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(Please Scan this QR code to view the Red Herring Prospectus)

USHA FINANCIAL SERVICES LIMITED

Our Company was incorporated as a Private Limited Company under the Companies Act, 1956 in the name and style of "Usha Financial Services Private Limited" bearing Certificate of Incorporation Number U74899DL1995PTC068604 issued by the Registrar of Companies, Delhi dated May 16, 1995. Further, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra-Ordinary General Meeting held on June 03, 2022, and the name of our Company changed from "Usha Financial Services Private Limited" to "Usha Financial Services Limited" & Registrar of Companies, Delhi issued a new certificate of incorporation consequent upon conversion dated October 12, 2022. As on date of the Red Herring Prospectus, the Corporate Identification Number of our Company is U74899DL1995PLC068604. For further details of incorporation please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page 184 of the Red Herring Prospectus.

Registered Office: 330, Mezanine Floor Functional Industrial Estate, Patparganj, Delhi-110092, India
Tel: 011 47019079; Fax: N.A., Website: <https://www.ushafinancial.com/>, E-mail: compliance@ushafinancial.com
Company Secretary and Compliance Officer: Ms. Kritika Goswami

PROMOTERS: MR. RAJESH GUPTA, MR. ANOOP GARG, MS. GEETA GOSWAMI, MS. NUPUR GUPTA AND M/S BR HANDS INVESTMENTS PRIVATE LIMITED

THE ISSUE

INITIAL PUBLIC OFFERING OF UP TO 58,60,000 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF USHA FINANCIAL SERVICES LIMITED ("USHA FINANCIAL" OR "UFSL" OR THE "COMPANY") FOR CASH AT A PRICE OF RS. [-]/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. [-] LAKHS ("THE ISSUE"). OUT OF THE ISSUE, 3,20,800 EQUITY SHARES AGGREGATING TO RS. [-] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 55,39,200 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. [-]/- PER EQUITY SHARE AGGREGATING RS. [-] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.96% AND 25.48%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

ALLOCATION OF THE ISSUE

QIB PORTION (EXCLUDING ANCHOR INVESTOR)	NOT MORE THAN 11,08,000 EQUITY SHARES
ANCHOR INVESTOR PORTION	NOT MORE THAN 16,60,800 EQUITY SHARES
RETAIL PORTION	NOT LESS THAN 19,39,200 EQUITY SHARES
NON-INSTITUTIONAL PORTION	NOT LESS THAN 8,31,200 EQUITY SHARES
MARKET MAKER PORTION	UPTO 3,20,800 EQUITY SHARES

PRICE BAND: ₹ 160/- to ₹ 168/- PER EQUITY SHARE

THE FLOOR PRICE IS 16.00 TIMES THE FACE VALUE AND CAP PRICE IS 16.80 TIMES THE FACE VALUE OF THE EQUITY SHARES. BIDS CAN BE MADE FOR A MINIMUM OF 800 EQUITY SHARES AND IN MULTIPLES OF 800 EQUITY SHARES THEREAFTER.

THIS ISSUE IS BEING MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED.

FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 394 OF THE RED HERRING PROSPECTUS. A COPY OF THE RED HERRING PROSPECTUS HAS BEEN DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES, DELHI AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013.

BID/ISSUE PROGRAM

ANCHOR BID OPENS ON OCTOBER 23, 2024
BID OFFER OPENS ON OCTOBER 24, 2024
BID OFFER CLOSSES ON OCTOBER 28, 2024

ASBA*

Simple, safe, smart way of Application!!!!

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.

Mandatory in Public issues No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors ("RII") **

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for Retail Individual Bidders applying through Registered Brokers, DPs & RTA. Retail Individual Bidders also have the option to submit the application directly to the ASBA Bank (SCSBS) or to use the facility of linked online trading, demat and bank account.

*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be availed by RIIs.

For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 394 of the Red Herring Prospectus. The process is also available on the website of SEBI and Stock Exchanges in the General Information Document. ASBA Forms can be downloaded from the website of Emerge platform of NSE ("NSE Emerge" or "Stock Exchange") and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in.

** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the Issue in accordance with the requirements of the SEBI Circular dated November 1, 2018, as amended. IN TERMS OF THE SEBI CIRCULAR NO. CIR/CFD/POLICYCELL/11/2015, DATED NOVEMBER 10, 2015 AND THE ALL-POTENTIAL INVESTORS SHALL PARTICIPATE IN THE ISSUE ONLY THROUGH AN APPLICATION SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS PROVIDING DETAILS ABOUT THE BANK ACCOUNT WHICH WILL BE BLOCKED BY THE SELF-CERTIFIED SYNDICATE BANKS ("SCSBS") FOR THE SAME. FURTHER PURSUANT TO SEBI CIRCULAR BEARING NO. SEBI/HO/CFD/TPD1/CIR/P/2023/140, FOR IMPLEMENTATION OF PHASE III FOR UPI FACILITY, WHICH IS EFFECTIVE FROM DECEMBER 01, 2023 ON MADATORY BASIS, ALL POTENTIAL BIDDERS (EXCEPT ANCHOR INVESTORS) ARE REQUIRED TO MANDATORILY UTILIZE THE APPLICATION SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS PROVIDING DETAILS OF THEIR RESPECTIVE ASBA ACCOUNTS OR UPI ID (IN CASE OF RIIS), IN WHICH THE CORRESPONDING APPLICATION AMOUNTS WILL BE BLOCKED BY THE SCSBS OR UNDER THE UPI MECHANISM, AS APPLICABLE. FOR DETAILS IN THIS REGARD, SPECIFIC ATTENTION IS INVITED TO "ISSUE PROCEDURE" ON PAGE NO. 394 OF THE RED HERRING PROSPECTUS. IN CASE OF DELAY, IF ANY IN UNBLOCKING/REFUND THE FUND, OUR COMPANY SHALL PAY INTEREST ON THE APPLICATION MONEY AT THE RATE OF 15% PER ANNUM FOR THE PERIOD OF DELAY. THE ISSUE IS BEING MADE UNDER PHASE III OF THE UPI (ON A MANDATORY BASIS).

BASIS FOR ISSUE PRICE

1) Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20.

On the basis of financials:

Financial Year	EPS (Basic & Diluted)	Weight
2023-24	8.64	3
2022-23	7.42	2
2021-22	3.51	1
Weighted Average EPS		7.38
September 30, 2024*		3.18

*Not Annualized

2) Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [-] per Equity Share of face value ₹ 10/- each fully paid up.

On the basis of financials:

Particulars	P/E Ratio at floor price	P/E Ratio at cap price
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	18.52	19.44
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	21.56	22.64
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-22	45.58	47.86
P/E ratio based on the Weighted Average EPS, as restated	21.68	22.76
Industry P/E*		
Highest		45.47
Lowest		45.47
Average		45.47

*Average of peer companies are taken

3) Return on Net Worth (RONW)

On the basis of Financials:

Financial Year	Return on Net Worth (%)	Weight
2023-24	14.30%	3
2022-23	15.67%	2
2021-22	9.20%	1
Weighted Average		13.91%
September 30, 2024*		9.29%

*Not Annualized

4) Net Asset Value per Equity Share

On the basis of financials:

Particulars	Net Asset Value (NAV) in Rs.
September 30, 2024*	69.95
2023-24	66.78
2022-23	87.14
2021-22	72.44
NAV after the Offer- at Cap Price	96.38
NAV after the Offer- at Floor Price	94.23
Issue Price	[-]

*Not Annualized

5) Comparison with industry peers

S. No.	Name of the company	Face Value (Per Share)	CMP	EPS	P/E Ratio	RONW(%)	PAT (Rs. In Lakhs)
1	Usha Financial Services Limited	10.00	[-]	8.64	[-]	14.30%	13,44.95
Peer Group*							
2	IBL Finance Limited	10.00	76.05	1.17	65.00	8.47%	228.35

* Sourced from Annual Reports, Audited Financials, NSE.

Notes:

- Considering the nature and turnover of business of the Company, the peers are not strictly comparable. However, the same have been included for broader comparison.
- The figures for Usha Financial Services Limited are based on the restated results for the period ended March 31, 2024.
- The figures for the peer group are based on standalone audited results for the year ended March 31, 2024.
- Current Market Price (CMP) is the closing price of respective scrip as on October 10, 2024.

For further details see section titled Risk Factors beginning on page 30 and the financials of the Company including profitability and return ratios, as set out in the section titled Auditors Report and Financial Information of Our Company beginning on page 250 of the Red Herring Prospectus for a more informed view.

Key financial and operational performance indicators ("KPIs")

Our Company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 11, 2024. Further, the KPIs herein have been certified by M/s KRA & Co., Chartered accountants, by their certificate dated October 11, 2024, vide

UDIN 24510541BKAQGF3908. Additionally, the Audit Committee in its meeting dated October 11, 2024, have confirmed that other than verified and audited KPIs set out below, our company has not disclosed to earlier investors at any point of time during the three years period prior to the date of the Red Herring Prospectus.

For further details of our key performance indicators, see "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 30, 146 and 293 respectively of the RHP. We have described and defined them, where applicable, in "Definitions and Abbreviations" section on page no. 2 of the RHP. Our Company confirms that it shall continue to disclose all the KPIs included in the section "Basis for Offer Price", on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company as required under the SEBI ICDR Regulations.

Key metrics like revenue growth, EBITDA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company.

