMP and their relationship

Parties	Relationship
PARAG AGARWAL	Director
PARTH PANDE	Director
VIVEK NARSDERKUMAR BHATIA	Director
VENKATARAMAN PRABHAKAR RAM	Director
Saloni Bhatia	Relative of Director
Tanisha Bhalla	Relative of Director
LTCV Credit Private limited	Subsidiary

Related Party Transactions		(Rs in lakhs)			
Particulars	Relationship	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Loan</b>					
Net amount paid to Vivek Bhatia	Director	6.73		101.02	
Net amount received from Vivek Bhatia	Director	52.50	226.61		57.76
Net amount received from Parag Agarwal	Director	2.66	3.40	1.74	3.40
Net amount received from LTCV	Subsidiary		0.29		
Net amount paid to LTCV	Subsidiary			2.72	29.28
Net amount received from Saloni Bhatia	Relative of Director	138.30	100.57		
Net amount received from Tanisha Bhalla	Relative of Director	5.00	2.42543		
<b>Managerial remuneration</b>					
- VIVEK NARSDERKUMAR BHATIA	Director	9.26	27.77	23.77	23.77
- PARAG AGARWAL	Director	11.92	35.77	30.77	22.78
- PARTH PANDE	Director	18.59	55.77	42.77	33.79
- Saloni Bhatia	Relative of Director	9.33	28.00	19.00	12.00
- Tanisha Bhalla	Relative of Director	6.67	20.00	12.00	11.00

Related Party Balances		(Rs in lakhs)			
Particulars	Relationship	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Loans from Director</b>					
- VIVEK NARSDERKUMAR BHATIA	Director	288.70	242.92	16.31	117.34
- PARAG AGARWAL	Director	8.53	5.86	2.47	0.73
- Saloni Bhatia	Relative of Director	138.30	100.57	-	-
- Tanisha Bhalla	Relative of Director	5.00	2.43	-	-
LTCV Credit Private limited	Subsidiary	218.16	247.08	247.37	244.65

6. Deferred tax asset

The break-up of deferred tax asset as at 31 July 2024 computed as per AS 22 is given below:

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
	Rs.	Rs.	Rs.	Rs.
<b>a. Deferred tax asset:</b>				
Provision for gratuity	37.76	37.76	30.29	23.35
Expenses disallowed	-	2.14	0.83	0.70
Unabsorbed Depreciation 2020-21	-	-	-	20.97
Carry forward loss AY 22-23(net of current year adjustment)	-	-	-	8.32
Depreciable assets	62.62	62.80	64.80	60.46
<b>Total deferred tax asset</b>	<b>100.37</b>	<b>102.69</b>	<b>95.93</b>	<b>113.80</b>

7. Foreign Exchange Earnings and Outflow

There is no forex inflow and outflow during the said year.

8. Leases

The company has taken offices and residential premises under cancellable operating lease agreement. The company intends to renew such lease in the normal course of business. The total rental expense under cancellable operating leases of Rs.84.59 (March 24: 204.87) has been disclosed as rent in standalone statement of profit and loss for the year ended 31-July 2024

9. Gratuity

Assumption	For the Period ended			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Discount rate	7.55%	7.55%	7.23%	7.49%
Retirement Age	58	58	58	58
Salary Escalation	5.53%	5.53%	5.53%	5.53%
Attrition Rate	5%	5%	5%	5%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate			

Finbud Financial Services Private Limited  
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Annexures to the financial statements for the year ended 31 July 2024  
(All amounts are in lakhs except for share data or otherwise stated)  
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#### 10. Earnings per share

Particulars	As at			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
a. Net profit after tax (Rs.in lakhs)	309.06	591.55	181.22	-1.28
b. Weighted average number of equity shares of face value of Rs.10/- each outstanding during the year (units)	15,718	15,718	15,718	15,718
c. Restated weighted average number of equity shares of face value of Rs.10/- each outstanding during the year (units)	-	-	-	-
c. Basic earnings per share (face value of Rs. 10/- each) (Rs.)	1,966.28	3,763.52	1,152.94	(8.16)
e. Adjusted earnings per share (face value of Rs. 10/- each) (Rs.)	-	-	-	-
d. Diluted earnings per share (face value of Rs. 10/- each) (Rs.)	-	-	-	-

Particulars	As at			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Number of shares outstanding on 1 April	15,718	15,718	15,718	15,718
Weighted average number of shares issued during the year	-	-	-	-
Weighted average number of shares on 31 July 2024	15,718	15,718	15,718	15,718

#### 11. Dues to Micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act')

The Ministry of Micro, Small and Medium enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2022, 31 March 2023, 31 March 2024 and 31 July 2024 has been made in the financial statements based on the information received and available with the Company. Further, in view of the management, the impact of interest, that may be payable in accordance with the provision of the MSMED Act is nil. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31/07/2024	As at 31/03/2024	As at 31/03/2023	As at 31/03/2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year	-	3.18	-	7.83
- Principal	-	-	-	-
- Interest	-	-	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).	-	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-	-

The information to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. There are no over dues to the parties on account of principle amount and/or interest and accordingly no additional disclosures have been made.

#### 12. Other Statutory Information

- There are no proceedings initiated or pending against the company as at July 31, 2024, under Prohibition of Benami Property Transaction Act, 1988 (As amended in 2016).
- The Company do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or;
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company has no borrowings from banks or financial institutions or other lenders for which it is declared as wilful defaulter at any time during the year or after the end of reporting period, but before the date when financial statements are approved or in an earlier period, and the default has not continued for the whole or part of the current year by any bank or financial institution or other lender.
- The Company is not holding any immovable property. Hence, this clause is not applicable.
- The Company does not have any investment property at the end of the financial year. Hence, the disclosure is not applicable
- The Company has not revalued its Property, Plant & Equipment during the year.
- The Company is not having any capital work in progress during the year or previous year.
- The Company is not having any intangible asset under development during the year or previous year.
- The Company has not granted any loan or advance in nature of loan to promoters, directors, key managerial personnel and related parties as defined under the Companies Act 2013 either severally or jointly with any other person that is (a) repayable on demand or (b) without specifying any terms or period of repayment during the year or previous year. There is no guarantee given or security provided by the Company.

#### 13. Others

Financial figures have been rounded off to the nearest Lakhs wherever applicable.

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Share Capital</b>				
Authorised Share Capital				
Preference shares, Rs. 10 par value, 10000 (Previous Year 10000) Equity Shares	1.00	1.00	1.00	1.00
Equity Shares, Rs. 10 par value, 40000 (Previous Year 40000) Equity Shares	4.00	4.00	4.00	4.00
Preference shares, Rs. 1000 par value, 4000 (Previous Year 4000) Preference Shares	40.00	40.00	40.00	40.00
	45.00	45.00	45.00	45.00
Issued, Subscribed and Fully Paid up Share Capital				
Preference shares, Rs. 10 par value 0 (Previous Year 0) Equity Shares paid up	1.57	1.57	1.57	1.57
Equity Shares, Rs. 10 par value 15718 (Previous Year 15718) Equity Shares paid up				
<b>Total</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>

(i) Reconciliation of number of shares

Equity Shares	31 July 2024		31 March 2024		31 March 2023		31 March 2022	
	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)
Opening balance	15,718	1.57	15,718	1.57	15,718	1.57	15,718	1.57
Issued during the year	-	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>15,718</b>	<b>1.57</b>	<b>15,718</b>	<b>1.57</b>	<b>15,718</b>	<b>1.57</b>	<b>15,718</b>	<b>1.57</b>

Preference shares	31 July 2024		31 March 2024		31 March 2023		31 March 2022	
	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)	No. of shares	(Rs in lakhs)
Opening balance	-	-	-	-	-	-	127	1,27,000.00
Issued during the year	-	-	-	-	-	-	-	-
Shares redeemed during the year	-	-	-	-	-	-	127	1,27,000.00
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	31 July 2024		31 March 2024		31 March 2023		31 March 2022	
	No. of shares	In %	No. of shares	In %	No. of shares	In %	No. of shares	In %
Name of Shareholder								
Vivek Bhatia	4,332	27.56%	4,332	27.56%	4,202	26.73%	4202	26.73%
Parag Agarwal	4,332	27.56%	4,332	27.56%	4,202	26.73%	4202	26.73%
Parth Pande	4,330	27.55%	4,330	27.55%	4,200	26.72%	4200	26.72%
Prabhakar Ram V	806	5.13%	806	5.13%	806	5.13%	806	5.13%

Particulars	(Rs in lakhs)			
	31 March 2024	31 March 2024	31 March 2023	31 March 2022
<b>Reserves and Surplus</b>				
Capital Redemption Reserve				
Opening Balance	23.65	23.65	23.65	22.38
Add: Transfer from P&L	-	-	-	1.27
Closing Balance	23.65	23.65	23.65	23.65
Securities Premium				
Opening Balance	410.16	410.16	410.16	458.93
Add: Issue of Shares	-	-	-	-
Less: Deletion	-	-	-	-
Premium on redemption of Preference Shares	-	-	-	48.77
Closing Balance	410.16	410.16	410.16	410.16
Statement of Profit and loss				
Balance at the beginning of the year	740.87	149.32	-31.91	-29.35
Add: Profit/(loss) during the year	309.06	591.55	181.23	-1.28
Less: Appropriation	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	1.27
<b>Balance at the end of the year</b>	<b>1,049.93</b>	<b>740.87</b>	<b>149.32</b>	<b>-31.91</b>
<b>Total</b>	<b>1,483.73</b>	<b>1,174.67</b>	<b>583.12</b>	<b>401.90</b>

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Long term borrowings</b>				
Unsecured				
Term loans from banks	38.44	61.69	101.09	99.05
Unsecured Loans from Related Parties	-	-	-	118.06
Term loans from NBFC's	228.27	113.80	92.93	135.35
Inter corporate borrowings	350.00	350.00	425.00	-
<b>Total</b>	<b>616.71</b>	<b>525.50</b>	<b>619.02</b>	<b>352.46</b>

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Long term provisions</b>				
Provision for employee benefits	128.69	128.69	103.59	85.64
<b>Total</b>	<b>128.69</b>	<b>128.69</b>	<b>103.59</b>	<b>85.64</b>

Particulars	(Rs in lakhs)			
	31 July 2024	31 March 2024	31 March 2023	31 March 2022
<b>Short term borrowings</b>				
Secured				
1. Short term borrowings from banks	199.12	223.50	1.13	9.78
Unsecured				
1. Loan from related parties	430.53	351.78	18.78	-
2. Current portion of term loans from banks	83.09	90.42	73.63	76.46
3. Current portion of term loans from NBFC's	101.25	51.34	27.21	119.78
<b>Total</b>	<b>813.98</b>	<b>717.04</b>	<b>120.75</b>	<b>206.01</b>



(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Due to micro and small enterprises	-	3.18	-	7.83
Due to others	499.24	1,237.86	823.73	719.25
<b>Total</b>	<b>499.24</b>	<b>1,241.03</b>	<b>823.73</b>	<b>727.09</b>

8.1 Trade Payable ageing schedule as at 31 July 2024 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME					-
Others	499.24				499.24
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>					<b>499.24</b>
MSME - Undue					
Others - Undue					
MSME - Unbilled					
Others - Unbilled					
<b>Total</b>					<b>499.24</b>

8.2 Trade Payable ageing schedule as at 31 March 2024 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.18				3.18
Others	1,236.39	1.47			1,237.86
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>					<b>1,241.03</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>1,241.03</b>

8.3 Trade Payable ageing schedule as at 31 March 2023 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME					
Others	823.51	0.22			823.73
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>					<b>823.73</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>823.73</b>

8.4 Trade Payable ageing schedule as at 31 March 2022 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	7.83				7.83
Others	719.25				719.25
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>					<b>727.09</b>
MSME - Undue					
Others - Undue					
MSME - Unbilled					
Others - Unbilled					
<b>Total</b>					<b>727.09</b>

(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Statutory dues	300.13	226.83	211.11	391.20
Expenses payable	77.58	78.44	58.16	66.86
Other liabilities	70.10	69.25	69.25	69.25
<b>Total</b>	<b>447.81</b>	<b>374.53</b>	<b>338.52</b>	<b>527.31</b>

(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Provision for employee benefits	7.03	7.03	5.29	4.16
Provision for income tax	388.45	253.54	41.28	82.73
<b>Total</b>	<b>395.48</b>	<b>260.57</b>	<b>46.57</b>	<b>86.89</b>

## FINBUD FINANCIAL SERVICES PRIVATE LIMITED

(CIN: U67190KA2012PTC064767)

Annexures forming part of the Financial Statements

(All amounts are in lakhs except for share data or otherwise stated)

### 11. Property, Plant and Equipment

(Rs in lakhs)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	Net Block
	As on 01-Apr-24	Addition	Deduction	As on 31-Jul-24	As on 01-Apr-24	for the year	Deduction	As on 31-Jul-24	As on 31-Jul-24	As on 31-Mar-24
<b>(i) Property, Plant and Equipment</b>										
Computer & Accessories	395.61	23.30		418.91	309.09	21.01		330.11	88.81	86.52
Electrical Items	41.79			41.79	34.34	0.64		34.98	6.80	7.45
Furniture & Fixtures	528.18	16.17		544.35	347.03	16.54		363.57	180.78	181.15
Motor Vehicle	8.30			8.30	2.99	0.46		3.45	4.85	5.31
<b>For the financial Year (2024-25)</b>	<b>973.88</b>	<b>39.47</b>	<b>-</b>	<b>1,013.35</b>	<b>693.45</b>	<b>38.66</b>	<b>-</b>	<b>732.11</b>	<b>281.24</b>	<b>280.43</b>
<b>For the Financial Year (2023-24)</b>	<b>805.10</b>	<b>169.73</b>	<b>-</b>	<b>973.88</b>	<b>586.37</b>	<b>107.08</b>	<b>-</b>	<b>693.45</b>	<b>280.43</b>	<b>217.78</b>
<b>For the Financial Year (2022-23)</b>	<b>650.23</b>	<b>154.87</b>	<b>-</b>	<b>805.10</b>	<b>496.38</b>	<b>89.99</b>	<b>-</b>	<b>586.37</b>	<b>217.78</b>	<b>153.84</b>
<b>For the Financial Year (2021-22)</b>	<b>569.45</b>	<b>80.78</b>	<b>-</b>	<b>650.23</b>	<b>408.57</b>	<b>87.87</b>	<b>-</b>	<b>496.38</b>	<b>153.84</b>	<b>160.88</b>

<b>(ii) Intangible Assets</b>										
Software	7.54			7.54	7.38		-	7.38	0.16	0.16
<b>For the Financial Year (2023-24)</b>	<b>7.54</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>7.38</b>	<b>-</b>	<b>-</b>	<b>7.38</b>	<b>0.16</b>	<b>0.16</b>
<b>For the Financial Year (2022-23)</b>	<b>7.54</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>7.38</b>	<b>-</b>	<b>-</b>	<b>7.38</b>	<b>0.16</b>	<b>0.16</b>
<b>For the Financial Year (2021-22)</b>	<b>7.54</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>7.32</b>	<b>0.06</b>	<b>0</b>	<b>7.38</b>	<b>0.16</b>	<b>0.21</b>

