



Please scan this QR Code to view the Addendum.



Dated: October 03, 2024

USHA FINANCIAL SERVICES LIMITED

CIN: U74899DL1995PLC068604

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 Draft 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 183 of the Draft Red Herring Prospectus.

Registered Office: 330, Mezanine Floor Functional Industrial Estate, Patparganj, Delhi, India, 110092

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

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JULY 11, 2024: NOTICE TO INVESTORS (THE "ADDENDUM")

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 TO RS. [●] LAKHS IS HEREINAFTER 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.

Potential Bidders may note the following:

- The section titled "Definitions and Abbreviations" beginning on page 2 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Definitions and Abbreviations section of this addendum. Please note that all other details will be carried out in the offer document.
- The section titled "Risk Factors" beginning on page 30 of Draft Red Herring Prospectus has been updated to amend the details mentioned in risk factors section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Capital Structure" beginning on page 75 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Capital Structure section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Our Business" beginning on page 149 of Draft Red Herring Prospectus has been updated to amend the details mentioned in our business section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Key Regulations and Policies" beginning on page 171 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Key Regulations and Policies section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Our Management" beginning on page 188 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Our Management section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Our Promoters" beginning on page 213 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Our Promoters section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Our Promoters Group" beginning on page 219 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Our Promoters Group section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on page 285 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Management's Discussion and Analysis of Financial Condition and Results of Operation section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Financial Indebtedness" beginning on page 296 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Financial Indebtedness section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled "Other Regulatory and Statutory Disclosures" beginning on page 346 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Other Regulatory and Statutory Disclosures section of this addendum. Please note that all other details will be carried out in the offer document.

BOOK RUNNING LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

		
NARNOLIA FINANCIAL SERVICES LIMITED	UNISTONE CAPITAL PRIVATE LIMITED*	SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
Address: 201, 2nd Floor, Marble Arch, 236 B A.J.C Bose Road, Kolkata, West Bengal- 700020, India	Address: A/305, Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai- 400059, Maharashtra.	Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020
Telephone: 033- 40501500; +91- 8130678743	Telephone: +91 9820057533	Telephone: +91-11-40450193-97, Fax No: +91-11-26812683
Email: pankaj.passi@narnolia.com ; ipo@narnolia.com	Email: mb@unistonecapital.com	Email: compliances@skylinerta.com
Website: www.narnolia.com	Website: www.unistonecapital.com	Website: www.skylinerta.com ;
Contact Person: Mr. Pankaj Pasi	Contact Person: Mr. Brijesh Parekh	Contact Person: Mr. Pawan Bisht
SEBI Registration Number: INM000010791	SEBI Registration Number: INM000012449	SEBI Registration Number: INR000003241
CIN: U51909WB1995PLC072876	CIN: U65999MH2019PTC330850	CIN: U74899DL1995PTC071324
BID/ISSUE PERIOD		
Anchor Bid opens on: [●]	Bid/ Issue open on: [●]	Bid/ Issue Closes on: [●]
<i>*Unistone Capital Private Limited would be involved only in the marketing of the Issue.</i>		

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Abbreviations

Abbreviation	Full Form
MIS	Management Information System
LMS	Loan Management System

SECTION II - SUMMARY OF OFFER DOCUMENTS

PROMOTERS OF OUR COMPANY

The promoter of our Company is Mr. Rajesh Gupta, Mr. Anoop Garg, Ms. Geeta Goswami Ms. Nupur Gupta and M/s BR Hands Investments Private Limited. For detailed information, please refer to the chapter titled “Our Promoters” and “Our Promoter Group” on page number 214 and 220 respectively of the Draft Red Herring Prospectus.

AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER

S. No.	Name of shareholder	Pre issue		Post issue	
		No. ofequity Shares	As a % of Issued Capital	No. of equity Shares	As a % of Issued Capital
Promoters					
1.	Rajesh Gupta	40,96,876	25.80%	40,96,876	18.85%
2.	Anoop Garg	27,30,373	17.20%	27,30,373	12.56%
3.	Geeta Goswami	2,08,950	1.32%	2,08,950	0.96%
4.	Nupur Gupta	24,450	0.15%	24,450	0.11%
5.	BR Hands Investment private limited	28,40,107	17.89%	28,40,107	13.07%
Total – A		99,00,756	62.36%	99,00,756	45.55%
Promoter Group					
6.	Shikha Gupta	16,81,200	10.59%	16,81,200	7.73%
7.	Priya Garg	16,52,250	10.41%	16,52,250	7.60%
8.	Uninav Developers Pvt Ltd	19,02,499	11.98%	19,02,499	8.75%
9.	Sumer Chand Garg HUF	1,44,750	0.91%	1,44,750	0.67%
10.	Sandhya Gupta	1,87,500	1.18%	1,87,500	0.86%
11.	Arushi Garg	21,900	0.14%	21,900	0.10%
12.	Rajesh Gupta HUF	87,000	0.55%	87,000	0.40%
13.	Anoop Garg HUF	90,000	0.57%	90,000	0.41%
14.	S C Garg	28,500	0.18%	28,500	0.13%
15.	Sachin Kumar Gupta	7,500	0.05%	7,500	0.03%
Total – B		58,03,099	36.55%	58,03,099	26.70%
Grand Total (A+B)		1,57,03,855	98.91%	1,57,03,855	72.24%

WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTERS IN LAST ONE YEAR

The weighted average cost of acquisition of equity shares by our promoters in last one year which has been calculated by taking average amount paid by them to acquire our equity shares is as follows:

Name of Promoter	No. of shares bought	Weighted Average Price (in Rs.)
Nupur Gupta	8,150	0.00

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share by our promoters which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Nupur Gupta	24,450	50.00

SECTION III- RISK FACTORS

Internal Risk Factors

The following risk factors shall be amended and updated in this Chapter:

- ~~3. While we have applied for consent to undertake the Offer from certain of our lenders, we have not received consents from some of these lenders as on the date of this Draft Red Herring Prospectus. Any failure to obtain these consents could lead to changes in our plans or strategies, including our capital raising plan through the Offer.~~

~~We have entered into agreements in relation to financing arrangements for loans from certain banks and financial institutions. Some of the financing arrangements entered into by us include conditions that require our Company to obtain lenders' consents prior to undertaking certain actions. These restrictive covenants vary depending on conditions negotiated under the financing documents entered into with these lenders. The agreements with respect to our borrowings contain restrictive covenants in relation to our ability to undertake the Offer, including, but not limited to, making any amendments to our Company's constitutional documents; effecting any changes to or alteration our Company's capital structure or shareholding pattern or ownership; effecting any changes in the management of our Company, including changes in the composition of the Board of Directors. As on the date of this Draft Red Herring Prospectus, we have received consent from 2 banks (2) lenders constituting 12.10% of our total borrowings as on March 31, 2024. While, we have sought consents from the rest of the lenders to enable us to undertake the Offer. We cannot assure you that such consents will be granted in time or at all, or such lenders will not seek additional undertakings, impose further terms and conditions which may be onerous for us. Any failure to obtain these consents could lead to changes in our plans or strategies, including our capital raising plan through the Offer. Such failure could also result in consequent termination of facilities availed by us from these lenders which could adversely affect our business, financial condition, results of operations and cash flows.~~