KPI Indicators

(Rupees in Lakhs, except EPS, % and ratios)

Particulars	Period ended Sept 30th, 2024	Financial Year ended March 31st, 2024	Financial Year ended March 31st, 2023	Financial Year ended March 31st, 2022
Customer ⁽¹⁾	18997	28727	30125	20429
Revenue from operations ⁽²⁾	2651.14	6322.2	4563.17	2502.62
Growth in Revenue from Operations ⁽³⁾	-	38.55%	82.34%	-
EBITDA ⁽⁴⁾	1,773.94	4,776.85	3,552.20	1,623.05
EBITDA (%) Margin ⁽⁵⁾	66.91%	75.56%	77.85%	64.85%
EBITDA Growth Period on Period ⁽⁶⁾	-	34.48%	118.86%	-
Asset Under Management (AUM) ⁽⁷⁾	31,817.70	30,695.76	35,768.94	15,162.86
Disbursements ⁽⁸⁾	18,809.27	31,255.43	42,606.06	18,203.02
Profit After Tax ⁽⁹⁾	504.16	1344.95	1016.55	414.42
Average yield on Loan Book (%) ⁽¹⁰⁾	16.96%	17.64%	15.92%	17.69%
Average cost of borrowings (%) ⁽¹¹⁾	11.91%	13.89%	12.48%	13.01%
Spread (%) ⁽¹²⁾	5.06%	3.75%	3.45%	4.67%
Operating Expenses / Average Total Assets (%) ⁽¹³⁾	3.44%	3.56%	3.81%	4.59%
Return on Total Assets (%) ⁽¹⁴⁾	2.93%	3.80%	3.79%	2.95%
Return on Equity (%) ⁽¹⁵⁾	9.29%	14.30%	15.67%	9.20%
Gross NPA ⁽¹⁶⁾	1,260.97	1,101.32	681.55	766.10
Gross NPA to AUM (%) ⁽¹⁷⁾	3.96%	3.59%	1.91%	5.05%
Net NPA ⁽¹⁸⁾	900.41	881.05	545.24	612.28
Net NPA to AUM (%) ⁽¹⁹⁾	2.83%	2.87%	1.52%	4.04%
Net worth ⁽²⁰⁾	11106.79	10602.63	8207.38	4767.58
Debt to Net worth ratio ⁽²¹⁾	1.70	1.71	3.02	2.04
CRWAR (%) ⁽²²⁾	33.54%	33.03%	22.50%	30.46%
Capital Employed ⁽²³⁾	29968.73	28730.85	32958.79	14490.8
ROCE (%) ⁽²⁴⁾	12.02%	15.40%	14.88%	12.71%
Current Ratio ⁽²⁵⁾	2.13	1.83	1.60	1.91
EPS ⁽²⁶⁾	3.18	8.64	7.42	3.51

Notes:

- Number of customers represents aggregate number of customers of our Company as of the last day of relevant period including securitized accounts.
- Revenue from operations is the revenue generated by our Company.
- Growth in Revenue in percentage, Year on Year
- EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- EBITDA Growth Rate Year on Year in Percentage
- Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.
- Represent the aggregate of all loan amounts extended to our customers in the relevant year or period.
- PAT is mentioned as PAT for the period
- Average yield on Loan Book is calculated as interest income on loans and advances divided by the average gross loan book.
- Average cost of borrowings is the simple average of finance cost outstanding at the first and last day of the financial year.
- Spread is calculated as average yield on loan book minus average cost of borrowings including assignment.
- Operating Expenses / Average Total Assets (%) is the ratio of operating expenses to average total assets
- Return on Total Assets (%) is calculated as profit after tax divided by average total assets
- Return on Equity (%) is calculated as profit after tax divided by average total equity
- Gross NPA to AUM is calculated as the ratio of Gross NPA to AUM as on the last date of the relevant period.
- Gross NPA (GNPA) denotes the total of all the loan assets that haven't been repaid by the borrowers within the ninety-day period.
- Net NPA (NPA) is the amount remaining after deducting doubtful and unpaid debts from the GNPA
- Net NPA to AUM is calculated as the ratio of Net NPA to AUM as on the last date of the relevant period.
- Net worth includes equity share capital plus other equity excluding capital reserve on amalgamation
- Debt to Net Worth Ratio is calculated as the ratio of total borrowings to net worth as on the last day of the relevant period.
- CRWAR (Capital to Risk Weighted Assets Ratio) is calculated as Tier I and II capital divided by weighted average of funded and non-funded items after applying risk weights as assigned by RBI
- Capital Employed is calculated as total equity plus total borrowings
- ROCE: Return on Capital Employed is calculated as EBIT divided by average capital employed
- Current Ratio: Current Asset over Current Liabilities
- EPS is mentioned as EPS for the period
- All the ratio for the period ended on 30th September 2024 are annualized
- Growth of Revenue and EBITDA for the period ended on 30th September 2024 is not calculated due to non-comparable period.