#### Life of assets under companies act 2013

Machinery, electrical installations and equipment	15 years
Furniture and fittings	5 to 10 years
Computers	3 to 6 years
Vehicles	8 to 10 years
Software	3 years

FINBUD FINANCIAL SERVICES PRIVATE LIMITED  
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Annexures forming part of the Financial Statements  
(All amounts are in lakhs except for share data or otherwise stated)

12 Non current investments (Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Unquoted other investments in equity instruments	204.50	204.50	204.50	204.50
Painting	10.75	-	-	-
<b>Total</b>	<b>215.25</b>	<b>204.50</b>	<b>204.50</b>	<b>204.50</b>

12.1 Details of Investments (Rs in lakhs)

Name of Entity	No of Shares	31-Jul-24	No of Shares	31-Mar-24	No of Shares	31 March 2023	No of Shares	31-Mar-22
LTCV Private Limited	20,45,000	204.50	20,45,000	204.50	20,45,000	204.50	20,45,000	204.50

13 Deferred tax assets net (Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Deferred tax asset	100.37	102.69	95.93	113.80
<b>Total</b>	<b>100.37</b>	<b>102.69</b>	<b>95.93</b>	<b>113.80</b>

14 Trade receivables (Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Unsecured considered good	2,646.90	2,714.98	1,497.69	1,202.08
<b>Total</b>	<b>2,646.90</b>	<b>2,714.98</b>	<b>1,497.69</b>	<b>1,202.08</b>

14.1 Trade Receivables ageing schedule as at 31 July 2024 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- Undisputed Trade Receivables-	2,638.01	6.30	2.59			2,646.90
Disputed Trade Receivables considered	-	-	-	-	-	-
Disputed Trade Receivables considered	-	-	-	-	-	-
<b>Sub total</b>						<b>2,646.90</b>
Undue - considered good						
Undue - considered doubtful						
Provision for doubtful debts						
<b>Total</b>						<b>2,646.90</b>

14.2 Trade Receivables ageing schedule as at 31 March 2024 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	2,706.09	6.30	2.59			2,714.98
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub total</b>						<b>2,714.98</b>
Undue - considered good						
<b>Total</b>						<b>2,714.98</b>

14.3 Trade Receivables ageing schedule as at 31 March 2023 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1,464.75	17.82	15.02	0.10		1,497.69
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub total</b>						<b>1,497.69</b>
Undue - considered good						
<b>Total</b>						<b>1,497.69</b>

14.4 Trade Receivables ageing schedule as at 31 March 2022 (Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-	1,182.11	16.67	1.18	2.11		1,202.08
Undisputed Trade Receivables-	-	-	-	-	-	-
Disputed Trade Receivables considered	-	-	-	-	-	-
Disputed Trade Receivables considered	-	-	-	-	-	-
<b>Sub total</b>						<b>1,202.08</b>
Undue - considered good						
Undue - considered doubtful						
Provision for doubtful debts						
<b>Total</b>						<b>1,202.08</b>

15 Cash and cash equivalents (Rs in lakhs)

Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Cash on hand	0.28	0.28	0.47	0.82
Balances with banks in current accounts	7.26	162.67	127.42	7.74
<b>Cash and cash equivalents - total</b>	<b>7.54</b>	<b>162.96</b>	<b>127.89</b>	<b>8.56</b>
Other Bank Balances				
Deposits with original maturity for more than 12 months	0.11	0.11	0.11	0.11
<b>Total</b>	<b>7.65</b>	<b>163.06</b>	<b>127.99</b>	<b>8.66</b>

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Annexures forming part of the Financial Statements

(All amounts are in lakhs except for share data or otherwise stated)

16 Short term loans and advances				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Loans and advances to employees	82.92	72.22	48.92	37.52
Advances to suppliers	439.54	357.37	149.61	295.90
Balances with government authorities	221.18	156.87	132.05	223.40
<b>Total</b>	<b>743.63</b>	<b>586.45</b>	<b>330.58</b>	<b>556.82</b>
17 Other current assets				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Deposits	1.98	1.28	1.00	1.82
MAT credit entitlement	1.44	1.44	2.50	2.50
Other assets	232.00	221.15	46.84	45.41
Rental advance	156.59	147.45	111.91	99.29
<b>Total</b>	<b>392.01</b>	<b>371.32</b>	<b>162.24</b>	<b>149.02</b>
18 Revenue from operations				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Sale of services	4,893.69	16,941.97	12,269.87	7,939.36
Others				
-Income accrued but not due	1,918.06	2,007.79	1,222.66	837.70
<b>Total</b>	<b>6,811.76</b>	<b>18,949.75</b>	<b>13,492.52</b>	<b>8,777.06</b>
19 Other Income				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Interest Income	-	3.91	8.98	0.22
Write-Back	-	-	-	2.08
<b>Total</b>	<b>-</b>	<b>3.91</b>	<b>8.98</b>	<b>2.30</b>
20 Employee benefit expenses				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Salaries and wages	704.13	1,614.57	1,298.28	1,177.57
Contribution to provident and other funds	10.08	23.25	21.00	25.46
Staff welfare expenses	62.41	147.50	100.97	67.25
Gratuity expenses	-	26.84	19.08	11.66
<b>Total</b>	<b>776.62</b>	<b>1,812.15</b>	<b>1,439.32</b>	<b>1,281.94</b>
21 Finance costs				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Interest expense	42.35	115.38	98.38	101.78
<b>Total</b>	<b>42.35</b>	<b>115.38</b>	<b>98.38</b>	<b>101.78</b>
22 Depreciation and amortization expenses				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Depreciation on property, plant and equipment	38.66	107.08	89.99	87.87
<b>Total</b>	<b>38.66</b>	<b>107.08</b>	<b>89.99</b>	<b>87.87</b>
23 Other expenses				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Commission	4,054.58	11,276.56	7,894.46	4,136.10
Insurance	0.04	0.69	0.74	0.89
Power and fuel	16.91	40.52	32.75	22.22
Professional fees (Refer note 23a below)	38.14	136.02	110.40	132.93
Office expenses	2.53	5.75	3.07	1.37
Rent	84.59	204.87	154.33	123.95
Repairs others	25.24	101.06	120.04	94.07
Rates and taxes	2.69	56.60	42.26	39.29
Travelling expenses	10.09	93.09	50.58	77.19
Miscellaneous expenses	1.18	0.02	7.98	3.11
Communication expenses	13.70	94.91	81.47	70.99
Marketing and business promotion	1,090.66	3,495.97	3,008.90	2,555.14
Printing and stationary	4.43	12.13	10.72	11.12
Subscription charges	163.06	562.63	115.73	22.75
<b>Total</b>	<b>5,507.84</b>	<b>16,080.82</b>	<b>11,633.43</b>	<b>7,291.13</b>
23(a)				
(Rs in lakhs)				
Particulars	31 July 2024	31 March 2024	31 March 2023	31 March 2022
Statutory audit	-	13.00	9.00	6.00
Tax audit	-	2.00	1.00	1.00
<b>Total</b>	<b>-</b>	<b>15.00</b>	<b>10.00</b>	<b>7.00</b>

FINBUD FINANCIAL SERVICES LIMITED

(CIN: U67190KA2012PLC064767)  
Annexures forming part of the Financial Statements

14 Financial Ratios

S.No.	Particulars	Numerator	Denominator	As at 31 July 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	% Variance for the FY 24-25	% Variance for the FY 23-24	% Variance for the FY 22-23	% Variance for the FY 21-22	Reason if Variance > 25% for the FY 24 - 25	Reason if Variance > 25% for the FY 23 - 24	Reason if Variance > 25% for the FY 22 - 23	Reason if Variance > 25% for the FY 21 - 22
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.76	1.48	1.99	1.24	1.64	18.82%	-7.17%	28.64%	-24.48%	NA	NA	The variance is due to increase in current asset and decrease in current liability.	NA
2	Return on Equity (in %)	PAT less Preference Dividend, if any	Shareholder's Equity	23%	67%	37%	0%	-17%	-65.43%	83.18%	-12372.55%	-98.29%	The variance is due to Disproportionate increase in other expenses.	The variance is due to Disproportionate increase in reserves and surplus.	The variance is due to Increase in Revenue.	The Variance is due to increase in Revenue.
3	Inventory Turnover Ratio (in times)	Cost of goods sold	Average Inventory	NA	NA	NA	NA	NA	NA	NA	NA	NA	This ratio is not applicable as the company has no inventory.	This ratio is not applicable as the company has no inventory.	This ratio is not applicable as the company has no inventory.	This ratio is not applicable as the company has no inventory.
4	Trade Receivables Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	2.54	9.00	10.00	9.39	9.09	-71.76%	-9.99%	6.46%	3.31%	The variance is due to changes in sale of services and average trade receivables	N/A	N/A	N/A
5	Trade Payables Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	NA	NA	NA	NA	NA	NA	NA	NA	NA	This ratio is not applicable since there is no purchase of goods during the year	This ratio is not applicable since there is no purchase of goods during the year	This ratio is not applicable since there is no purchase of goods during the year	This ratio is not applicable since there is no purchase of goods during the year
6	Net Capital Turnover Ratio (in times)	Net Sales	Working capital (Current assets-current liabilities)	4.17	15.25	17.10	23.77	7.88	-72.66%	-10.83%	-28.05%	201.71%	the variance is due to changes in sale of service and working capital.	N/A	the variance is due to Increase in sale of service and increase in working capital.	the variance is due to Disproportionate increase in sales and decrease in net working capital.
7	Net Profit Ratio (in %)	Net Profit after Tax	Net Sales	4.54%	3.12%	1.34%	-0.01%	-1.62%	45.34%	132.42%	-9291.72%	-99.10%	the variance is due to Increases in Other Expenses.	the variance is due to increase in profit.	the variance is due to loss in previous year, profit in current year.	the variance is due to decrease in net loss.
8	Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	30%	77%	43%	32%	4%	-61.02%	78.72%	33.90%	620.06%	The variance is due to Increase in Capital Employed and decrease in EBIT	The variance is due to Increasing in the EBIT and disproportionate increase in capital employed	The variance is due to Increase in EBIT and Decrease in Capital employed	The variance is due to Decrease in EBIT and Increase in Capital employed
9	Debt - Equity ratio (in times)	Debt	Equity	0.96	1.06	1.27	1.38	1.34	-8.82%	-16.51%	-8.59%	3.51%	NA	NA	NA	NA
10	Debt service coverage ratio (in times)	Earning for debt service = Net profit after taxes + Non-cash operating expenses + Interest + Other non cash adjustments	Debt services = Interest and lease payments + Principal repayments	3.94	2.86	2.03	0.56	0.25	37.47%	41.23%	262.33%	120.94%	This is due to decrease in operating activities	This is due to increase in Interest and principal payments	This is due to increase in Interest and principal payments and decrease in operating activities	This is due to decrease in Interest and principal payments and increase in operating activities
11	Return on Investment (in %)	Income generated from invested funds	Average Invested funds	NA	NA	NA	NA	NA	NA	NA	NA	NA	This ratio is not applicable since there is no income generated from invested funds	This ratio is not applicable since there is no income generated from invested funds	This ratio is not applicable since there is no income generated from invested funds	This ratio is not applicable since there is no income generated from invested funds

As per our report of even date  
For B B S K and Associates  
Chartered Accountants  
Firm's Registration No. 0133135  
Peer Review No: 016871

For and on behalf of the Board of  
FINBUD FINANCIAL SERVICES LIMITED

Baladasan Bharathi  
Partner  
Membership No. 214061  
UDIN: 24214061BKJZP7629  
Place: Chennai  
Date: 17 - Oct - 2024

Vivek Bhatta  
Whole Time Director  
DIN 05250711  
Place: Bengaluru  
Date: 17 - Oct - 2024

Parag Agarwal  
Whole Time Director & CFO  
DIN 03167515

Vivekananda Udaya Bhandarkar  
Company Secretary  
Membership No. 52278

**OTHER FINANCIAL INFORMATION***(In Rs. Lakhs)*

Particulars	For period ended			
	31 July 2024	31 March 2024	31 March 2023	31 March 2023
EBITDA	528.13	1,062.84	432.12	207.07
Earnings Per Share (EPS):				
Basic*	2.21	4.24	1.31	(0.01)
Diluted*	2.21	4.24	1.31	(0.01)
Return on Net Worth	20.44	49.15%	29.93%	-0.20%
Net Asset Value per share*	10.83	8.62	4.38	3.07

*\*Post Private Placement and Bonus Issue.*

**STATEMENT OF FINANCIALS INDEBTEDNESS**

To,  
The Board of Directors,  
**Finbud Financial Services Limited,**  
No.10, 1st Floor, 6th Main, 9th Cross,  
Jeevan Bhima Nagar,  
Bangalore – 560075

Dear Sir,  
Below is the summary of loans outstanding as at 31<sup>st</sup> July 2024 in the books of accounts of Finbud Financial Services Limited on Consolidated basis.