4. *We depend on the accuracy and completeness of information provided by our borrowers. Any misleading information provided to us by our borrowers may affect our judgement of their credit worthiness, which could have an adverse effect on our business, cash flows, results of operations, financial condition.*

While deciding to extend credit to borrowers, we rely, to a significant extent, on the information provided to us for certain key elements of the credit assessment process. This includes several factors such educational backgrounds, future income and repayment capacity. We follow the know your customer ("KYC") guidelines prescribed by the RBI for potential borrowers. Moreover, for our educational institution loan business, we undertake a valuation of collateral.

We also rely on certain representations from borrowers as to the accuracy and completeness of that information and depend on credit information companies or credit bureaus. Our reliance on any misleading information may affect our judgement of the creditworthiness of potential borrowers, which may adversely affect our business, results of operations, financial condition and cash flows.

We offers loan to small business owners and individual under retail lending business model relying of our business partners. Our business partner evaluates the credit worthiness of the lender under MSME Loans. We may also not receive updated information regarding any change in the financial condition of our borrowers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our borrowers or employees. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our nonperforming assets. Increases in NPAs could adversely affect our business and results of operations. Moreover, any delays on our part to take immediate action in connection with enforcement of security, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security and fraudulent transfers by borrowers post availing the loan may hinder our ability to realize the full value of security, which may result in an adverse effect on our business, cash flows, results of operations, financial condition and cash flows.

However, we hereby confirm that there were no past instances where our business, cash flow, result of operations and financial condition was adversely affected by any such information.

9. *Our underwriting, risk management and collection processes may not be able to effectively identify, monitor or mitigate the risks in our lending operations.*

We fine-tune our underwriting, risk management and collection processes through continuous training of our risk-detection models. Our loan disbursement process is completely manual. In case of any human errors or if the criteria or parameters

we use for the analysis of customers credit profiles are inaccurate, the risk management models are flawed or ineffective or the customer insights we develop or receive for credit assessment are incorrect or stale, our credit assessment process related to the loans could be negatively affected, resulting in incorrect approvals, incorrect denials of loans, mispriced loans or biased rejection rates for potential customers we assess. Further, our underwriting models are dependent on data from various sources and our inability to access such data (on account of regulatory or other changes in the ecosystem) could negatively impact the efficacy of such models. If any of the foregoing were to occur, the performance of our credit assessment will be compromised. As a result, our business, brand, reputation, results of operations and financial condition may be adversely affected. There are some instances of NPA, the details of which are provided under the business chapter on page 152 of the Draft Red Herring Prospectus. However, we hereby confirm that no past instances had affected our business, cash flow, result of operations and financial condition.

15. Our inability to detect money-laundering and other illegal activities fully and on a timely basis may expose us to additional liability and adversely affect our business and reputation

We are required to comply with applicable anti-money-laundering (“AML”), counter-terrorism financing (“CTF”) and anti-terrorism laws and other regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CTF and KYC policies and procedures. In the ordinary course of our operations, we are exposed to the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest borrowers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although, we have instituted internal policies, processes and systems in place to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation by other parties. Any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation.

We hereby confirm that there were no past instances where we were subject to any regulatory actions including imposition of fines and penalties that adversely affect our business and reputation.

18. We have in past entered into related party transactions and we may continue to do so in the future.

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group for the year ended March 2024, 2023, 2022. The company undertakes that the related party transactions entered into by the company are on arm’s length basis and in compliance with the provisions of Companies Act, 2013 as amended and applicable laws and rules made thereunder.

Further, we confirm that we will comply with the provisions of companies Act, 2013 and other applicable laws or rules made thereunder in respect of the related party transaction to be entered into by the company in future.

The related party transactions entered by the company for the year ended March 2024, 2023, 2022 on the basis of standalone and restated financials statements are given below:

Nature of Transaction	Key Management Personnel (KMP)	Relatives of KMP	Entities in which KMP / Relatives of KMP can exercise significant influence	Total
Remuneration Payable				
31 March, 2024	3.10	-	-	3.10
31 March, 2023	22.95	-	-	22.95
31 March, 2022	1.42	-	-	1.42
Interest on NCD Payable				
31 March, 2024	0.07	0.17	0.21	0.45
31 March, 2023	0.09	0.24	0.27	0.60
31 March, 2022	0.27	0.38	0.06	0.70
Loan given				
31 March, 2024	-	-	107.00	107.00
31 March, 2023	-	-	170.00	170.00
31 March, 2022	-	-	160.00	160.00

NCD Allotment				
31 March, 2024	7.00	17.00	21.00	45.00
31 March, 2023	6.00	19.00	23.00	48.00
31 March, 2022	1.00	13.00	4.00	18.00
Unsecured Loan Taken				
31 March, 2024	4.00			4.00
31 March, 2023	-	4.00	2,921.00	2,925.00
31 March, 2022	46.50	136.75	106.00	289.25
Interest on Loan Payable				
31 March, 2024	0.15			0.15
31 March, 2023		0.16	33.38	33.54
31 March, 2022	0.15	1.39	0.89	2.44
Interest Receivable				
31 March, 2024	-	-	2.10	2.10
31 March, 2023	-	-	-	-
31 March, 2022	-	-	-	-
Salary Payable				
31 March, 2024	-	1.13	-	1.13
31 March, 2023	0.34	-	-	0.34
31 March, 2022	0.87	-	-	0.87

There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may be affected if we cannot benefit from these transactions with them in the future.

For Further information, please refer to the chapter titled “Restated Financial information” on page 249 of the Draft Red Herring Prospectus.

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

Effective internal controls are necessary for us to prepare reliable financial reports and effectively prevent and detect any frauds or misuse of funds. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may decline over time. There can be no assurance that additional deficiencies or lacks 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 or lacks in our internal controls. If internal control weaknesses are identified in a delayed manner, our actions may not be sufficient to correct such internal control weakness. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition. regulatory actions including imposition of fines and penalties and adversely affect our business and reputation.

We hereby confirm that there were no past instances where our business and reputation was adversely affected due to ineffective internal control systems.