Name of the Bank	Date of initiation	Purpose	ROI	Security offered	Sanctioned amount	Loan type	Closing balance as on 31-Jul-24
Aarkay Investment Private Limited	04-Aug-2018	Working capital	18.00%	Unsecured	100.00	Unsecured loan - From others	50.00
Bajaj Finance Limited	26-Jun-2024	Working capital	17.50%	Unsecured	76.36	Unsecured loan - From NBFC	76.36
Cholamandalam Investment & Finance Company Limited	31-Jan-2023	Working capital	17.00%	Unsecured	20.15	Unsecured loan - From NBFC	14.50
Cholamandalam Investment & Finance Company Limited	11-Oct-2023	Working capital	16.99%	Unsecured	27.45	Unsecured loan - From NBFC	24.06
Clix Capital Services Private Limited	28-Oct-2020	Working capital	14.00%	Unsecured	19.68	Unsecured loan - From NBFC	2.61
Clix Capital Services Private Limited	28-Jun-2024	Working capital	18.00%	Unsecured	47.03	Unsecured loan - From NBFC	47.03
Half Cute Internet Private Limited	15-Mar-2022	Working capital	12.00%	Unsecured	300.00	Unsecured loan - From NBFC	300.00
HDFC Bank Limited	07-Dec-2020	Working capital	8.25%	Unsecured	26.75	Unsecured loan - From Bank	3.31
HDFC Bank Limited	10-Mar-2021	Working capital	10.50%	Unsecured	100.00	Unsecured loan - From Bank	40.22
HDFC Bank Limited	31-Jan-2023	Working capital	14.50%	Unsecured	40.00	Unsecured loan - From Bank	23.25
Kotak Bank Limited	10-Feb-2023	Working capital	14.50%	Unsecured	40.00	Unsecured loan - From Bank	12.86
Kotak Bank Limited	31-Oct-2023	Working capital	14.50%	Unsecured	60.00	Unsecured loan - From Bank	41.89
OXYZO Financial Services Private Limited	29-Dec-2023	Working capital	16.00%	Unsecured	50.00	Unsecured loan - From NBFC	38.95

SMFG India Credit Co Limited	21-Jun-2024	Working capital	15.50%	Unsecured	75.00	Unsecured loan - From NBFC	75.00
Unity Small Finance Bank Limited	01-Jul-2024	Working capital	16.50%	Unsecured	51.00	Unsecured loan - From NBFC	51.00
HDFC Bank Limited	06-Feb-2021	Working capital	9.05%	Secured	376.75	Secured loan - From Bank	199.15
Parag Agarwal	15-May-2013	Working capital	Interest Free	NA	NA	Unsecured loan - from related party	3.53
Vivek Bhatia	31-Aug-2012	Working capital	Interest Free	NA	NA	Unsecured loan - from related party	288.70
Saloni Bhatia	20-Oct-2022	Working capital	Interest Free	NA	NA	Unsecured loan - from related party	138.30

**Yours sincerely,**

For M/s. B B S K and Associates  
Chartered Accountants  
Firm Registration No: 013313S

Harikrishnan K  
Partner  
Membership No: 262701

UDIN: 24262701BKGQHF6896  
Date: 21/Nov/2024  
Place: Chennai



## CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Financial Statements as at July 31, 2024 and as adjusted for the issue. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Restated Financial Information*” and “*Risk Factors*” on pages 170, 165 and 22, respectively of this Draft Red Herring Prospectus.

(Rs. in Lakhs)

Sr.No	Particulars	Pre-issue	Post-Issue
	<b>Debts</b>		
A	Long Term Debt*	616.71	616.71
B	Short Term Debt*	814.02	814.02
<b>C</b>	<b>Total Debt</b>	<b>1,430.73</b>	<b>1,430.73</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	1.57	
	Reserves and Surplus	1,514.93	
<b>D</b>	<b>Total Equity</b>	<b>1,516.50</b>	
			[●]
	Long Term Debt/ Equity Ratio (A/D)	40.67%	
	Total Debt/ Equity Ratio (C/D)	94.34%	
<b>Notes:</b>			
* The amounts are considered as outstanding as on 31.07.2024			
Post issue figures are not available since issue price is not yet finalized			

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the Stub period ended July 31<sup>st</sup> 2024 and the period ended 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "Restated Financial Information" on page 165 of the Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 22 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the chapter titled "Forward-Looking Statements" of this Draft Red Herring Prospectus. Unless otherwise stated, the Restated Financial Information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Finbud financial services Limited with our Subsidiary, on a consolidated basis as on the date of this Draft Red Herring Prospectus. Unless otherwise indicated, Restated Financial Information included herein are based on our Restated Consolidated Financial Statements for Stub period ended July 31<sup>st</sup> 2024 and period ended 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 included in this Draft Red Herring Prospectus beginning on page 165 of this Draft Red Herring Prospectus.*

### **BUSINESS OVERVIEW**

Finance Buddha, founded in 2012 by Vivek Bhatia, Parag Agarwal, and Parth Pande, is one of India's leading retail loan aggregation platforms. Initially started in Bangalore, the company has expanded its operations across the country, covering more than 19,000 postal areas. It serves as a bridge between customers and lenders by offering a variety of loan products, including personal loans, business loans, and home loans, through partnerships with over 100 banks and non-banking financial companies (NBFCs).

The founders bring substantial expertise to the company's operations. Parag Agarwal has over 20 years of experience in investment management, having held senior roles in private equity, including Vice President of Investments at Masan Group and Investment Manager at Avigo. Parth Pande, with his background in digital business management, spent a decade at Citibank, where he managed a large retail asset franchise and a significant loan portfolio. Vivek Bhatia, an entrepreneur with experience in retail financial services distribution, has played a pivotal role in developing the company's operations, human resources, and agent network, particularly in South India. Together, their combined experience and leadership form the solid foundation of Finance Buddha's growth.

Finance Buddha operates with a hybrid customer acquisition strategy that integrates both digital channel and a wide network of external agents i.e., agent channel. This allows the company to reach a broad range of prospective borrowers. Once a customer expresses intent, the platform uses its matchmaking technology to compare loan offers from multiple lenders, advising customers on the most suitable options. The company guides them through the entire loan application process, ensuring a seamless experience until the loan is disbursed. While Finance Buddha doesn't take any credit risk (as the decision to approve or reject a loan rest with the lender), it earns a commission from lenders when a loan is successfully disbursed.

A key differentiator for Finance Buddha is its unique hybrid business model, which combines conventional lending with digital lending. This model allows the company to offer a broad range of loan solutions to different customer segments. The Agent model, which relies on a wide network of agents, enables the company to access a curated audience of customers, often with preliminary checks already completed, leading to higher conversion rates. The digital model aspect, powered by the company's proprietary tech platform, enables the processing and enrichment of customer data using both internal and third-party variables, which is then leveraged for future cross-selling and up-selling opportunities.

This hybrid approach offers a significant advantage over competitors. While many of Finance Buddha's peers focus exclusively on either agent or digital models, Finance Buddha's combination of both allows for better customer lifecycle management and more optimized margins. The Agent model focuses on acquiring a large number of customers with lower profits per loan, while the digital model targets fewer customers but with higher profitability. This balanced strategy allows Finance Buddha to grow and remain profitable in the long term, even as it navigates the competitive loan distribution market in India.

With over 450 employees and 30 offices across the country, and a network of more than 2,500 sales agents, Finance Buddha's expansive reach and personalized service make it a leader in the Indian loan aggregation space. Its ability to integrate traditional and digital approaches, coupled with its focus on customer satisfaction, positions the company as a key player in the future of retail lending in India.

### **Business Model**

FinBud employs a hybrid acquisition model that leverages both traditional (Agent channel) and digital (Digital channel) channels, which provides the flexibility and reach necessary to connect with varied customer demographics.

- **Agent-Led Channel** : The Agent model capitalizes on a large network of agents to attract customers. Agents conduct preliminary checks and engage with clients in person or over the phone, performing essential initial assessments and connecting them with relevant loan offers. This approach increases conversion rates, reduces customer acquisition costs, and optimizes lender resources.
- **Digital Channel** : FinBud’s digital channel provides a data-driven, automated loan process that enables customers to explore loan products online through our website or mobile app. By leveraging digital marketing strategies and data analytics, we can pre-approve loan amounts for customers based on their financial profiles and streamline their applications.

Below are the details about the revenue in terms of Digital Channel and Agent Channel:

*(Rs. In Lakhs)*

Particulars	July 31 2024		March 31 2024		March 31 2023		March 31 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Digital Channel	970.0	14.24%	2646.4	13.97	1647.3	12.21%	1203.2	13.71%
Agent Channel	5,841.7	85.76%	16303.4	86.03	11845.3	87.79%	7573.9	86.29%

This dual-channel model enhances FinBud’s reach and profitability, balancing high-volume, lower-margin Agent channel sales with targeted, higher-margin digital channel sales.

### **Revenue Model**

FinBud’s revenue is generated primarily from commissions on loans disbursed by our partner banks and NBFCs. This commission-based model aligns FinBud’s interests with those of its lending partners, encouraging high-quality lead generation and customer retention. Commissions are either a percentage of the loan amount or a fixed fee per disbursed loan, depending on our agreement with the lender.

### **Product and Product Range**

Finance Buddha offers a diverse range of loan products, including personal loans, business loans, and home loans. Personal loans are unsecured and target salaried individuals for various personal needs, with an average ticket size of INR 10 lakhs. Business loans, also unsecured, cater to SMEs seeking capital for working capital, expansion, or inventory purchases, with an average ticket size of INR 20 lakhs. Home loans are secured loans for purchasing homes or mortgaging properties, with ticket sizes varying based on property value. The company's unique hybrid acquisition model, combining agent networks and digital channels, ensures broad customer reach and efficient acquisition. Advanced technological integration and data analytics enhance operational efficiency and customer experience. Finance Buddha’s customer-centric approach focuses on offering personalized loan solutions, streamlined processing, and comprehensive post-approval support, ensuring a seamless and transparent borrowing journey.

Below are the details of revenue in terms of product category (Standalone):

*(Rs. In Lakhs)*

Particulars	July 31 2024		March 31 2024		March 31 2023		March 31 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Personal Loan	4820.1	70.80%	13791.1	72.80%	9848.3	73.00%	6722.3	76.60%
Business Loan	1676.9	24.60%	4215.7	22.20%	2865.7	21.20%	1509.3	17.20%
Home Loan	203.1	3.00%	721.8	3.80%	521.8	3.90%	516.9	5.90%
Others	111.6	1.60%	221.2	1.20%	256.8	1.90%	28.6	0.30%

### **Key Performance Indicators**

Key Performance Indicator	31 July 2024	31 March 2024	31 March 2023	31 March 2022
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Revenue from operations	6,833.51	19,027.22	13,547.82	8,812.02
EBITDA	528.13	1,062.84	432.12	207.07
EBITDA Margin (%)	7.73%	5.59%	3.19%	2.35%
PAT	309.91	593.08	183.60	-0.87
PAT Margin (%)	4.54%	3.12%	1.36%	-0.01%
ROE (%)	20.44%	49.15%	29.93%	-0.20%
ROCE (%)	21.64%	51.36%	25.60%	13.73%

**Notes:**

- Revenue from operations is the total revenue generated by our Company from the sale of products.
- EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expense's
- EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- PAT is calculated as Profit before tax – Tax Expense's
- PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.
- Return on Equity is ratio of Profit after Tax and Shareholder Equity
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term debt and Long term provisions.

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL STATEMENTS

Except as discussed below, As per mutual discussion between the Board of the Company and Book Running Lead Manager, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months.

- Private Placement: Fundraising through a private placement on 13/09/2024, resulting in Rs.15,69,41,340 in cash.
- Conversion of Preference Shares: Conversion of CCPS into equity shares on 06/11/2024 with no cash impact.
- Bonus Issue: Issuance of bonus shares on 17/12/2024, involving 1,39,84,000 shares, with no cash impact.

For more information, please refer to *Capital Structure* and *Our Management* beginning on page no 58 and 145 of this DRHP.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure A2of Restated Financial Statements under "*Restated Financial Information*" beginning on page 165 of this Draft Red Herring Prospectus.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "*Risk Factors*" beginning on page 22 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
2. Fail to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
3. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
4. Ability to respond to technological changes;
5. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
6. Inability to successfully obtain registrations in a timely manner or at all;
7. General economic and business conditions in the markets in which we operate and in the local, regional and Bombay economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Recession in the market;
10. Changes in laws and regulations relating to the industries in which we operate;
11. Effect of lack of infrastructure facilities on our business;
12. Our ability to successfully implement our growth strategy and expansion plans;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Failure to obtain any approvals, licensees, registrations and permits in a timely manner;
16. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
17. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
18. Conflicts of interest with affiliated companies, the promoter group and other related parties;
19. The performance of the financial markets in India and globally;

20. Any adverse outcome in the legal proceedings in which we are involved;
21. Our ability to expand our geographical area of operation;

## DISCUSSION ON THE RESULTS OF OPERATIONS

Particulars	31-Jul-24	% of Revenue	31-Mar-24	% of Revenue	% Change vis-à-vis FY 2022	31-Mar-23	% of Revenue	% Change vis-à-vis FY 2021	31-Mar-22	% of Revenue
<b>Income</b>										
Revenue from operations	6,833.51	100.00%	19,027.22	99.98%	40.44%	13,547.82	99.93%	53.74%	8,812.02	99.97%
Other income	-	0.00%	3.91	0.02%	-56.45%	8.98	0.07%	290.65%	2.30	0.03%
<b>Total Income</b>	<b>6,833.51</b>	<b>100.00%</b>	<b>19,031.13</b>	<b>100.00%</b>	<b>40.38%</b>	<b>13,556.80</b>	<b>100.00%</b>	<b>53.80%</b>	<b>8,814.32</b>	<b>100.00%</b>
<b>Expenses</b>										
Employee benefits expenses	777.27	11.37%	1,815.17	9.54%	25.59%	1,445.29	10.66%	12.08%	1,289.48	14.63%
Finance costs	42.35	0.62%	115.38	0.61%	17.28%	98.38	0.73%	-3.35%	101.78	1.15%
Depreciation and Amortization expenses	38.64	0.57%	107.17	0.56%	19.05%	90.03	0.66%	2.46%	87.87	1.00%
Other expenses	5,528.11	80.90%	16,153.12	84.88%	38.30%	11,679.38	86.15%	59.60%	7,317.77	83.02%
<b>Total Expenses</b>	<b>6,386.36</b>	<b>93.46%</b>	<b>18,190.84</b>	<b>95.58%</b>	<b>36.64%</b>	<b>13,313.08</b>	<b>98.20%</b>	<b>51.34%</b>	<b>8,796.91</b>	<b>99.80%</b>
<b>Restated Profit/(Loss) before tax</b>	<b>447.14</b>	<b>6.54%</b>	<b>840.28</b>	<b>4.42%</b>	<b>244.78%</b>	<b>243.72</b>	<b>1.80%</b>	<b>1299.53%</b>	<b>17.41</b>	<b>0.20%</b>
<b>Tax expense</b>										
Current tax	134.91	1.97%	253.89	1.33%	500.49%	42.28	0.31%	1392.77%	2.83	0.03%
Deferred tax (benefit)/charge	2.32	0.03%	-6.69	-0.04%	-137.49%	17.84	0.13%	-0.65%	17.95	0.20%
MAT Credit Entitlement	-	0.00%	-	0.00%	0.00%	-	0.00%	-100.00%	-2.50	-0.03%
<b>Total tax expense</b>	<b>137.23</b>	<b>2.01%</b>	<b>247.20</b>	<b>1.30%</b>	<b>311.20%</b>	<b>60.12</b>	<b>0.44%</b>	<b>228.77%</b>	<b>18.29</b>	<b>0.21%</b>
<b>Share of minority in profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated Profit/(Loss) after tax</b>	<b>309.91</b>	<b>4.54%</b>	<b>593.08</b>	<b>3.12%</b>	<b>223.03%</b>	<b>183.60</b>	<b>1.35%</b>	<b>-21177.88%</b>	<b>-0.87</b>	<b>-0.01%</b>

**Key components of company's profit and loss statement:**

**Revenues**

Revenue from operations

Our revenue from operation comprises of commission earned from Banks and NBFC's on distribution of 3 primary products - personal loan, business loan and home loans. There are marginal revenues from distribution of other loan products like credit cards, auto loans and insurance cross sell as well.

(Rs. Rs. In Lakhs)

Particulars	July 31 2024		March 31 2024		March 31 2023		March 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Personal Loans	4820.1	70.80%	13791.1	72.80%	9848.3	73.00%	6722.3	76.60%
Business loans	1676.9	24.60%	4215.7	22.20%	2865.7	21.20%	1509.3	17.20%
Home Loans	203.1	3.00%	721.8	3.80%	521.8	3.90%	516.9	5.90%
Others	111.6	1.60%	221.2	1.20%	256.8	1.90%	28.6	0.30%

Finance Buddha is operating in two models – 1) Agent channel which is primarily agent led and marginal sales (less than 5% of agent sales) being contributed by internal sales team 2) Digital Channel where almost entire sales (~98%) is contributed by internal sales teams

(Rs. Rs. In Lakhs)

Particulars	July 31 2024		March 31 2024		March 31 2023		March 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Digital Channel	970.0	14.24%	2646.4	13.97	1647.3	12.21%	1203.2	13.71%
Agent Channel	5,841.7	85.76%	16303.4	86.03	11845.3	87.79%	7573.9	86.29%

Other income

Other income has two main categories: 1. Interest Income on income tax refund and 2. Write back of excess provisioning of commission payable to agents

**Expenses**

Expenses comprise: (i) **Employee Benefit Expenses,**

(ii) **Finance Costs** — covering interest expenses and bank charges;

(iii) **Depreciation and Amortization Expenses;** and

(iv) **Other Expenses** — such as commission, insurance, power and fuel, professional fees, office expenses, rent, repairs, rates and taxes, travel expenses, miscellaneous costs, communication expenses, marketing and promotion, printing and stationery, subscription charges, and hiring fees.

Employment benefit expenses

Employment benefits include salaries and wages, provident fund and other contributions, staff welfare, and gratuity

Finance costs

Finance costs covering interest expenses and bank charges.

Depreciation and amortization expenses

Depreciation and amortization expense includes depreciation on Computer and Accessories, Electrical items, Furniture and Fixtures, Motor Vehicle, as well as amortization of software.

## Other expenses

Other expenses include Commission, Insurance, Power and fuel, Professional fees, Office expenses, Rent, Repairs others, Rates and taxes, traveling expenses, Miscellaneous expenses, Communication expenses, Marketing and business promotion, Printing and stationary, Subscription charges, Hiring Charges.

### Primary contributions to other expenses include following:

- Commission includes payments made to agents for the agent business. These agents source customers on behalf of the Company and upon successfully disbursement of loan are paid commission by the Company on the loan amount.
- Marketing and Business promotion includes payments made to freelancers for sourcing customers for the Company. These are generally smaller players in the market who rely heavily on the company for file processing and liaising with various parties.
- 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, whatsapp communication. In addition, it also includes payments made for AWS storage, website/email hosting charges etc.
- Rent includes rent paid for offices used by the company for its business operations. For more information, please refer *Our business* chapter page no 116.
- Professional fees include payments made to vendors for availing technology platforms like CRM, marketing automation platforms, statutory audit fee and payments to advisors for undertaking compliances, statutory filings, accounting assistance.
- Repairs others include repairs and maintenance of office premises, computers and other accessories.
- Rates and taxes include interest on late payment of statutory dues, payments towards municipal taxes for certain office premises.
- Power and Fuel includes electricity expenses for the offices used by the Company.
- Communication expenses include telephony expenses for outbound calling undertaken by the tele sales executives
- Traveling expenses includes local and national travel expenses undertaken by the employees for business purposes
- Printing and Stationary includes expenses for purchase of printing items like cartridges and office stationary items
- Office expenses include expenses for office housekeeping
- Miscellaneous expenses include on various miscellaneous items
- Insurance includes premiums paid for insurance policies

## **SUMMARY OF MAJOR ITEMS OF INCOME AND EXPENDITURE**

### **FISCAL 2024 COMPARED WITH FISCAL 2023**

#### *Revenue from Operation*

Our revenue from operations for the period fiscal 2024 stands at Rs 19,027.22 lakhs increased by 40.44% as compared to Fiscal 2023 that is Rs 13,547.82 lakhs.

In fiscal 2024 Digital Channel contributed 13.97% increased by 60.65% as compared to fiscal 2023, Agent Channel contributed 86.03% increased by 37.64% as compared to Fiscal 2023.

#### Rationale for Increase in the Revenue from Operation for the financial year ended March 31, 2024:

The increase in revenue from operations can be primarily attributed to 3 factors:

- 1) Manpower increase – The Company has invested heavily in building its manpower in the digital team as well as hiring channel managers and backend processing teams for Agent business. The employee strength has increased from 191 to 251. This almost 30% increase is one of the reasons for revenue increase.
- 2) Agent and Freelancer increase – The Agent and freelancer base has increased from 2411 to 2722. This has helped the Company to increase its geographical footprint and customer outreach which has resulted in increased revenue.
- 3) Lender Addition – The company has increased its lender empanelment from 107 to 121. At any given point in time the Company will always have a segment of existing database which is not serviced by the existing list of empanelled lenders. With addition to new lenders some of this database becomes potentially attractive. In addition, ability to showcase more lenders to customers who are in the pipeline increases the approval rates and thereby results in higher revenue with existing infrastructure

#### *Other Income*



In fiscal 2024 other income stands for Rs 3.91 lakhs decreased by 56.45% as compared to fiscal 2023 that is Rs 8.98 lakhs. The decrease was on account of lower interest on income tax refund as the income tax refund was processed earlier compared to previous financial year.

### **Employee Benefit Expenses**

Employee benefit expenses for Fiscal 2024 totalled Rs 1,815.17 lakhs, accounting for 9.54% of the company's revenue, reflecting a 25.59% increase from Rs 1,445.29 lakhs in Fiscal 2023. This increase is primarily due to the addition of new manpower as part of the company's growth strategy, along with a general increase in the salaries of existing employees. Key factors contributing to the rise include a Rs 313.33 lakhs increase in salary expenses, driven by higher compensation for both new hires and existing employees, and a Rs 2.25 lakhs increase in contributions to provident and other funds. Staff welfare expenses rose by Rs 46.53 lakhs, reflecting efforts to improve employee benefits, while gratuity expenses increased by Rs 7.76 lakhs, in line with the growing team and long-term employee benefits commitments. For more information, please refer to the **Our Business** chapter page no 116 of this DRHP.

### **Finance Costs**

In fiscal 2024, finance cost at Rs 115.38 lakhs as compared to Rs 98.38 lakhs in fiscal 2023, saw an increase by Rs 17.00 lakhs in this very fiscal year. The increase in interest expense by Rs.20.90 lakhs in Fiscal 2024 as compared to fiscal 2023, reflects additional borrowings which have increased from Rs 739.77 lakhs to Rs 1242.54 lakhs. The increase in borrowings was to support higher working capital requirements due to increased business volumes. The decrease in bank charges by Rs 3.90 lakhs in fiscal 2024 over fiscal 2023. Bank charges are processing fees paid at the time of availing new loans. In FY 24 new loans availed had dropped compared to previous year and hence there was a drop in bank charges.

### **Depreciation and Amortization Expenses**

In fiscal 2024, the depreciation and amortization expense were Rs 107.17 lakhs, a 19.05% increase compared to Rs 90.03 lakhs in fiscal 2023. This rise was due to the addition of Rs 169.73 lakhs in tangible assets.

**(Rs. In Lakhs)**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2023	Additions	Deletions	As at 31 March 2024	As at 1 April 2023	Deletions	For the year 2023-24	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Computer & Accessories	317.39	78.23	-	395.61	238.48	-	70.61	309.09	86.52	78.90
Electrical Items	41.62	0.17	-	41.79	28.89	-	5.44	34.34	7.45	12.73
Furniture & Fixtures	436.84	91.34	-	528.18	317.85	-	29.17	347.03	181.15	118.98
Motor Vehicle	8.30	-	-	8.30	1.14	-	1.86	2.99	5.31	7.17
Software	7.54	-	-	7.54	7.38	-	-	7.38	0.16	0.16
<b>Total</b>	<b>811.68</b>	<b>169.73</b>	<b>-</b>	<b>981.42</b>	<b>593.75</b>	<b>-</b>	<b>107.08</b>	<b>700.83</b>	<b>280.59</b>	<b>217.94</b>

### **Other Expenses**

In fiscal 2024, total expenses amounted to Rs 16153.12 lakhs, marking a 38.30% increase from Rs 11679.38 lakhs in fiscal 2023. This rise reflects several key changes:

- Commission increased by 42.84% which is the major contributor towards offline sales. The increase in commission expenses is almost proportionate to the increase in offline sales by ~37%
- Insurance decreased by 6.09% due to the fall in insurance premiums.
- Power and fuel increased by 23.72% due to opening up of new offices. The company had a net addition of 10 offices in FY24 which contributed towards higher electricity charges.
- Professional fees increased by 11.08% led by higher digital/online revenues.
- Office expenses increased by 87.29% due to increased manpower and opening up of new offices as highlighted earlier
- Rent increased by 32.50% due to new offices being opened and regular rental increase clauses in the agreements
- Rates and taxes increased by 73.23% due to a one time interest on late fee payment of statutory dues and ineligible GST input credit expenses
- Traveling expenses increased by 84.04% driven by higher travel costs by employees and intercity travels

- Communication expenses increased by 16.49% to sustain higher business volumes
- Marketing and business promotion increased by 16.19% which is the second biggest contributor towards offline sales. It is to be noted that the increase is much lesser than the overall growth in offline sales due to economies of scale and better efficiencies
- Printing and stationary increased by 13.15% to sustain higher business volumes
- Subscription charges increased by 386.16% which is primarily driven due to further adoption of efficient automated customer communication and management tools like whatsapp, SMS, IVR etc. These services has helped us significantly in scaling up our digital revenues by increasing customer reach and conversions.

### ***Tax Expenses***

In fiscal year 2024, our total tax expense surged by Rs 187.08 lakhs, representing a 311.20% increase from Rs 60.12 lakhs in fiscal year 2023 to Rs 247.20 lakhs in fiscal year 2024. This was primarily due to increase in current tax expenses during the year which got increased from Rs 60.12 lakhs in fiscal year 2023 to Rs 253.89 lakhs in the fiscal 2024 and decrease in deferred tax from Rs 17.84 lakhs in fiscal 2023 to Rs (137.49) %.

### ***Profit after Tax***

For the various reasons discussed above, and following adjustments for tax expense, we recorded an increase in profit; from profit of Rs 183.60 lakhs in fiscal 2023 to profit of Rs 593.08 lakhs in fiscal 2024. Profit after tax as a percentage of total revenue stood at 3.12% for Fiscal 2024 versus 1.35% for Fiscal 2023.

### **Rational for Increase in the Profit after Tax for the Fiscal Year 2024:**

- **Robust Revenue Growth:** Revenue increased by 40.54%, indicating strong demand, and successful expansion strategies that contributed to higher sales.
- **Enhanced Profitability through Operational and Financial Efficiency:** Our core profitability has significantly improved, with the EBITDA margin rising from 3.19% to 5.58%, driven by effective cost control and operational enhancements. Furthermore, the EBIT margin increased from 2.52% to 5.02%, largely due to a decrease in depreciation as a percentage of revenue, which allowed a larger share of revenue to contribute to operating income. In addition, finance costs were effectively managed, this resulted in an increased EBT margin from 1.80% to 4.42%, demonstrating our ability to optimize financing expenses in relation to our expanding revenue base.
- **Realization of Economies of Scale:** Higher sales volumes enabled a reduction in per-unit fixed costs, resulting in economies of scale that boosted profitability.

## **FISCAL 2023 COMPARED WITH FISCAL 2022**

### ***Revenue from Operation***

Our revenue from operations for the period fiscal 2023 stands for Rs 13547.82 lakhs and increased by 53.74% as compared to fiscal 2022 that is Rs 8812.02 lakhs.

In fiscal 2023 online sales (Digital lending) contributed 12.21% increased by 36.91% as compared to fiscal 2022, offline (Agent led) contributed 87.79% and increased by 56.40% as compared to Fiscal 2022.

### **Rationale for Increase in the Revenue from Operation for the financial year ended March 31, 2023:**

The increase in revenue from operations can be primarily attributed to 3 factors:

- 1) **No Impact of COVID** – In the previous financial year, the revenues for the months of April-June 2021 had taken a severe hit due to COVID-2 related disruptions. FY23 was the first full year of operations without any lockdowns due to COVID and hence we saw jump in revenues as the overall economy wanted to make up for the lost opportunities of the previous 2 years.
- 2) **Agent and Freelancer increase** – The Agent and freelancer base has increased from 2147 to 2411. This has helped the Company to increase its geographical footprint and customer outreach which has resulted in increased revenue.
- 3) **Lender Addition** – The company has increased its lender empanelment from 96 to 107. At any given point in time the Company will always have a segment of existing database which is not serviced by the existing list of empanelled lenders. With addition to new lenders some of this database becomes potentially attractive. In addition ability to showcase more lenders to customers who are in the pipeline increases the approval rates and thereby results in higher revenue with existing infrastructure

### *Other income*

In fiscal 2023 other income stands for Rs 8.98 lakhs increased by 38.74% as compared to fiscal 2022 that is Rs 6.68 lakhs. In this fiscal other income consists of Interest income over Fiscal 2022 which also includes write back. The increase reflects the following points:

- Interest income increased by Rs 8.76 lakhs over fiscal 2022. The increase reflects income tax returns of 2 years being processed in the same financial year and thereby higher interest on income tax refund.
- Write back in fiscal 2023 of Rs 2.08 lakhs

### *Employee Benefit Expenses*

Employee benefit expenses as of Fiscal 2023, accounting for 10.66% of our revenue that is Rs 1445.29 lakhs, saw an 12.08% increase over Fiscal 2022 that is Rs 1289.48 lakhs. The overall increase in employee benefit expense was inspite of a reduction in staff strength from 223 to 191. However, the Company had invested heavily in its senior management employees and beefed up team leader positions alongwith introducing attractive incentive schemes for top performing employees which resulted in overall increase in employee benefit expenses.

### *Finance Costs*

In fiscal 2023, finance cost at Rs 98.38 lakhs as compared to Rs 101.78 lakhs in fiscal 2022, decreased by Rs 3.40 lakhs. The reason for decrease reflects the following points:

Decrease in Interest Expense by Rs 7.90 lakhs due to better debt management by refinancing high cost debt with low cost debt.  
Increase in Bank charges Rs 4.49 lakhs

### *Depreciation and Amortization Expenses*

In fiscal 2023 the depreciation and Amortization expense was Rs 90.03 lakhs as compared to fiscal 2022 which was Rs 87.87, saw an increase of 2.46% over the fiscal 2022. This reflects the addition of Rs 154.87 lakhs over the fiscal 2022 in tangible assets.