28. *The utilization of the Net Proceeds from the Issue will be monitored by our Company's Audit Committee, not an independent external audit agency, which would be adversely affected.*

Our Company intends to use the Net Proceeds from the Issue for the purposes described in the chapter titled “Objects of the Issue” on page 105. The funding requirements and proposed deployment of the Net Proceeds have not been appraised by a bank or a financial institution. The deployment of these funds is at the discretion of our Board of Directors and will be subject to monitoring by our Company’s Audit Committee and not by an independent external audit agency.

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakh. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. Our Audit Committee will oversee the utilization of the Issue proceeds. Additionally, our Company will inform the stock exchange about any

material deviations in the utilization of the Issue proceeds and to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

30. Our Merchant bankers have given certain observations regarding the Secretarial due diligence.

Our merchant bankers has given their remarks and observation on the Secretarial records, the details of which are as follows:

I. Remarks on secretarial due diligence

The company had made an allotment dated 21/02/2018 and 22/02/2018 for which the company had called the amount on various calls. While the company filed PAS-3 for the initial allotment, however, for subsequent calls made by the company no PAS-3 were filed.

However, the company has obtained a legal opinion mentioning that the Form PAS-3 is not required for the same.

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SECTION IV- INTRODUCTION CAPITAL STRUCTURE

c. Shareholding of the Promoters of our Company

As on the date of the Draft Red Herring Prospectus, our Promoter – Mr. Rajesh Gupta, Mr. Anoop Garg, Ms. Geeta Goswami, Ms. Nupur Gupta and M/s BR Hands Investment private limited, holds total 40,96,876, 27,30,373, 2,08,950, 24,450 and 28,40,107 Equity Shares respectively, representing 25.80%, 17.20%, 1.31%, 0.15% and 17.89% of the pre-issue paid up share capital of our Company, respectively.

Details of build-up of shareholding of the Promoters

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital of Cumulative Shares
Ms. Nupur Gupta							
31-05-2022	Preferential Issue	13,300	10	75	Cash	N.A.	0.08%
06-09-2022	Preferential Issue	3,000	10	75	Cash	N.A.	0.02%
12-06-2024	Bonus Issue	8,150	10	0	Other than Cash	N.A.	0.05%
		24,450					0.15%

d. Our shareholding pattern

i. The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of the Draft Red Herring Prospectus:

Category Code	Category of shareholder	No. Of shareholder	No. of fully paid equity Shares Held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (unrealized as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding	Shareholding, as a % assuming full conversion of	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form		
								No. of Voting Rights			Total as a % of (A+B +C)			convertible securities (including Warrants)	convertible securities (as a percentage of diluted share Capital)As a % of (A+B+C2)	No. (a)	As a % of total shares held (B)		No. (a)	As a % of total shares held (B)
								Class X	Class Y	Total										
I	II	III	IV	V	VI	VII= IV+ V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV		
(A)	Promoters and Promoter Group	15	1,57,03,855	-	-	1,57,03,855	98.91%	1,57,03,855	-	1,57,03,855	98.91%	-	98.91%	-	-	-	-	1,57,03,855		
(B)	Public	31	1,73,776	-	-	1,73,776	1.09%	1,73,776	-	1,73,776	1.09%	-	1.09%	-	-	-	-	1,61,682		
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Shares held by																			

(2)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	46	1,58,77,631	-	-	1,58,77,631	100.00%	1,58,77,631	-	1,58,77,631	100.00%	-	100.00%	-	-	-	-	1,58,65,537

*As on the date of the Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.

- i. Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and “public” before and after the Issue:

S. No.	Name of shareholder	Pre issue		Post issue	
		No. ofequity Shares	As a % of Issued Capital	No. of equity Shares	As a % of Issued Capital
Promoters					
1.	Rajesh Gupta	40,96,876	25.80%	40,96,876	18.85%
2.	Anoop Garg	27,30,373	17.20%	27,30,373	12.56%
3.	Geeta Goswami	2,08,950	1.32%	2,08,950	0.96%
4.	Nupur Gupta	24,450	0.15%	24,450	0.11%
5.	BR Hands Investment private limited	28,40,107	17.89%	28,40,107	13.07%
Total – A		99,00,756	62.36%	99,00,756	45.55%
Promoter Group					
6.	Shikha Gupta	16,81,200	10.59%	16,81,200	7.73%
7.	Priya Garg	16,52,250	10.41%	16,52,250	7.60%
8.	Uninav Developers Pvt Ltd	19,02,499	11.98%	19,02,499	8.75%
9.	Sumer Chand Garg HUF	1,44,750	0.91%	1,44,750	0.67%
10.	Sandhya Gupta	1,87,500	1.18%	1,87,500	0.86%
11.	Arushi Garg	21,900	0.14%	21,900	0.10%
12.	Rajesh Gupta HUF	87,000	0.55%	87,000	0.40%
13.	Anoop Garg HUF	90,000	0.57%	90,000	0.41%
14.	S C Garg	28,500	0.18%	28,500	0.13%
15.	Sachin Kumar Gupta	7,500	0.05%	7,500	0.03%
Total – B		58,03,099	36.55%	58,03,099	26.70%
Public					
15.	Public	1,73,776	1.09%	1,73,776	0.80%
16.	IPO	-		58,60,000	26.96%
Total-C		1,73,776	1.09%	60,33,776	27.76%
Grand Total (A+B+C)		1,58,77,631	100.00%	2,17,37,631	100.00%