(In lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2022	Additions	Deletions	As at 31 March 2023	As at 1 April 2022	Deletions	For the year 2022-23	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer & Accessories	249.66	67.73	-	317.39	198.79	-	39.69	238.48	78.90	50.87
Electrical Items	29.38	12.24	-	41.62	24.80	-	4.09	28.89	12.73	4.58
Furniture & Fixtures	369.99	66.85	-	436.84	271.98	-	45.87	317.85	118.98	98.00
Motor Vehicle	1.20	7.10	-	8.30	0.81	-	0.33	1.14	7.17	0.40
Software	7.54	-	-	7.54	7.38	-	-	7.38	0.16	0.16
<b>Total</b>	<b>657.76</b>	<b>153.92</b>	<b>-</b>	<b>811.68</b>	<b>503.76</b>	<b>-</b>	<b>89.99</b>	<b>593.75</b>	<b>217.94</b>	<b>154.00</b>

### *Other Expenses*

In fiscal 2023, our expenses totalled Rs 11679.38 lakhs, which is a 59.60% increase from Rs 7317.77 lakhs in fiscal 2022. The main reason for this increase includes:

- Commission increased by 90.87% which is the major contributor towards offline sales. The increase in commission expenses was higher than the 56% increase in offline sales because FY 23 was the first full year of normal operations post COVID and the company wanted to increase the overall scale of operations so as to achieve higher payout slabs from lenders. As a result we had to pay higher commission to agents. Also as a strategy the company had decided to increase its presence in the Business Loan segment for which it had to pay higher commission in the initial stages to acquire market share and establish credibility. As a result the Company has established solid presence in Business Loan segment and the contribution in total sales has seen an uptrend.
- Insurance decreased by 17.06% due to lower premium payments.
- Power and fuel increased by 47.41% due to opening up of new offices
- Professional fees decreased by 18.03% due to cost savings on outsourced IT contract.
- Office expenses increased by 123.31% on a low base effect

- Rent increased by 24.27% due to new offices being opened and regular rental increase clauses in the agreements
- Rates and Taxes increased by 64.55% due to increase in ineligible GST input credit on expenses.
- Repairs increased by 27.61% due to opening up of new offices
- Traveling expenses decreased by 34.48% due to rationalization of costs
- Communication expenses increased by 14.78% to sustain higher business volumes
- Marketing and business promotion increased by 17.76% which is the second biggest contributor towards offline sales. It is to be noted that the increase is much lesser than the overall growth in offline sales due to economies of scale and better efficiencies.
- Subscription charged increased by 408.81% because in FY23 the company introduced for the first time automated customer interaction module via whatsapp, SMS, IVR etc.

### ***Tax Expenses***

In fiscal year 2023, our total tax expense increased by Rs 39.33 lakhs, representing a 228.77% increase from Rs 60.12 lakhs in fiscal year 2022 to Rs 18.29 lakhs in fiscal year 2023. This was primarily due to increase in current tax expenses during the year which got increased from Rs 2.83 lakhs in fiscal year 2022 to Rs 42.28 lakhs in the fiscal 2023 and decrease in deferred tax from Rs 17.95 lakhs in fiscal 2022 to Rs 17.84 lakhs in fiscal 2023.

### ***Profit after Tax***

For the various reasons discussed above, and following adjustments for tax expense, we recorded profit; from loss of Rs (0.87) lakhs in fiscal 2022 to profit of Rs 183.60 lakhs in fiscal 2023. Profit after tax as a percentage of total revenue stood at 1.35% for Fiscal 2023 versus (0.01)% for Fiscal 2022.

### ***Rational for Increase in the Profit after Tax for the Fiscal Year 2023:***

**1.Increase in Revenue:** Revenue increased by 53.74% over fiscal 2022.

**2.Improved operational efficiency:** Core profitability showed substantial gains, with the EBITDA margin climbing from 2.35% to 3.19%. This increase reflects effective cost management and improved operational efficiencies. Additionally, the EBIT margin improved from 1.35% to 2.52%, primarily due to disciplined control over operating expenses, which allowed a greater portion of revenue to contribute to operating income. Furthermore, the EBT margin saw a significant increase from 0.20% to 1.80%, highlighting our ability to manage finance costs effectively in relation to revenue growth, thus enhancing our pre-tax earnings.

### **Cash Flows**

<b>Particulars</b>	<b>(Rs. in Lakhs)</b>			
	<b>July 31 2024</b>	<b>March 31 2024</b>	<b>March 31 2023</b>	<b>March 31 2022</b>
Net Cash from Operating Activities	(343.30)	(209.75)	268.83	188.12
Net Cash from Investing Activities	(40.28)	(165.83)	(145.90)	(78.48)
Net Cash used in Financing Activities	145.84	387.39	82.92	(201.53)

### ***Cash Flows from Operating Activities***

#### ***For the financial year ended March 31, 2024***

Our net cash used from operating activities was Rs (209.75) Lakhs for the financial year ended March 31, 2024. Our operating profit before working capital changes was Rs 1058.93 Lakhs for the financial year ended March 31, 2024, which was primarily adjusted against increase in trade receivables by Rs 1180.65 lakhs, increase in loans and advances by Rs 305.71 lakhs, increase in other current assets by Rs 208.98 lakhs, increase in non-current assets by Rs 6.69 lakhs, increase in Trade payables by Rs 430.60 lakhs, increase in other current liabilities by Rs 10.86 lakhs, increase in short term provisions by Rs 213.99 lakhs, and increase in long term provisions by Rs 25.10 lakhs.

#### ***For the financial year ended March 31, 2023***

Our net cash used from operating activities was Rs 268.83 Lakhs for the financial year ended March 31, 2023. Our operating profit before working capital changes was Rs 423.15 Lakhs for the financial year ended March 31, 2023 which was primarily adjusted against increase in Trade receivable by Rs 328.23 lakhs, decrease in loans and advances by Rs 263.19 lakhs, increase in other current assets by Rs 13.13 lakhs, decrease in non-current assets by Rs 17.84 lakhs, increase in trade payable by Rs 113.25 lakhs, decrease

in other current liabilities by Rs 125.65 lakhs, decrease in short term provisions by Rs 39.41 lakhs and increase in long term provisions by Rs 17.94 lakhs.

For the financial year ended March 31, 2022

Our net cash used from operating activities was Rs 188.12 Lakhs for the financial year ended March 31, 2022. Our operating profit before working capital changes was Rs 207.27 Lakhs for the financial year ended March 31, 2022 which was primarily adjusted against increase in trade receivables by Rs 538.42 lakhs, decrease in loans and advances by Rs 72.84 lakhs, increase in other current assets by Rs 149.12 lakhs, decrease in other non-current assets by Rs 17.95 lakhs, increase in trade payables by Rs 433.83 lakhs, increase in other current liabilities by Rs 151.47 lakhs, decrease in short term provisions by Rs 5.67 lakhs and increase in long-term provisions by Rs 18.75 lakhs.

**Cash Flows from Investment Activities**

For the financial year ended March 31, 2024

Our net cash flow from investing activities was Rs (165.83) lakhs. This was mainly on account of Purchase of Property, plant and equipment of Rs 169.73 lakhs, Interest Received of Rs 3.91 lakhs.

For the financial year ended March 31, 2023

Our net cash flow from investing activities was Rs (145.90) lakhs. This was mainly on account of the Purchase of Property, plant and equipment of Rs 154.87 lakhs, Interest Received of Rs 8.98 lakhs.

For the financial year ended March 31, 2022

Our net cash flow from investing activities was Rs (78.48) lakhs. This was mainly on account of the Purchase of Property, plant and equipment of Rs 80.78 lakhs, Interest Received of Rs 2.30 lakhs.

**Cash Flows from Financing Activities**

For the financial year ended March 31, 2024

Our net cash flow from financing activities was Rs 387.39 lakhs. This was on account of repayment of long-term borrowings of Rs 93.52 lakhs, proceeds from Short-term borrowings of Rs 596.29 Lakhs and Interest paid of Rs 115.38 lakhs.

For the financial year ended March 31, 2023

Our net cash flow from financing activities was Rs 82.92 lakhs. This was on account of Proceeds from Long-Term borrowings of Rs 266.56 Lakh, Repayment of Short-term borrowings of Rs 85.26 lakhs and Interest Paid of Rs 98.38 lakhs.

For the financial year ended March 31, 2022

Our net cash flow from financing activities was Rs (201.53) lakhs. This was on account of Buy back of shares of Rs 50.04 lakhs, Repayment of long term borrowings of Rs 180.35 lakhs, Proceeds from short term borrowings of Rs 130.65 lakhs and Interest Paid of Rs 101.78 lakhs.

**INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:**

**1. Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, Our Company has not engaged in any transactions or events during the periods under review that, in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the “**Risk Factors**” beginning on page 22 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in this Draft Red Herring Prospectus, particularly in the sections “*Risk Factors*” on pages 22 , respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

#### 4. Income and Sales on account of major product/main activities (Standalone):

Particulars	July 31 2024		March 31 2024		March 31 2023		March 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Personal Loans	4820.1	70.8%	13791.1	72.8%	9848.3	73.0%	6722.3	76.6%
Business loans	1676.9	24.6%	4215.7	22.2%	2865.7	21.2%	1509.3	17.2%
Home Loans	203.1	3.0%	721.8	3.8%	521.8	3.9%	516.9	5.9%
Others	111.6	1.6%	221.2	1.2%	256.8	1.9%	28.6	0.3%

For a detailed breakdown of the revenue by major products and main activities, please refer to the "Our Business" chapter on page 116 of this Draft Red Herring Prospectus.

#### 5. Future relationship between Costs and Income

Our Company’s future costs and revenues will be determined by the growth of the industry in which we operate.

#### 6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in our revenues are by and large linked to increases in the volume of business.

#### 7. Status of any publicly announced new products or business segments

Our Company has not announced any new products, services, or business segments that are separate from our ongoing operations, as detailed in the "**Our Business**" section on page 116 of this Draft Red Herring Prospectus. However, it is pertinent to note that Our Company regularly engages in research and product development and improvements so as to meet customer needs and market trends.

#### 8. The extent to which the business is seasonal

Our business is subject to seasonality. We see an increase in our business before Diwali, wedding seasons, and during end of season sales. For a detailed understanding please refer to the “*Risk Factor*” on page of this Draft Red Herring Prospectus.

#### 9. Any significant dependence on a single or few suppliers or customers

Our Company is significantly dependent on a few suppliers. For further details, refer to the chapter titled “*Risk factors*” on page 22 of Draft Red Herring Prospectus.

#### 10. Competitive Conditions

Competitive conditions have been discussed in sections titled “*Our Business*” and “*Our Industry*” on pages 116 and 106 of this Draft Red Herring Prospectus.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, and our Promoters ("Relevant Parties"). Further, there is no pending litigation involving Our Group Companies, the adverse outcome of which may have a material impact on our Company.

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on October 07, 2024 for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' where:

- i. the claim/dispute amount, to the extent quantifiable, exceeds 10% of the total trade payables of the Company as per the last restated financial statements of the Company for a complete Financial Year would be considered 'material' for disclosure in this Draft Red Herring Prospectus; and
- ii. the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect the Company's business, operations, cash flows, financial position or reputation of the Company.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds 10 % of the total trade payables of the Company as per the latest restated financial statements of the Company shall be considered as 'material'. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Auditor.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors or Our Group Companies shall not be considered as litigation until such time that any of our Company, our Directors or Our Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. All terms defined in a particular litigation disclosure pertain to that litigation only.

#### **I. Litigations involving the company: 3**

##### *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*

#### **(i) Mismatch in ITC availed in GSTR-3B as compared to ITC available in GSTR-2A for the FY 2017-18.**

The Company had received order dated 29/12/2023 from Superintendent of Central Tax, for the FY 2017-18 arising from show cause notice dated 17/04/2023 for excess availment of ITC in GSTR-3B as compared to GSTR-2A of Rs. 3,13,700/- and corresponding interest, whereby the demand of Rs.1,90,860/- (CGST of Rs.95,430/- SGST of Rs. 95,430/-) has been confirmed with a penalty of Rs. 26,650/- (CGST Rs. 13,326/- & SGST Rs. 13,326/-).

The Company has filed in Form GST APL-01 against the aforementioned order number ZD291223097419Y on 26/03/2024.

#### **(ii) Mismatch in ITC availed in GSTR-3B as compared to ITC available in GSTR-2A for the FY 2018-19**

The Company has received an order dated 23/04/2024 from Superintendent of Central Tax, for the FY 2018-19 arising from show cause notice dated 22/12/2023 for excess availment of ITC in GSTR-3B as compared to GSTR-2A of Rs.7,04,784/- and corresponding interest, whereby the demand of Rs. 7,04,784/- with a penalty of Rs. 70,478 has been confirmed.

The Company has filed in Form GST APL-01 against the aforementioned order number ZD290424076707X on 29/07/2024.

**(iii) Mismatch in ITC availed in GSTR-3B as compared to ITC available in GSTR-2A for the FY 2019-20**

The Company has received an order dated 26/08/2024 from Assistance Commissioner for the FY 2019-20 arising from show cause notice dated 27/05/2024 for excess availment of ITC in GSTR-3B as compared to GSTR-2A of Rs.16,41,341/- and corresponding interest, whereby the demand of Rs. 16,41,341/- with a penalty of Rs. 1,64,134/- has been confirmed.

The Company has filed in Form GST APL-01 against the aforementioned order number ZD290824098467J on 25/11/2024.

*5. Other Pending Litigation Based on Materiality Policy of Our Company:*

*Nil*

**II. Litigations involving the Promoter of the Company: 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*

**III. Litigations involving the Directors of the Company other than Promoter of the Company: 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*

**IV. Litigations involving Group Entities: 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*

**V. Litigations relating to the Directors of Group Entities: 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*

**VI. Litigations relating to the Subsidiary Company and Holding Company: 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*

**vii. Litigations relating to the Directors of Subsidiary Company: 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*

**viii. Details of the past penalties imposed on the Company / Directors: Nil**

**Other litigations involving any other entities which may have a material adverse effect on the Company**

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offenses, tax liabilities, prosecution under any enactment in respect of the Companies Act, Show Cause Notices or Legal Notices pending against any company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

**Details of the past penalties imposed on the Company / Directors: No**

**DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NOT APPLICABLE**

**Change in Accounting Policies in the last three (3) years**

There has been no change in accounting policies in the last three (3) years.

**The Net worth of the company on 31 July 2024 – Rs. 1,516.50 Lakh**

**I further confirm that except as stated hereinabove:**

- a) FinBud/ the Company, its Promoter, and other Companies with which Promoter are associated have neither been suspended by SEBI nor has any disciplinary action been taken against them or either of them by SEBI.
- b) There is no material regulatory or disciplinary action by a Stock Exchange or Regulatory Authority in the past years in respect of the Promoter of the Company, group company's entities, entities promoted by the Promoter of the Company.
- c) Further, none of the Directors of the Company has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
- d) There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoter, group entities, companies promoted by the Promoter during the past three years except as under:
- e) There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.

- f) There is no pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- g) There are no pending proceedings initiated for economic offenses against the Directors, Promoter, Companies, and firms promoted by the Promoter.
- h) There is no outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- i) There are no litigations against the Promoter / Directors in their capacity.
- j) There are no criminal cases filed or any investigation being undertaken concerning the alleged commission of any offense by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.

## GOVERNMENT AND OTHER APPROVALS

In view of the licensees / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “**Key Regulation and Policies**” beginning on page 133 of the Draft Red Herring Prospectus.

### CORPORATE APPROVALS FOR THIS ISSUE

- a. The Board of Directors have, pursuant to resolutions passed at its meeting held on January 06, 2025 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
- b. The Shareholders have, pursuant to the resolution dated January 10, 2025 under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

### IN-PRINCIPLE APPROVAL

The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this Issue document for listing of equity shares on EMERGE Platform of NSE. NSE is the Designated Stock Exchange.

### AGREEMENTS WITH NSDL AND CDSL

- The Company has entered into an agreement dated, December 17, 2024, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited , for the dematerialization of its shares.
- The Company has also entered into an agreement dated September 02, 2024, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
- The Company’s International Securities Identification Number (ISIN) is INE0EDU01014.

### INCORPORATION DETAILS OF OUR COMPANY

S. No.	Incorporation	Company Identification Number	Issued by	Issued on	Expiry Date
1	Original Certificate of Incorporation	U67190KA2012PTC064767	Registrar of Companies, Karnataka	19/07/2012	Replaced by fresh Certificate of Incorporation issued consequent upon the conversion of Company into a public limited company
2	Fresh Certificate of Incorporation issued to FinBud upon its conversion from a private limited company to a public limited company	U67190KA2012PLC064767	Registrar of Companies, Karnataka	23/09/2024	Till cancelled

### REGISTRATION UNDER TAX STATUTES

S. No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1	Permanent Account Number (PAN)	AACCF0339C	Income Tax Department, Government of India	09/07/2012	Till cancelled

2	Tax Deduction and Collection Account Number (TAN)	BLRF02515C	Income Tax Department, Government of India	04/09/2012	Till Cancelled
<b>Goods and Services Tax (GST) Registration Certificates issued in respect of different states:</b>					
1	Karnataka	29AACCF0339C1Z1*	Government of India	01/07/2017	Till Cancelled
2	West Bengal	19AACCF0339C1Z2*	Government of India	25/02/2022	Till Cancelled
3	Haryana	06AACCF0339C1Z9*	Government of India	01/03/2022	Till Cancelled
4	New Delhi	07AACCF0339C1Z7*	Government of India	21/06/2022	Till Cancelled
5	Chandigarh	04AACCF0339C1ZD*	Government of India	01/02/2024	Till Cancelled
6	Uttar Pradesh	09AACCF0339C1Z3*	Government of India	19/03/2024	Till Cancelled
7	Tamil Nadu	33AACCF0339C1ZC* *	Government of India	10/12/2024	Till Cancelled

\*GSTIN is issued in the name of FinBud Financial Services Private Limited\

#### LICENSES/ APPROVALS/CERTIFICATES UNDER INDUSTRIAL AND LABOUR LAWS

S. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1.	Registration Certificate of Establishment (for the Registered Office)	32/58/CE/3084/2012*	Government of Karnataka, Department of Labour	05/12/2012, and subsequently renewed on 10/11/2016 and 06/01/2022 respectively.	31/12/2026
2.	Registration Certificate of Establishment (for the Thippasandra, Bengaluru Office)	32/58/S/0117/2018*	Government of Karnataka, Department of Labour	24/10/2018, and subsequently renewed on 18/01/2023.	31/12/2027
3.	Registration Certificate of Shop or Commercial Establishment (Rajendra Place, New Delhi office)	2024081943*	Department of Labour, Government of NCT of Delhi	18/04/2024	17/04/2029
4	Trade License	KRP-TL-438717-2023-24*	Bruhat Bangalore Mahanagara Palike	01/04/2023, and subsequently renewed	31/03/2025
5	Certificate of Enrolment, Karnataka	118516977*	Commercial Taxes Department, Government of Karnataka	30/11/2012	Till cancelled

	(for Registered Office, and no additional addresses in Karnataka are recorded)				
6	Professional Tax, Telangana	36190412713726*	Commercial Taxes Department, Government of Telangana	12/04/2019	Till Cancelled
7	Professional Tax, Maharashtra	-	Commercial Taxes Department, Government of Maharashtra	2022	Till Cancelled
8	Employee Provident Fund, Karnataka	PYKRP1022296*	Employee's Provident Fund Organisation, Sub-Regional Office, Bangalore	09/09/2014	Till cancelled
9	Employee State Insurance, Karnataka	50000447150001099	Employees' State Insurance Corporation, Sub-Regional Office Bangalore	01/04/2014	Till cancelled
10	TCCPR Registration	1102629120000044165*	Telemarketer Aggregator	23/09/2020	22/09/2025


\*Issued in the name of FinBud Financial Services Private Limited

#### **LICENSES/ APPROVALS/CERTIFICATES WITH REGARD TO CORE BUSINESS:**

Sl. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1.	Importer Exporter Code (IEC)	0712022848**	DGFT, Ministry of Commerce and Industries, Government of India	04/12/2012	NA
2.	UDYAM Registration Certificate	UDYAM-KR-03-0055076** (Small   Services)	Ministry of Micro, Small and Medium Enterprise	08/03/2021	NA

\*\*Issued in the name of FinBud Financial Services Private Limited

#### **INTELLECTUAL PROPERTIES**

Sr. No.	Trademark	Word / Logo	Class	Date of certificate	Trademark no.
1	Device Mark		36	04/02/2016	3178638
2	Finance Buddha	Word	36	04/02/2016	3178637

#### **DOMAINS**

S. No.	Nature of IP	Domain Addresses	Registration date	Expiry date
1	Domain	Financebuddha.com	21/09/2010	21/09/2032

**IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE- MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.**

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

- a. This Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on January 06, 2025.
- b. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on January 10, 2025 , and authorised the Board to take decisions in relation to this Issue.
- c. The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this Issue document for listing of equity shares on EMERGE Platform of NSE. NSE is the Designated Stock Exchange.
- d. Our Board has approved this Draft Red Herring Prospectus through its resolution dated January 30, 2025.
- e. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page number 188 of this Draft Red Herring Prospectus.

### PROHIBITION BY SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the Director and Promoters of our Promoters Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as Promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Our Company, our Promoters or their relatives (as defined under the Companies Act) and Our Group Companies have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our company, our promoters and the members of the promoter group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of this Draft Red Herring Prospectus.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the post Issue paid up capital is more than Rs. 1,000Lakh. Our Company also complies with the eligibility conditions laid by the SME Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

We confirm that:

- a. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM to the Issue will underwrite at least 15% of the Total Issue Size. For further details, pertaining to said underwriting please refer to “*General Information*” Underwriting on page 49 of this Draft Red Herring Prospectus.
- b. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the BRLM shall ensure that the Issuer shall file a copy of the Red Herring Prospectus/ Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with the Registrar of Companies.



- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the BRLM will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “**General Information**”, “**Details of the Market Making Arrangements for this Issue**” on page 49 of this Draft Red Herring Prospectus.
- e. In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its Promoters, promoter group or directors are debarred from accessing the capital market by the Board;
- f. In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, none of the Promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;
- g. In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its Promoters or directors is a wilful defaulter or fraudulent borrower.
- h. In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, None of the Issuer’s Promoters or directors is a fugitive economic offender.
- i. In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, Application is being made to National Stock Exchange of India Limited and National Stock Exchange of India Limited is the Designated Stock Exchange.
- j. In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k. In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.
- l. In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the Promoters are already in dematerialized form.

#### NSE ELIGIBILITY NORMS:

Sr. No.	Particulars															
1.	<p><u>The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores</u></p> <p>As on the date of this Draft Red Herring Prospectus, our Company has a total paid-up capital (face value) of Rs. 1,400.15 Lakhs comprising 1,40,01,480 Equity Shares of Rs.10/- each and the Post issue paid-up Capital (face value) will be Rs. 1,904.96 Lakhs comprising 1,90,49,633 Equity Shares which shall be below Rs. 25 crores.</p>															
2.	<p><u>Company’s has Positive Net worth:</u></p> <p>Our company has a Net worth of Rs. 1,206.59 lakhs on Fiscal 2024 and Rs. 613.50 lakhs on Fiscal 2023. The following table reflects the details of the calculation of Net worth.</p> <p style="text-align: right;"><i>(Rs. Rs. In Lakhs)</i></p> <table border="1"> <thead> <tr> <th>Details</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Paid-up share capital</td> <td>1.57</td> <td>1.57</td> </tr> <tr> <td>All reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account,</td> <td>1205.02</td> <td>611.93</td> </tr> <tr> <td>The aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Net worth (A+B-C)</b></td> <td><b>1206.59</b></td> <td><b>613.50</b></td> </tr> </tbody> </table> <p>Note:</p> <ul style="list-style-type: none"> <li>• Our Company was incorporated in July 09, 2012, under the Companies Act, 1956 with the Registrar of Companies, Karnataka. Hence, our Company is in existence for a period of 12 years on the date of filing the Draft Red Herring Prospectus with NSE.</li> <li>• The Net worth computation is as per the definition given in SEBI (ICDR) Regulations. The Company has received the Net worth certificate dated December 31, 2024 from BBSK and Associates, Chartered Accountants</li> </ul>	Details	2024	2023	Paid-up share capital	1.57	1.57	All reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account,	1205.02	611.93	The aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation	-	-	<b>Net worth (A+B-C)</b>	<b>1206.59</b>	<b>613.50</b>
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<b>Net worth (A+B-C)</b>	<b>1206.59</b>	<b>613.50</b>														
3.	<p><u>The Issuer satisfies the exchange’s criteria of track record of 3 years:</u></p> <p>Our Company confirms that it has track record of more than 3 years.</p>															

4.	<p><u>The company/ proprietorship concern/ registered firm/ LLP should have operating profit (earnings before interest, depreciation and tax) of INR 1 crore from operations for 2 out of 3 latest financial years preceding the application date.</u></p> <p>As per the Restated Financial Statements, our company has operating profit (earnings before interest, depreciation and tax excluding other income) from operations of Rs. 1,062.84 Lakhs for the Fiscal 2024, and Rs. 432.12 Lakhs in Fiscal 2023, and Rs. 207.07 Lakhs in Fiscal 2022 i.e., in all the 3 financial years preceding the date of this Draft Red Herring Prospectus.</p> <p style="text-align: right;">(Rs. Rs. In Lakhs)</p> <table border="1" data-bbox="210 452 1481 582"> <thead> <tr> <th>Financial Year</th> <th>EBIDT</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>1058.93</td> </tr> <tr> <td>2023</td> <td>423.15</td> </tr> <tr> <td>2022</td> <td>204.77</td> </tr> </tbody> </table>	Financial Year	EBIDT	2024	1058.93	2023	423.15	2022	204.77																																																				
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5.	<p><u>The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.</u></p> <p style="text-align: right;">(Rs. Rs. In Lakhs)</p> <table border="1" data-bbox="210 689 1481 1326"> <thead> <tr> <th>PARTICULARS</th> <th>2024</th> <th>2023</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Cash Generated from Operating Activities</td> <td>37.45</td> <td>328.94</td> <td>208.91</td> </tr> <tr> <td>Less: Income Tax Paid</td> <td>247.2</td> <td>60.12</td> <td>20.79</td> </tr> <tr> <td><b>Net Cash Flow from Operating Activities</b></td> <td><b>-209.75</b></td> <td><b>268.82</b></td> <td><b>188.12</b></td> </tr> <tr> <td>Purchase of Capital Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Less: Sale Proceeds of Fixed Assets</td> <td>169.73</td> <td>154.87</td> <td>80.78</td> </tr> <tr> <td>Add: Capital Advances</td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Purchase of Fixed Assets</b></td> <td><b>-169.73</b></td> <td><b>-154.87</b></td> <td><b>-80.78</b></td> </tr> <tr> <td>Proceeds from Total Borrowings</td> <td>596.29</td> <td>266.56</td> <td>130.65</td> </tr> <tr> <td>Less: Repayment of Total Borrowings</td> <td>93.52</td> <td>85.26</td> <td>180.26</td> </tr> <tr> <td><b>Net Debt Repayment</b></td> <td><b>502.77</b></td> <td><b>181.3</b></td> <td><b>-49.61</b></td> </tr> <tr> <td>Total Interest Expense</td> <td>115.38</td> <td>98.38</td> <td>101.78</td> </tr> <tr> <td>Effective Tax Rate</td> <td>0.29</td> <td>0.25</td> <td>1.05</td> </tr> <tr> <td><b>Post Tax Interest Expense</b></td> <td><b>81.44</b></td> <td><b>74.11</b></td> <td><b>-5.09</b></td> </tr> <tr> <td><b>Free Cash flow to Equity</b></td> <td><b>381.31</b></td> <td><b>530.88</b></td> <td><b>224.38</b></td> </tr> </tbody> </table>	PARTICULARS	2024	2023	2022	Cash Generated from Operating Activities	37.45	328.94	208.91	Less: Income Tax Paid	247.2	60.12	20.79	<b>Net Cash Flow from Operating Activities</b>	<b>-209.75</b>	<b>268.82</b>	<b>188.12</b>	Purchase of Capital Assets				Less: Sale Proceeds of Fixed Assets	169.73	154.87	80.78	Add: Capital Advances				<b>Purchase of Fixed Assets</b>	<b>-169.73</b>	<b>-154.87</b>	<b>-80.78</b>	Proceeds from Total Borrowings	596.29	266.56	130.65	Less: Repayment of Total Borrowings	93.52	85.26	180.26	<b>Net Debt Repayment</b>	<b>502.77</b>	<b>181.3</b>	<b>-49.61</b>	Total Interest Expense	115.38	98.38	101.78	Effective Tax Rate	0.29	0.25	1.05	<b>Post Tax Interest Expense</b>	<b>81.44</b>	<b>74.11</b>	<b>-5.09</b>	<b>Free Cash flow to Equity</b>	<b>381.31</b>	<b>530.88</b>	<b>224.38</b>
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6.	<p><u>Confirmation Regarding Regulatory Compliance and Trading Status</u></p> <ul style="list-style-type: none"> <li>● We hereby confirm that neither the promoters nor any of the companies promoted by the promoters have been subject to any regulatory action or suspension of trading by any stock exchange with nationwide trading terminals.</li> <li>● We confirm that neither the promoters nor the directors (excluding independent directors) are involved as promoters or directors in any companies that have been compulsorily delisted by any stock exchange. Furthermore, there are no applicability or consequences of compulsory delisting attracted to the companies or individuals mentioned.</li> <li>● We confirm that neither the promoters nor the companies promoted by them are currently suspended from trading due to non-compliance with regulatory requirements.</li> <li>● We further confirm that none of the directors associated with any company that have been disqualified or debarred by any regulatory authority.</li> <li>● We ensure that the Merchant Banker has not been involved in any instance where its IPO draft offer document was returned by the Exchange within the past six months from the date of filing this DRHP.</li> </ul>																																																												
7.	<p><u>Pending defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.</u></p> <p>Our company has no pending defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.</p>																																																												

8.	<u>Repayment of loan of promoter, promoter group or any related party from Issue Proceeds.</u> We confirm that the objects of the issue didn't consist of repayment of loan from promoter, promoter group or any related party, from the issue proceeds, whether directly or indirectly.
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### **Other Requirements**

<b>Sr. No.</b>	<b>Particulars</b>
1.	<u>The Issuer has a website.</u> Our company website is <a href="https://www.financebuddha.com/">https://www.financebuddha.com/</a> and We confirm that the information presented on our website is consistent with the details and disclosures provided in our offer document.
2.	<u>100% of the Promoter's shareholding in the Company should be in Dematerialized form.</u> The entire Equity Shares held by the Promoters have been dematerialized.
3.	<u>The Issuer has entered into an agreement with both depositories</u> Our Company has entered into an agreement dated September 02, 2024 with NSDL and agreement dated December 17, 2024 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be offered.
4.	<u>Change in the promoters of the company in preceding one year</u> There has been no change in the promoters of the company in preceding one year from date of filing the application to NSE for listing under SME segment.
5.	<u>Composition of the Board</u> The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
6.	<u>The Company has not been referred to NCLT under IBC.</u> Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
7.	<u>Winding up petition against the company, which has been admitted by the court</u> There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
8.	<u>The application of the applicant company should not have been rejected by the Exchange in last 6 complete months.</u> Our Company has not been rejected by any Exchange in last 6 complete months.