SECTION V – ABOUT THE COMPANY

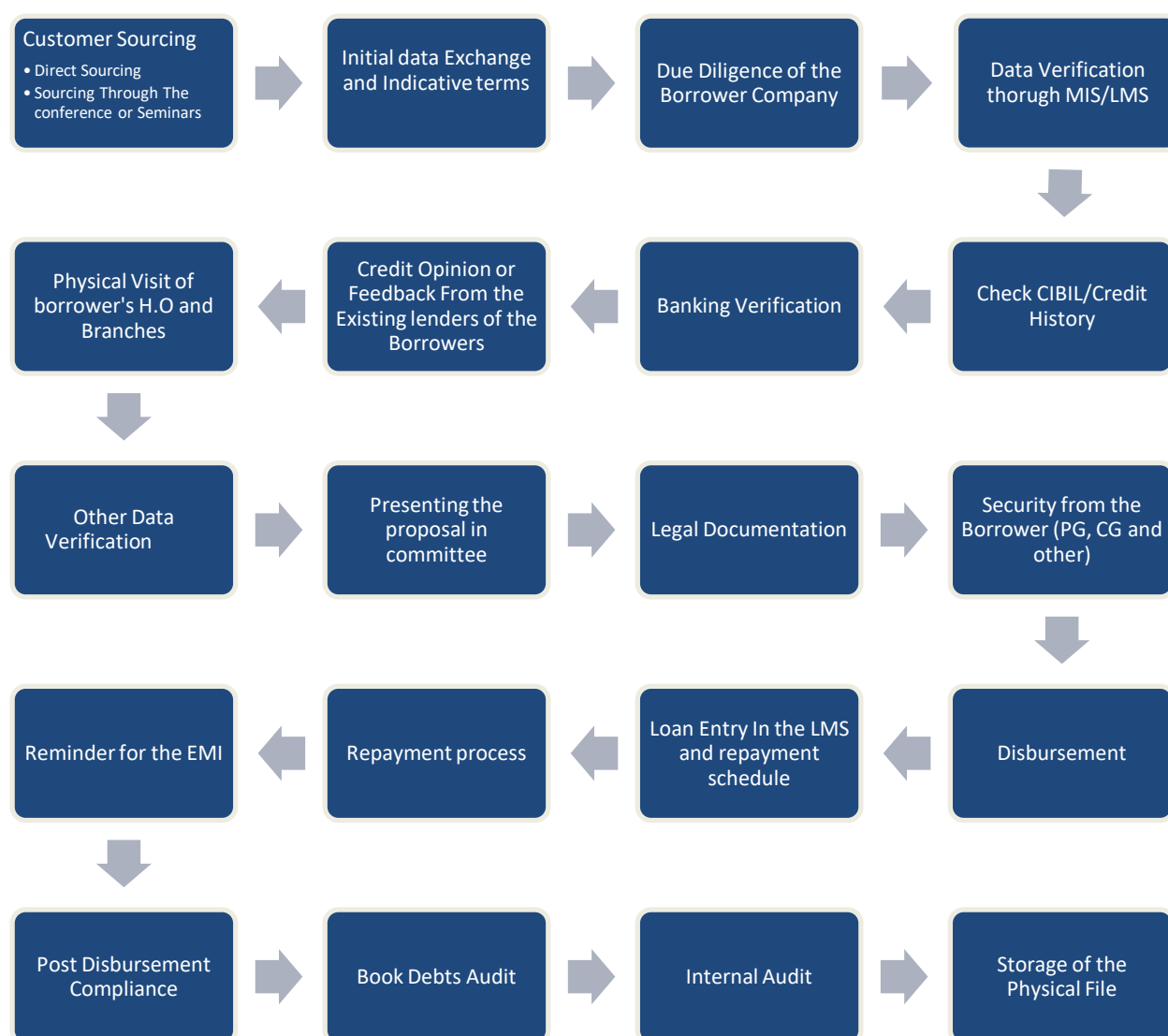
OUR BUSINESS

Details of Non-Performing Assets (NPA) and % of Assets Under Management (AUM) are as follow:

(Amount in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Gross NPA on AUM	1,101.32	681.55	766.10
Net NPA on AUM	881.05	545.24	612.28
Gross NPA as % of AUM	3.59%	1.91%	5.05%
Net NPA as % of AUM	2.87%	1.52%	4.04%

Business Process in Wholesale Lending Business Model

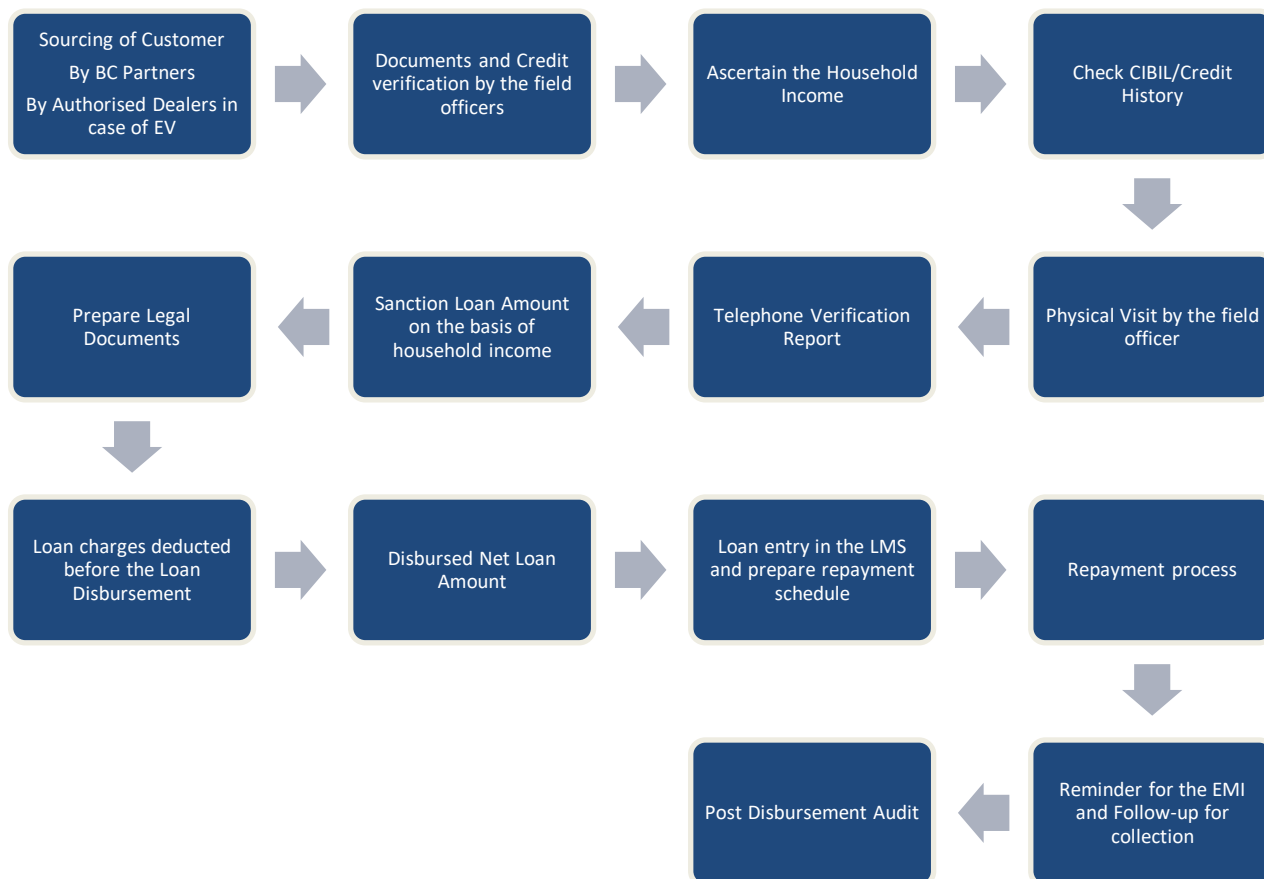


Our Business process in Wholesale lending business model:

1. **Customer Sourcing:** The following sales and outreach activities shall be conducted for generating quality leads by following means:
 - a. **Direct Sourcing:** Other NBFCs directly approach our company through their internal sources for loan raising or sometimes our credit team connect our company with the proposed borrowers if they have got any lead through internal or market sources.
 - b. **Sourcing through the conferences or seminars:** Our company participates in seminars and conferences from time to time originating for the NBFCs, Fintech and MFIs as a platform for generating leads and contacts for the existing as well as for the new companies.
2. **Initial data exchange and Indicative terms:** Initially we require few data from the borrower to understand its product, Financial Status and Directors background. If the data is as per the credit policy, a virtual or a physical meeting is conducted with the management.
Thereafter, the proposal is presented before our credit committee by our credit team and an indicative term sheet (Subject to Due Diligence) is shared with the proposed borrower. If the provided terms are agreed, only then we proceed with further Due Diligence process.
3. **Due Diligence of the Borrower Company:** For conducting the due diligence of the proposed borrower, we require a substantial amount of data as per our specifications. Upon receiving this data, a thorough examination of the proposed borrowers' details is undertaken:
4. **Data Verification through the MIS/LMS:** The data provided is validated through the LMS.
5. **CIBIL Check:** The CIBIL of the proposed borrower or its directors is checked internally.
6. **Banking verification:** For the banking verification of the proposed borrower, we use a software called "Score me". Our credit team verify the report generated through this software.
7. **Credit opinion or Feedback from the existing lenders of the borrowers:** Our credit team takes feedback and credit opinion through the Email or telephonic conversation from the existing lenders of the Borrower.
8. **Physical visit:** Our credit team also visit the head office/ registered office or the nearest Branches of the proposed borrower.
9. **Other Data verification:** Additionally, our credit team verifies that the proposed borrower adheres to all compliance requirements and makes timely payments of statutory dues without any delays.
10. **Presenting the proposal in committee:** After the completion of due diligence and thorough data scrutiny, the proposal is submitted to the credit committee along with the final report and observations. Upon approval of the case by the committee, the documentation process commences.
11. **Legal Documentation:** After the approval from the credit committee, the next step is to prepare the legal Documentation and share the same with the proposed borrower. We have our in-house legal team who prepare all the documents required.
12. **Security:** Our company undertakes personal guarantees from one or two directors/promoters of the borrowers, or a corporate guarantee as needed. Additionally, our company adheres to policy guidelines for other types of guarantees.
13. **Disbursement:** Upon completion of the necessary documentation and formalities, the loan disbursement process commences. After deduction of all the charges, disbursement to be done in the requested Bank account of the borrower.

14. **Loan entry in the LMS and repayment schedule:** As part of the disbursement process, a Loan ID is generated in the LMS software which then generates a Loan account Number.
15. **Repayment process:** The repayment of loans is on a monthly basis and 100% Collection is done through banking channels only.
16. **Reminder for the EMI.** Before each EMIs' due date corresponding to the Loan account number, an automated SMS is sent to the borrower's contact number. Additionally, our credit team sends an official email to the borrower in advance of the due date.
17. **Post Disbursement Compliances:** After the Disbursement, a CA certificate regarding loan utilization is required from the borrower.
18. We require Half yearly or annually, data from the borrower to monitor the growth of the borrower company.
19. **Book Debts Audit:** Our portfolio audit team conducts the audit of Hypothecated book debts by visiting the branches of the Borrowers and a report on the same is presented to the credit committee.
20. **Internal Audit:** The internal auditor conducts a monthly audit of disbursed loans and presents a report on the same to our company's management.
21. **Storage of the physical Files:** Storage of the physical files of the Borrowers is done at the registered office of our Company.

Our Business in Retail Lending Business Model



Our Business process in Retail lending business model:

1. **Sourcing of customers:** Within our Retail Lending business model, leads are primarily generated through our network of business correspondents/ partners, and authorized dealers. These entities source potential borrowers and provide their details to our company for credit bureau verification.
2. **Credit Bureau Verification:** Our team conducts credit bureau checks using platforms such as CIBIL, Equifax, CRIF, and Experian to assess client eligibility for lending. This process determines whether clients qualify for loan approvals or face rejections.
3. **Documents Verification:** Under this model, our business correspondents initially perform borrower due diligence in strict accordance with our requirements and checklist. Our audit team subsequently reviews all entries and soft copies in our Loan Management System (LMS). Any discrepancies or inaccuracies are corrected by our business partners to ensure compliance with our requirements.
 - a. Our team Reserve all right to call the borrower for the confirmation of disbursement as this is our internal audit policy.
4. **Loan deductions before disbursements:** Prior to disbursement, deductions such as processing fees and insurance charges are deducted as per agreed terms. The net amount is then transferred directly to the borrower's bank account via **NEFT**. Our team completes disbursement entries in the LMS or other software thereafter.

5. **EMI / Demand / Repayment:** On the due date, our business partners deposit the EMI or demand amount promptly after receipt from the borrower. In cases of delay, a daily interest rate of 36% is levied on the overdue amount.
6. **Invoicing and Payout of commission:** At the end of each month, our business partners submit an invoice after clearing all due demands for that month. Proper support related to invoicing accompanies the submission. Our team processes payment of invoices within 7 to 10 days.

LOAN MANAGEMENT SYSTEM

The company has employed Loan Management System to streamline its financial and lending operations. This way the company maintains a dual-system approach which enhances efficiency, transparency, and control to better decision-making and improved business outcomes.

This simplifies data reconciliation processes, as transactions related to loans are managed independently from other financial activities. At monthly intervals, data from both Tally and the LMS are reconciled to ensure alignment and accuracy. Any discrepancies or inconsistencies can be easily identified and resolved, maintaining data integrity and compliance with regulatory requirements. We have incorporated modern Information Technology (I.T.) solutions to streamline its loan management processes. We have partnering with Vexil Infotech Solutions Pvt. Ltd. (third party). This LMS integrates a range of features tailored to streamline and optimize lending operations. These features enable efficient management of the loan lifecycle, from application processing to repayment tracking. Below are some key features of the LMS:

1. Loan Application Management:

Capture borrower information: The software allows for the collection and storage of comprehensive borrower details, including personal, financial, and employment information. It also offers a secure platform to upload KYC documents and other required paperwork related to borrowers. Document verification processes ensure compliance with regulatory standards and mitigate fraud risks.

2. Loan Origination:

Loan product configuration: Define and customize loan products with specific terms, interest rates, and repayment schedules to meet the needs of different borrower segments.

Documentation management: Generate and manage loan agreements, promissory notes, and other required documents electronically, streamlining the origination process.

3. Loan Disbursement:

Bulk Disbursement: Facilitate seamless disbursement of loan funds to borrowers' accounts through banking systems we parallelly update the same in the LMS and post reconciliation with bank statements.