**We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the NSE EMERGE.**

### **COMPLIANCE UNDER REGULATION 300 OF SEBI(ICDR) REGULATIONS**

No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations with respect to the Issue.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, SKI CAPITAL SERVICES LIMITED AS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SKI CAPITAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SKI CAPITAL SERVICES LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 30, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, its Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website <https://www.bhamadesigns.com/> and <https://www.skicapital.net/> would be doing so at his or her own risk.

#### **CAUTION**

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc. The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian Nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs.2,500 Lakh and the National Investment Fund, and

permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Pune only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with NSE EMERGE for its observations and NSE EMERGE gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

National Stock Exchange of India Limited (NSE) has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchange on which this company's securities are proposed to be listed on the SME Platform. NSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. National Stock Exchange of India Limited does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on NSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by NSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. NSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by NSE / other regulatory authority. Any use of the SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S Persons" (as defined in Regulation under the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transaction in compliance with Regulation of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

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

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

S.no	Issue Name	Issue Size (Rs. In Lakhs)	Issue Price	Listing Date	Opening Price on listing	+/- change in closing price, [+/- change in benchmark]- 30th calendar day from listing	+/- change in closing price, [+/- change in benchmark]- 90th calendar day from listing	+/- change in closing price, [+/- change in benchmark]- 180th calendar day from listing
1.	Macobs Technologies Limited	1946.40	75	July 24, 2024	96	48.16% [3.39%]	44.84% [1.87%]	68.70% [-2.46%]
2.	TechEra Engineering (India) Limited	3589.63	82	October 03, 2024	125	29.45% [-0.25%]	49.98% [-4.47%]	-
3.	Avax Apparels and Ornaments Limited	191.80	70	January 14, 2024	133	-	-	-

#### SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total No. of IPOs	Total Funds Raised (Rs. in Lakhs.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
FY23-24	3	5727.83	-	-	-	-	2	-	-	-	-	1	-	-

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to the website of the Book Running Lead Manager at [www.skicapital.net](http://www.skicapital.net).

#### FILING

This Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the Prospectus shall be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus, required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, E' Wing, 2nd Floor Kendriya Sadana Kormangala, Bangalore-560034

#### LISTING

Application will be made to the National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of National Stock Exchange of India Limited has given its in-principle approval for using its name in our Issue documents vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the Applicant in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 4 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 4 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

## Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013.

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount, if fraud involves an amount of at least Rs. 10 Lakhs or one-percent of the turnover of the company, whichever is lower.

Provided that where fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable for an imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## CONSENTS

Consent's in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) BRLM, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing Red Herring prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consent's shall not be withdrawn at the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Auditors have given their written consent for the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with NSE.

## EXPERT OPINION

Our Company has received written consent dated October 04, 2024 from Peer Reviewed Auditor namely, **BBSK and Associates, Chartered Accountants**, to include its name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an Independent Auditor and in respect of its (i) examination report dated October 17, 2024 on our Restated Financial Information; and (ii) its report dated November 21, 2024 on the statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated January 30, 2025 from **Goyal & Goyal Advocates and Solicitors**, having registration number D 6467/2017 to include their name as an expert as defined under Section 2(38) of the Companies Act, 2013, read Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert", to the extent and in its capacity as an advisor on the Legal Litigations being subsisting by the Company, against the Company, by the Promoters, against the Promoters, by the Directors and against the Directors of the Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated November 14, 2024 from **M/s. Vakalat India, Advocates**, having registration number F/1564/1093/2011 (WB) to include their name as an expert as defined under Section 2(38) of the Companies Act, 2013, read Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert", to the extent and in its capacity as an advisor on the ROC and Secretarial Search Report Dated January 27, 2025 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an Initial Public Offering in terms of the SEBI (ICDR Regulations).

#### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Other than as detailed under chapter titled "Capital Structure" beginning on page 58 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARY/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, has made any public issue or rights issue during the last three years.

#### **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF THE LISTED SUBSIDIARY OF OUR COMPANY**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as on date of this Draft Red Herring Prospectus our Company has no listed corporate Promoters and no listed subsidiary company.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **OUTSTANDING CONVERTIBLE INSTRUMENTS**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

#### **PARTLY PAID-UP SHARES**

As on the date of this Draft Red Herring Prospectus, there are no partly paid up Equity Shares of our Company.

#### **OPTION TO SUBSCRIBE**

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Issue is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.



## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of Rs.100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of Rs.100 per day or 15% per annum of the application amount.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company shall obtain authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES prior to filing of the Red Herring Prospectus/ Prospectus with the RoC. Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus/Prospectus.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Vivekananda Udaya Bhandarkaras the Company Secretary and Compliance Officer and may be contacted at the following address:

Vivekananda Udaya Bhandarkar

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

Tel: +91 98862 32323

E-mail: [cs@financebuddha.com](mailto:cs@financebuddha.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY**

We do not have any listed company under the same management.

#### **CHANGE IN AUDITORS DURING THE LAST THREE (3) YEARS**

Except as disclosed in “*General Information*” beginning on Page 49 of this Draft Red Herring Prospectus; there are no changes in the Auditors of the company during the last three years.

#### **CAPITALIZATION OF RESERVES OR PROFITS**

Except as disclosed under “*Capital Structure*” beginning on page 58 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

#### **TAX IMPLICATIONS**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the “*Statement of Possible Tax Benefits*” beginning on page 103 of this Draft Red Herring Prospectus.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in “*Our Business*” on page 116 of the Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.
- Except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

#### **SERVICING BEHAVIOR**

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in “*Our Management*” beginning on page 145 and “*Restated Financial Information*” beginning on page 165 of the Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISION OF SECURITY LAWS, IF ANY GRANTED BY SEBI**

As on date of Draft Red Herring Prospectus, our company has not availed any exemption from complying with any provision of security laws granted by SEBI.

## SECTION IX – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued, offered and Allotted pursuant to the Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and offer of capital and listing and trading of issued securities enacted from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.*

#### THE ISSUE

The present Public Issue of up to 50,48,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 06, 2025 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on January 10, 2025 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to, '**Main Provisions of Article of Association**', beginning on page 239 of this Draft Red Herring Prospectus.

#### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors for further details, please refer to "**Dividend Policy**" and "**Main Provisions of Article of Association**" beginning on page 164 and 239 respectively of this Draft Red Herring Prospectus.

#### FACE VALUE, ISSUE PRICE, FLOOR PRICE AND PRICE BAND

The face value of each Equity Share is Rs. 10/- and the Issue Price at the lower end of the Price Band is Rs. [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is Rs. [●] per Equity Share ("Cap Price").

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English National daily newspaper, all editions of a Hindi National daily newspaper, and regional newspaper, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled "**Basis of Issue Price**" beginning on page 96 of this Draft Red Herring Prospectus.

#### COMPLIANCE WITH SEBI ICDR REGULATIONS, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to "*Main Provisions of the Articles of Association*" beginning on page 239 of this Draft Red Herring Prospectus.

## **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Company:

- Tripartite Agreement dated September 02, 2024 between NSDL, our Company and Registrar to the Company; and
- Tripartite Agreement dated December 17, 2024 between CDSL, our Company and Registrar to the Company.

## **MARKET LOT AND TRADING LOT**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE EMERGE (EMERGE Platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## **MINIMUM NUMBER OF ALLOTTEES**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

## **JOINT HOLDERS**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	on or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	on or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	on or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	on or about [●]

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST.

Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application

Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of Rs. 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate Rs. 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of Rs. 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs. 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLM shall be liable for compensating the Applicant at a uniform rate of Rs. 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

## **MINIMUM SUBSCRIPTION AND UNDERWRITING**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer to the "**General Information**" on page 49 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

## **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase-above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the EMERGE Platform of NSE (NSE EMERGE), wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the EMERGE Platform of NSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to "**General Information**" on page 49 of this Draft Red Herring Prospectus.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of National Stock Exchange of India Limited.

## **AS PER THE EXTENT GUIDELINE OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provide a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such Investor

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

## **APPLICATION BY ELIGIBLE NRI'S, FPI'S, VCF'S, AIF'S REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under "*Capital Structure*" beginning on page 58 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to the "*Main Provisions of the Articles of Association*" beginning on page 239 of this Draft Red Herring Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC publish a pre- Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language National daily newspaper; one widely circulated Hindi Language National daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.



## ISSUE STRUCTURE

*This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than Rs.10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE EMERGE Platform of NSE. For further details regarding the salient features and terms of such an issue please refer “Terms of the Issue “and “Issue Procedure” on page 204 and 212 of the Draft Red Herring Prospectus.*

The Issue comprise of a Public Issue of up to 50,48,000 Equity Shares of Face Value of Rs.10/- each fully paid (The “Equity Shares”) for cash at a price of Rs. [●]/- per Equity Shares (including a premium of Rs. [●]/- per equity share) aggregating to Rs. [●]/-Lakhs (“the Issue”) by our Company.

The Issue comprises a reservation of which [●] Equity Shares of Rs. 10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to the public of [●] Equity Shares of Rs. 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 Issue is being made by way of Book Building Process.

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	[●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of Issue Size available for allocation	5% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidder  However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion.  The unsubscribed portion in the mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment	Firm Allotment	Proportionate as follows: (excluding Anchor Investor Portion) a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for	Proportionate	Proportionate

		allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid bids received from Mutual Funds at or above the Anchor Investor Allocation Price.		
Mode of Application	Through ASBA Process Only	Through ASBA Process Only (Except for Anchor Investor)	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form.			
Minimum Application Size	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds Rs. 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds Rs. 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount does not exceed Rs. 200,000
Maximum Application Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount does not exceed Rs. 200,000
Trading Lot	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			

- This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- Subject to valid Bids being received at or above the issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

- Our Company, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2009, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.
- Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details, please refer to the section titled “*Issue Procedure*” beginning on page 212 of the Draft Red Herring Prospectus;

## WITHDRAWAL OF THE ISSUE

The Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated National newspapers (one each in English and Hindi) and one in regional newspaper where the registered office of our Company is located.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at New Delhi.

## ISSUE PROGRAMME:

Events	Indicative Dates
<b>Bid/Issue Opening Date</b>	[•]
<b>Bid/Issue Closing Date</b>	[•]
<b>Finalization of Basis of Allotment with Designated Stock Exchange</b>	[•]
<b>Initiation of Allotment/Refunds/Unblocking of funds from ASBA Account or UPI ID linked bank account</b>	[•]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	[•]
<b>Listing Date</b>	[•]

*Note: Our Company in consultation with the Book Running Lead Manager, may 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 in accordance with the SEBI ICDR Regulations.*

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of applications.
- A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issue prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. Investors should note that the details and process provided in the General Information Document should be read along with this section. Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 ("UPI Phase II"). SEBI vide press release bearing number 12/2023 had approved the proposal for reducing the time period for listing of shares in public issue from the existing six working days to three working days. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. The Issue will be made under UPI Phase II, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars are effective for initial public offers opening on or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus. The provisions of the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by NSE having reference no. 20220803-40 dated August 3, 2022 are also deemed to form part of this Draft Red Herring Prospectus. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus and this Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of Rs.100 per day or 15% per annum on the Bid Amount for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking, unless otherwise prescribed under applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to Rs.0.5 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will

comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

## **BOOK BUILDING PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company and Selling Shareholder in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.**

## **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. The Application Form shall contain space for indicating the number of specified securities subscribed for in demat form.

## **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- a. **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an Retail Bidders also had the option to submit the ASBA Form with any of the Designated Intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

- b. **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an Retail Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, individual investors Bidding up to Rs. 500,000 shall use UPI and provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, CDPs and RTAs.
- c. **Phase III:** In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. SEBI vide press release bearing number 12/2023 had approved the proposal for reducing the time period for listing of shares in public issue from existing six working days to three working days and pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the reduce time period of three working days has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline and submit confirmation of the unblock to the BRLMs and Registrar within the prescribed timelines would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “**General Information Document**” available on the websites of the Stock Exchange and the BRLM.

## **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM. All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA

Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

\* *Electronic Bid Cum Application Forms will also be available for download on the website of the NSE (www.nseindia.com).*

\*\* *Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediaries shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.**

**The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.**

**An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)**

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
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<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, the respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of the stock exchange. Stock exchange shall share application details including the UPI ID with the sponsor bank on a continuous basis, to enable the sponsor bank to initiate mandate requests on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor Investor to accept a mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

**Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.**

**Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidder

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate a request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date ("Cut- Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

## **WHO CAN BID?**

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

1. Indian Nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);



7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FII registered with SEBI, which are foreign corporate or foreign individuals only under the Non-
10. Institutional Bidder 's category;
11. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
12. Foreign Venture Capital Investors registered with the SEBI;
13. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
14. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
15. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
16. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
18. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non- resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidder the Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring**

**Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English National newspaper, [●], all editions of Hindi National newspaper, [●] and Kannada regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

1. The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English National newspaper [●], all editions of Hindi National newspaper [●] and Kannada regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
2. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
3. The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
4. The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
5. Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
6. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
7. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
8. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

1. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band is decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
2. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidder
3. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
4. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid

Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

**The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Issue**

1. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
2. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

- a) Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two National newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
- b) Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- c) Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
- d) Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
- e) Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
- f) Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
- g) The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
- h) Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
- i) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidder
- j) The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion.