4. EMI Calculation and Repayment Management:

EMI scheduling: We utilize the software to schedule Multiple variety of Instalments (EMIs) e.g., Equated Monthly EMI, Bi-Weekly, Weekly, Daily Basis etc. and generate payment demands based on loan parameters and borrower preferences, providing transparency and predictability in repayment obligations.

Repayment tracking: Track EMI payments and loan balances in real-time, enabling proactive communication with borrowers and addressing any payment discrepancies promptly.

5. Collections and Delinquency Management:

Payment reminders: Sending automated reminders to borrowers for upcoming EMIs, reducing the likelihood of missed payments.

Delinquency tracking: Monitor overdue accounts and implement collection strategies to minimize delinquencies and mitigate credit risk.

6. Reporting and Analytics:

Customizable reports: The LMS generate various reports, including loan portfolio, delinquency reports, and profitability analyses, to gain insights into the company's lending activities.

Dashboard analytics: Visualize key performance indicators (KPIs) and trends through interactive dashboards, empowering decision-makers with actionable insights.

7. Compliance and Regulatory Management:

Compliance checks: We perform regulatory compliance checks, such as Know Your Customer (KYC) verification and Anti-Money Laundering (AML) screening, to ensure adherence to legal and regulatory requirements.

Audit trails: Maintain comprehensive audit trails of loan transactions and user activities, facilitating regulatory audits and internal controls.

MONITORING AND COLLECTION FRAMEWORK

The Collection efficiency is Total collections divided by Current Demand (including advance collection and OD arrears Collection) for the Month of March'24, March'23 and March'22.

The Collection Efficiency of the FY22, FY23 and FY24, is as follows:

Particulars	FY 2022	FY 2023	FY 2024
Collection Efficiency	102.14%	112.68%	104.44%

HUMAN RESOURCE

MIS (Management Information System) employees mean the employees managing the software used by the company to manage its loan books.

A MIS Employee is an IT professional who manages and protects an organisation's data and information. They create and maintain the databases companies use to collect and store data from clients, employees and business records. They ensure the information is secure and accessible. They also introduce new programs, handle cyber security, meet the company's technological needs and oversee the daily functioning of the MIS.

COLLABORATION AGREEMENT

The company has collaborated with 13 business partners to facilitate MSME loans. These partners help the company expand the MSME portfolio, and the company pays them a variable fee in the form of portfolio management fees based on their agreement.

On the other hand, the company distributes EV loans through dealers on demand basis, who specialize in selling electric vehicles. Our dealers are not considered as a part of our business collaborations as their number is variable and changes over time. Further, the company generates a minimal amount of revenue from green financing amounting to only 1% - 2% of the total Revenue from operations.

(Rupees In Lakhs)

Our Products	March 2024	March 2023	March 2022
Loan to NBFCs and corporates	3,621.24	2,757.11	1,434.27
% of total revenue	57.28%	60.42%	57.31%
MSME loan	2,166.56	1,293.14	839.93
% of total revenue	34.3%	28.3%	33.6%
Green Financing	74.97	4.17	0.00
% of total revenue	1.19%	0.09%	0.00%
Processing fees	459.43	508.75	228.42
% of total revenue	7.27%	11.15%	9.13%
Total	6,322.20	4,563.17	2,502.62

The nature and role of the term "Business partners" is as follows:

The business partners are collaborating with the company in its retail sector to develop a portfolio of MSME loans.

The business partners, help the company create portfolio of retail business in MSME (small loans to individual borrower and shopkeepers). The company partner with NBFCs and private companies that have presence in the targeted area. These companies have branches, manpower and local knowledge, enabling them to source the borrowers and collect EMIs efficiently. As a result, we are able to extend our reach to borrowers across a diverse range of areas. Further, the disbursement and repayment move through these Business Partners.

The detailed disclosure of Collaborations with the business partners are as follows:

S. No.	Particulars of Business Partner	City	State	Nature of Partnership/ Type of Services
1	Aadhar India Pvt. Ltd	Bhatinda	Punjab	Sourcing the customer as per the policy of Usha and insuring collection
2	Bargach Finance Private Limited	Kolkata	West Bengal	Sourcing the customer as per the policy of Usha and insuring collection
3	D.S Intergrated Finsec Private Limited	Rajkot	Gujarat	Sourcing the customer as per the policy of Usha and insuring collection
4	I-Loan Credit Private Limited	Pune	Maharashtra	Sourcing the customer as per the policy of Usha and insuring collection
5	Jayanth Financial Services Private Limited	Kanyakumari	Tamil nadu	Sourcing the customer as per the policy of Usha and insuring collection
6	Jigyasa Livelihood Promotions Micro Finance Foundation	Bhopal	Madhya Pradesh	Sourcing the customer as per the policy of Usha and insuring collection
7	Maximal Finance & Investment Ltd	Secunderabad	Hyderabad	Sourcing the customer as per the policy of Usha and insuring collection
8	Prahan Capital Private Limited	Ahmedabad	Gujarat	Sourcing the customer as per the policy of Usha and insuring collection
9	Pratyancha Financial Services Limited	Lucknow	Uttar Pradesh	Sourcing the customer as per the policy of Usha and insuring collection
10	Richline Finance Limited	Tiruppur	Tamil Nadu	Sourcing the customer as per the policy of Usha and insuring collection
11	Samhith Management Services Private Limited	Telangana	Hyderabad	Sourcing the customer as per the policy of Usha and insuring collection
12	Subhlakshmi Finance Private Limited	Gurugram	Haryana	Sourcing the customer as per the policy of Usha and insuring collection
13	Surjit Hire Purchase Pvt Ltd	Lucknow	Uttar Pradesh	Sourcing the customer as per the policy of Usha and insuring collection

ABOUT OUR PROMOTERS

Ms. Nupur Gupta
Ms. Nupur Gupta is a Promoter & Non- executive Director of the Company. She has a bachelor's degree in business administration and has completed post graduate program in management for family business. She has been associated with the company for the past 6 years and has 6 years of experience in finance and internal audit.

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KEY REGULATIONS AND POLICIES

RELATED TO OUR BUSINESS

DIGITAL PERSONAL DATA PROTECTION ACT 2023

The Digital Personal Data Protection Act, 2023 seeks to provide for protection of personal data of individuals and establish a Data Protection Authority for the same. Data Protection refers to the set of privacy laws, policies and procedures that aim to minimise intrusion into one's privacy caused by the collection, storage and dissemination of personal data. Personal data generally refers to the information or data which relate to a person who can be identified from that information or data whether collected by any Government or any private organization or an agency.

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OUR MANAGEMENT

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

Mrs. Nimisha Jain is a highly focused and versatile Company Secretary having working experience with Womancart Limited. Recently, she worked with Womancart for ensuring compliance with all statutory and regulatory requirements. Also, managed and facilitated Board and valuable insight to the management on corporate governance.

Apart from CS background, she has also worked in education industry and provided training to multiple people with excellent result. She has done her Graduation in B.COM(H) from University of Delhi.

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OUR PROMOTERS

The Promoter of our Company is:


S. N.	Name	Category	No. of Shares
5.	Nupur Gupta	Individual Promoter	24,450

Brief profile of our Individual Promoters is as under:

Name	Mr. Rajesh Gupta
PAN No.	AAGPG4011R

Name	Mr. Anoop Garg
PAN No.	AAPPG0817L

Name	Ms. Geeta Goswami
PAN No.	AQPPG3808B

	<p>Ms. Nupur Gupta is a Promoter & Non- executive Director of the Company. She has a bachelor's degree in business administration and has completed post graduate program in management for family business. She has been associated with the company for the past 6 years and has 6 years of experience in finance and internal audit.</p>
Name	Ms. Nupur Gupta
Age	26 Years
Shareholding	24,450 Equity Shares (0.15% of the Pre-issue shareholdings)
Qualification	Bachelor's degree in business administration and post graduate program in management for family business.
PAN No.	BXAPG3618L
Personal Address	B- 191, Yojna Vihar, Shakar Pur Baramad, Shakarpur, Delhi- 110092
Directorship & Other Ventures	<p>Indian Private Companies: Nil</p> <p>Indian Public Companies:</p> <p>1. Nupur Recyclers Limited</p> <p>Section 8 companies: Nil</p> <p>Indian LLPs: Nil</p>

Relationship of Promoters with our Directors

Promoters	Director	Relationship
Ms. Nupur Gupta	Mr. Rajesh Gupta	Daughter – Father

For details pertaining to other ventures of our Promoters, refer chapter titled “Our Group Entities” beginning on page no. 222 of the Draft Red Herring Prospectus.

Brief profile of our Corporate Promoter is as under:

Name	Ms. BR Hands Investments Private Limited
PAN No.	AAICB7400Q

Interest as member of Our Company

Our Promoters jointly hold 99,00,756 Equity Shares aggregating to 62.36% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to promoters given in the chapter titled “*Our Management*” beginning on page number 189 of the Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

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OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI(ICDR) Regulations 2018 form part of our Promoter Group:

Promoters	<i>Rajesh Gupta</i>	<i>Anoop Garg</i>	<i>Geeta Goswami</i>	<i>Nupur Gupta</i>
Father	Late Shri Sumer Chand Garg	Late Shri Sumer Chand Garg	Late Shri Krishan Goswami	Mr. Rajesh Gupta
Mother	Smt. Kanta Rani	Smt. Kanta Rani	Smt. Prakasho Devi	Mrs. Shikha Gupta
Spouse	Mrs. Shikha Gupta	Mrs. Priya Garg	Mr. Ajay Pratap Singh	-
Brothers	Mr. Anoop Garg	Mr. Rajesh Gupta	Mr. Harish Goswami	-
Sister	Mrs. Sandhya Gupta	Mrs. Sandhya Gupta	Mrs. Babita Goswami	-
Son	-	Mr. Vedit Garg	Mr. Atharv Goswami Mr. Yuvn Goswami	-
Daughters	Ms. Nupur Gupta	Ms. Arushi Garg	-	-
Spouse Father	Shri Ram Kumar Goyal	Late Shri Gopal Behari Gupta	Mr. Mahipal Singh	-
Spouse Mother	Smt. Shashi Goyal	Late Smt. Sunita Gupta	Mrs. Sharda Devi	-
Spouse Brothers	Mr. Mohit	Mr. Sachin Kumar Gupta	-	-
Spouse Sisters	-	Mrs. Neha Gupta	-	-

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SECTION VI – FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

REASON FOR INCREASE IN COMPANY'S REVENUE IN FY 24 COMPARED WITH FY 23 AND FY 23 COMPARED WITH FY 22 IS AS FOLLOWS:

(Amount in Crores)

Particular (Rs. Crores)	FY 2022	FY 2023	FY 2024
Interest Income	22.74	40.54	58.63
Processing and Other Fees	2.28	5.09	4.59
Total	25.03	45.63	63.22

Comparison from FY 23 with FY22

Interest income which is our main source of revenue is based upon Assets under management. Our average ROI has been approximately 18% i.e. the lending rate of loans sanctioned and disbursed by the company.

If we calculate the Interest income on estimated basis for Opening AUM of the period as per table below, total would come around similar lines as that of my Interest Income Booked.

Financial Year 2021-22

(Amount in Crores)

Months	Opening AUM (Amount)	Average ROI (%)	Monthly Interest (Amount)
Apr-21	105.51	18%	1.58
May-21	104.03	18%	1.56
Jun-21	99.52	18%	1.49
Jul-21	99.46	18%	1.49
Aug-21	110.26	18%	1.65
Sep-21	110.14	18%	1.65
Oct-21	115.70	18%	1.74
Nov-21	126.79	18%	1.90
Dec-21	127.68	18%	1.92
Jan-22	129.27	18%	1.94
Feb-22	129.69	18%	1.95
Mar-22	140.88	18%	2.11
Total			20.98
Revenue as per books			22.74

Financial Year 2022-23

(Amount in Crores)

Months	Opening AUM (in cr)	Average ROI	Monthly Interest (in cr)
Apr-22	151.63	18%	2.27
May-22	147.63	18%	2.21
Jun-22	162.46	18%	2.44
Jul-22	161.04	18%	2.42
Aug-22	163.72	18%	2.46
Sep-22	174.39	18%	2.62
Oct-22	224.48	18%	3.37
Nov-22	224.50	18%	3.37
Dec-22	262.18	18%	3.93

Jan-23	294.83	18%	4.42
Feb-23	316.60	18%	4.75
Mar-23	338.73	18%	5.08
Total			39.33
Revenue as per books			40.54

If we see, then the Revenue as per books is near about our estimated revenue based upon AUM. The tables above illustrate the steady growth in our Assets Under Management (AUM) from ₹104.21 crore in April 2021 to ₹357.69 crore in March 2023. This increase in AUM directly impacts our interest income. As our AUM expanded, so did our revenue, with a notable surge from FY22 to FY23. This uptick was due to the significant increase in AUM from the beginning of the second quarter of FY23, driven by higher disbursements.