In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.

1. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 Lakhs
2. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
3. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
4. Our Company and Selling Shareholder in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - a) where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investor
  - b) where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - c) where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
5. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
6. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
7. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
8. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
9. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
10. The BRLM, our Promoter, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
12. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY ELIGIBLE NRIS**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non- repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “Restrictions on Foreign Ownership of Indian Securities” beginning on page 237. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

## **BIDS BY FPIS**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFS and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFS, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank’s own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company’s interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its Subsidiary, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company’s paid up share capital engaged in non-financial services. However, this cap doesn’t apply to the cases mentioned in (i) and (ii) above. The

aggregate equity investments made by a banking company in all Subsidiary and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “Key Regulations and Policies” beginning on page 133.

#### **BIDS BY SCSBS**

SCSBS participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 25,000,000 Lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs. 5,000,000 Lakhs or more but less than Rs. 25,000,000 Lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached

to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of Rs. 2,500lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

- Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
- The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidder

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidder

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No.



**SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.**

**Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investor

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: — “Finbud Financial Services Limited IPO – Anchor Account- R”
- In case of Non-Resident Anchor Investors: — “Finbud Financial Services Limited IPO – Anchor Account- NR”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investor

**Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - The applications accepted by any Designated Intermediaries
  - The applications uploaded by any Designated Intermediaries or
  - The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Members, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:\

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Build of the Book**

Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.

Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

### **Withdrawal of Bids**

RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

1. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price and the Anchor Investors Issue Price.
2. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
3. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
4. In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
5. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
6. Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to Compliance with SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investor Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various Investor**

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

**The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.**

## GENERAL INSTRUCTIONS

*Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.*

### Do's:

- Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;
- Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids (other than Anchor) through the ASBA process only;
- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
- Ensure that you have mentioned the correct ASBA Account number if you are not an Retail Bidders bidding using the UPI Mechanism in the Bid cum Application Form and if you are an Retail Bidders using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
- Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
- If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

- Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
- RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
- Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
- Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
- RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the Retail Bidders’s ASBA Account;
- Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
- RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an Retail Bidders may be deemed to have verified the attachment containing the application details of the Retail Bidders in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
- Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
- FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

- Do not Bid for lower than the minimum Bid size;
- Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by RIBs);
- Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
- Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not submit the Bid for an amount more than funds available in your ASBA account.
- Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
- In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
- If you are a Retail Bidders and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
- Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the General Index Register (GIR) number instead of the PAN;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
- Do not submit a Bid using UPI ID, if you are not a Retail Bidders;
- Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- Do not Bid for Equity Shares in excess of what is specified for each category;
- Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Draft Red Herring Prospectus;
- Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
- Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
- If you are an Retail Bidders which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
- Do not Bid if you are an OCB; and
- If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled "General Information" and "Our Management" beginning on pages 49 and 145 respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled "**General Information**" beginning on page 49.

## **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than Rs. 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information” beginning on page 49.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **BASIS OF ALLOCATION**

The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

### **Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file/ Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSBs to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+ 1 day.

- RTA prepares the list of final rejections and circulate the rejections list with BRLM/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE). The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

**Process for generating list of allottees: -**

- Instructions are given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket/batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th Application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the over subscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid allotted applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non-allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**BASIS OF ALLOTMENT**

**The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.**

**1. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**2. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**3. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP/ Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for 5% of the Net QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the Net QIB Portion.

- In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidder
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

#### 4. Allotment to Anchor Investor (If Applicable)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - maximum number of two Anchor Investors for allocation up to Rs. 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 2 crores and up to Rs. 25 crores subject to minimum allotment of Rs. 1 crores per such Anchor Investor; and
    - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

#### 5. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE EMERGE(The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.**

**The Executive Director / Managing Director of NSE- the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**



### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
3. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.
4. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com) and BSE, i.e. [www.bseindia.com](http://www.bseindia.com) . With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- a) Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
- b) Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- c) If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
4. Each successful applicant shall be allotted [●] equity shares; and
5. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
6. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
7. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the NSE- the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non- Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

**Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

1. We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on September 02, 2024.
2. We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on December 17, 2024.
3. The Company's Equity shares bear an ISIN No INE0EDU01014.
  - An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
  - The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
  - Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
  - Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
  - If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
  - The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
  - Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
  - The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all Investor.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Draft Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions [●], an English National daily newspaper, all editions of [●], a Hindi National daily newspaper and a regional newspaper [●] each with wide circulation. In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price but prior to the filing of Prospectus.

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who:

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs. 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years) Further, where the fraud involves an amount less than Rs. 10/- Lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to Rs. 50/- Lakh or with both.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Draft Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## **RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

*Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").*

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction.

The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company. Investment conditions/restrictions for overseas entities Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

### ***Investment by FPIs under Portfolio Investment Scheme (PIS)***

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

***Investment by NRI or OCI on repatriation basis***

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

***Investment by NRI or OCI on non-repatriation basis***

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

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## **SECTION X - MAIN PROVISIONS OF OUR ARTICLE OF ASSOCIATION**

### **Interpretation**

In these regulations the Act means the Companies Act 2013 the seal means the common seal of the company. Unless the context otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **Share Capital and Variation of rights**

1. Subject to the provisions of the Act and these Articles the shares in the capital of the company shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided one certificate for all his shares without payment of any charges or several certificates each for one or more of his shares upon payment of twenty rupees for each certificate after the first. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon. In respect of any share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. If any share certificate be worn out defaced mutilated or torn or if there be no further space on the back for endorsement of transfer then upon production and surrender thereof to the company a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable contingent future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 48 and whether or not the company is being wound up be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
8. Subject to the provisions of section 55 any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.

### **Lien**

9. The company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and on all shares (not being fully paid shares) standing registered in the name of a single person for all monies presently payable by him or his estate to the company. Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien if any on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell in such manner as the Board thinks fit any shares on which the company has a lien. Provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue if any shall be subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

13. The Board may from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. Each member shall be subject to receiving at least fourteen days notice specifying the time or times and place of payment pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate if any as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum all the relevant provisions of these regulations as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board –
  - a) may if it thinks fit receive from any member willing to advance the same all or any part of the monies uncalled and unpaid upon any shares held by him and
  - b) upon all or any of the monies so advanced may (until the same would but for such advance become presently payable) pay interest at such rate not exceeding unless the company in general meeting shall otherwise direct twelve per cent per annum as may be agreed upon between the Board and the member paying the sum in advance.

#### **Transfer of shares**

19. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.



20. The Board may subject to the right of appeal conferred by section 58 decline to register the transfer of a share not being a fully paid share to a person of whom they do not approve or any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 b. the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and c. the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **Transmission of shares**

23. On the death of a member the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder shall be the only persons recognised by the company as having any title to his interest in the shares Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the share or to make such transfer of the share as the deceased or insolvent member could have made. The Board shall in either case have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
25. If the person so becoming entitled shall elect to be registered as holder of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share. All the limitations restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.
27. In case of a One Person Company on the death of the sole member the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member the nominee on becoming entitled to such shares in case of the members death shall be informed of such event by the Board of the company such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable on becoming member such nominee shall nominate any other person with the prior written consent of such person who shall in the event of the death of the member become the member of the company.

#### **Forfeiture of shares**

28. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.
29. The notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and state that in the event of non-payment on or before the day so named the shares in respect of which the call was made shall be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect.
31. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.
32. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding the forfeiture remain liable to pay to the company all monies which at the date of forfeiture were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
33. A duly verified declaration in writing that the declarant is a director the manager or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share The company may receive the consideration if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of The transferee shall thereupon be registered as the holder of the share and The transferee shall not be bound to see to the application of the purchase money if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.
34. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

35. The company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution.
36. Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
37. Where shares are converted into stock the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit Provided that the Board may from time to time fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. The holders of stock shall according to the amount of stock held by them have the same rights privileges and advantages as regards dividends voting at meetings of the company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.
38. The company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law its share capital any capital redemption reserve account or any share premium account.

#### **Capitalisation of profits**

39. The company in general meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (iii) either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively paying up in full unissued shares of the company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportions aforesaid partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B) A securities premium account and a capital redemption reserve account may for the purposes of this regulation be applied in

the paying up of unissued shares to be issued to members of the company as fully paid bonus shares The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

40. Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any and generally do all acts and things required to give effect thereto. The Board shall have power to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalised of the amount or any part of the amounts remaining unpaid on their existing shares Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities.

#### **General meetings**

42. All general meetings other than annual general meeting shall be called extraordinary general meeting. Notwithstanding anything contained in section 101 of the Companies Act 2013 any General Meeting may be called by giving shorter notice.
43. The Board may whenever it thinks fit call an extraordinary general meeting. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

#### **Proceedings at general meetings**

44. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein the quorum for the general meetings shall be as provided in section 103.
45. The chairperson if any of the Board shall preside as Chairperson at every general meeting of the company.
46. If there is no such Chairperson or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting the directors present shall elect one of their members to be Chairperson of the meeting.
47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their members to be Chairperson of the meeting.
48. In case of a One Person Company the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118 such minutes book shall be signed and dated by the member the resolution shall become effective from the date of signing such minutes by the sole member.

#### **Adjournment of meeting**

49. The Chairperson may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in section 103 of the Act it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote and on a poll the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.
54. Any business other than that upon which a poll has been demanded maybe proceeded with pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
56. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

#### **Proxy**

57. The instrument appointing a proxy and the power-of-attorney or other authority if any under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given Provided that no intimation in writing of such death insanity revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
61. The Board may pay all expenses incurred in getting up and registering the company.
62. The remuneration of the directors shall in so far as it consists of a monthly payment be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act the directors may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company or in connection with the business of the company.
63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
64. All cheques promissory notes drafts hundis bills of exchange and other negotiable instruments and all receipts for monies paid to the company shall be signed drawn accepted endorsed or otherwise executed as the case may be by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

66. Subject to the provisions of section 149 the Board shall have power at any time and from time to time to appoint a person as an additional director provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

67. The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings as it thinks fit. A director may and the manager or secretary on the requisition of a director shall at any time summon a meeting of the Board.

68. Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairperson of the Board if any shall have a second or casting vote.

69. The continuing directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the company but for no other purpose.

70. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the directors present may choose one of their number to be Chairperson of the meeting.

71. The Board may subject to the provisions of the Act delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

72. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the members present may choose one of their members to be Chairperson of the meeting.

73. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes the Chairperson shall have a second or casting vote.

74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

75. Save as otherwise expressly provided in the Act a resolution in writing signed by all the members of the Board or of a committee thereof for the time being entitled to receive notice of a meeting of the Board or committee shall be valid and effective as if it had been passed at a meeting of the Board or committee duly convened and held.

76. In case of a One Person Company where the company is having only one director all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118 such minutes book shall be signed and dated by the director the resolution shall become effective from the date of signing such minutes by the director.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

77. Subject to the provisions of the Act A chief executive officer manager company secretary or chief financial officer may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and any chief executive officer manager company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board A director may be appointed as chief executive officer manager company secretary or chief financial officer

78. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer manager company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as or in place of chief executive officer manager company secretary or chief financial officer.

#### **The Seal**

79. The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf and except in the

presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose and those two directors and the secretary or other person aforesaid shall sign every instrument

### **Dividends and Reserve**

80. The company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of section 123 the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
82. The Board may before recommending any dividend set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board be applicable for any purpose to which the profits of the company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may from time to time thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.
83. Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
84. The Board may deduct from any dividend payable to any member all sums of money if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
85. Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.

### **Accounts**

89. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **Winding up**

90. Subject to the provisions of Chapter XX of the Act and rules made thereunder If the company shall be wound up the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the members in specie or kind the whole or any part of the assets of the company whether they shall consist of property of the same kind or not. For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity**

**91.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION XI - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: No.10, 1st Floor, 6th Main, 9th Cross Jeevan Bhima Nagar, Bangalore, Karnataka, India, 560075.*

*From the date of filing this Draft Red Herring Prospectus with the Stock Exchange to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.*

#### MATERIAL CONTRACTS

1. Issue Agreement dated January 27, 2025 between our company and the Book Running Lead Manager.
2. Agreement dated November 18, 2024 between our company and the Registrar to the Issue.
3. Public Issue Agreement dated [●] among our Company, the Book Running Lead Manager, The Banker to the Issue/Public Issue Bank/Sponsor Bank, and the Registrar to the Issue.
4. Underwriting Agreement dated [●] between our company and the Underwriters.
5. Market making Agreement dated [●] between our company, the Book Running Lead Manager and the Market Maker.
6. Tripartite Agreement dated September 02, 2024 between NSDL, our Company and Registrar to the Issue; and
7. Tripartite Agreement dated December 17, 2024 between CDSL, our Company and Registrar to the Issue.

#### MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated January 06, 2025 in relation to the Issue and other related matters
3. Shareholders' resolution dated January 10, 2025 in relation to the Issue and other related matters
4. Consents of entities related to the issue to act in their respective capacities and be named in the Issue Document.
5. Peer Review Auditors Report dated January 28, 2025 on Restated Financial Statements of our Company for the period ended 31 July 2024, 31 March 2024, 31 March 2023, and 31 March 2022.
6. The Report dated November 21, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Prospectus.
7. The Report dated January 30, 2025 by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
8. The Search cum Due Diligence Report dated January 27, 2025 by Secretarial Advisor to the Company.
9. Due Diligence Certificate from Book Running Lead Manager dated January 30, 2025 addressing NSE
10. Copy of approval from NSE vide letter dated [●] to use the name of NSE EMERGE in this offer document for listing of Equity Shares on the EMERGE Platform of NSE.

*Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.*



## DECLARATION

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

<b>Signed by the Directors of our Company</b>				
<b>Sr. No.</b>	<b>Name of Director</b>	<b>Category</b>	<b>Designation</b>	<b>Signature</b>
1.	Parag Agarwal	Executive	Whole Time Director	Sd/-
2.	Parth Pande	Executive	Whole Time Director	Sd/-
3.	Vivek Bhatia	Executive	Whole Time Director	Sd/-
4.	Kavuri Praveen	Non-Executive	Director	Sd/-
5.	Ajay Vikram Singh	Non-Executive	Independent Director	Sd/-
6.	Payal Shah	Non-Executive	Independent Director	Sd/-

<b>Signed by the Key Managerial Personnel of our Company</b>				
<b>Sr. No.</b>	<b>Name of KMP</b>	<b>Category</b>	<b>Designation</b>	<b>Signature</b>
1.	Parag Agarwal	KMP	Chief Financial Officer	Sd/-
2.	Vivekananda Udaya Bhandarkar	KMP	Company Secretary and Compliance Officer	Sd/-

**Dated: January 30, 2025**

**Place: Bangalore**