Comparison from FY 23 with FY24

Interest calculation on month-on-month basis for FY23 and FY24

Financial Year 2022-23

(Amount in Crores)

Months	Opening AUM (in cr)	Average ROI	Monthly Interest (in cr)
Apr-22	151.63	18%	2.27
May-22	147.63	18%	2.21
Jun-22	162.46	18%	2.44
Jul-22	161.04	18%	2.42
Aug-22	163.72	18%	2.46
Sep-22	174.39	18%	2.62
Oct-22	224.48	18%	3.37
Nov-22	224.50	18%	3.37
Dec-22	262.18	18%	3.93
Jan-23	294.83	18%	4.42
Feb-23	316.60	18%	4.75
Mar-23	338.73	18%	5.08
Total			39.33
Revenue as per Books			40.54

Financial Year 2023-24

(Amount in Crores)

Months	Opening AUM (in cr)	Average ROI	Monthly Interest (in cr)
Apr-23	357.69	18%	5.37
May-23	337.83	18%	5.07
Jun-23	326.39	18%	4.90
Jul-23	324.75	18%	4.87
Aug-23	337.27	18%	5.06
Sep-23	332.86	18%	4.99
Oct-23	318.71	18%	4.78
Nov-23	324.11	18%	4.86
Dec-23	320.42	18%	4.81
Jan-24	327.33	18%	4.91
Feb-24	332.44	18%	4.99
Mar-24	331.52	18%	4.97
Total			59.57
Revenue as per Books			58.63

In the above tables illustrate that once we achieved the AUM of 300+ crores in last quarter of FY23, we maintained it for the entire FY24. And Average AUM also jumped to 326 crores in FY 23-24 with that our on an average company earned near to Rs. 5 Crs of Interest every month.

To grow the AUM and to maintain the company raised funds in the last 3 years from various sources. Fundings are as follows:
(Amount in Crores)

Particular (Rs. Crores)	FY 2022	FY 2023	FY 2024
Term Loan from Banks and NBFC	57.00	156.80	78.63
Raised From NCD	7.62	23.50	5.00
Inter corporate deposit and unsecured loans	5.90	39.79	11.51
Equity Infusion	1.17	24.23	10.50
Total Fresh funding	71.69	244.32	105.64

REASON FOR INCREASE IN COMPANY'S PAT AND PAT MARGINS WHEN COMPARING FY 23 COMPARED WITH FY 22.

I. Increase in PAT

(Amount in Crores)

Particulars (Rs. Crores)	FY 2022	FY 2023
Total Income	25.31	46.18
PAT	4.14	10.17

Our company started earning higher revenue in the second half of FY23 as explained above, which led to higher profit booking because of controlled operational expenses. With the almost doubled revenue our PAT is also increased in same line.

II. Increase in PAT Margins

(Amount in Crores)

Particulars (Rs. Crores)	FY 2022	FY 2023
Total Income	25.31	46.18
PAT	4.14	10.17
PAT Margin	16.37%	22.01%

(Amount in Crores)

Particulars (Rs. Crores/%age)	FY22	FY22	FY23	FY23
Revenue	25.31	100.00%	46.19	100.00%
Employee Expenses	2.30	9.08%	2.50	5.41%
Other Expenses	4.15	16.41%	7.72	16.72%
EBITDA	18.87	74.53%	35.52	77.87%
Provision & Write Off	2.63	10.40%	0.44	0.96%
Depreciation	0.32	1.26%	0.23	0.50%
EBIT	15.91	62.87%	35.29	76.42%
Finance Costs	10.43	41.20%	21.50	46.56%
PBT	5.48	21.67%	13.79	29.86%

Note: We've done an analysis to till Profit Before Tax to have a better understanding of the increase in Profit.

a. Employee Expenses:

The percentage of total income spent on employee expenses decreased significantly over the past three years, from 9.08% in FY 2022 to 5.41% in FY 2023. At the same time, if we see the increase in amount, it is not that much. It was Rs. 2.30 Crs, Rs. 2.50 Crs in FY 2022, FY 2023 respectively. The reason for such reduction is due to the fact that the increase in revenue is much higher than the increase in employees.

Particulars	FY 2022	FY 2023
Total Employees at the end of the year	31	39

b. Other Expenses:

Other expenses are in line with the revenue percentage for FY 2022 & FY 2023, so our EBITDA margins are in same line in FY22 and FY23 i.e. 74.53% and 77.87%.

c. Provisions & Write Off

Write Off and Provisions as per RBI guidelines in FY 2022 was 10.4%, which has actually led to an increase in Total Expenses for our company for the year. However, since then company has kept the bad performing loans in checks with improved credit underwriting process and recovery efforts which is reflected in lower Provisioning and write off cost in FY23

(Amount in Crores)

Particular (Rs. Crores)	March'22	March'23
Provisioning	0.51	0.34
Write off	2.12	0.10
Total	2.63	0.44

d. Depreciation

The company's depreciation is minimal to the tune of Rs. 0.32 Cr and Rs. 0.23 Crs that did not impact profitability of company. Thus, our EBIT margins are 62.87%, 76.42%.

e. Finance Costs

Finance cost is the major expense of any NBFC, with the increased borrowing the finance cost has increased in amount and the average cost of borrowing remained almost same. The company has taken borrowings from 10% to 14 % with bank lending being around 11%, NCD's at around 12% and NBFC lend at around 14-15%.

(Amount in Crores)

Particular (Rs. Crores)	FY 2022	FY 2023
Average Borrowings	80.14	172.37
Finance Cost	10.43	21.50
Cost of Borrowings	13.01%	12.48%

In summary company's profit margin increased due to following point:

- Controlled Employee cost which led to higher EBIDTA
 - The lower cost of provisioning and write-offs which led to higher PBT.
- Since tax expenses are in in the same line this growth in margin is reflected in PAT.

FINANCIAL INDEBTEDNESS

Secured - NCD

Name of Series	Amount (in lakhs)	Date of allotment (MM/DD/YYYY)	Tenure	Date of Maturity (MM/DD/YYYY)	No. of allottees	Name of Allottees	No. of Debentures	Amount
NCD F Series-1	450	3/3/2021	3 yrs	3/2/2024	29	Anjana Gupta	20	2000000
						Anuja Mittal	40	4000000
						Anuradha Gupta	2	200000
						Apurv Kaushal	5	500000
						Asha Kumari Khungar	30	3000000
						Geeta Goswami	2	200000
						Gopal Singh Rawat	2	200000
						Hansraj Aggarwal	20	2000000
						Kasturi Devi	8	800000
						Kamal Kishore Gupta	30	3000000
						Krishan Gopal Gupta	5	500000
						Krishan Kumar Gupta	11	1100000
						Madan Mohan Aggarwal	8	800000
						Meenakshi Gupta	7	700000
						Neelam Gupta	8	800000
						Poonam Gupta	5	500000
						Preeti Goel	10	1000000
						Princy Goel	4	400000
						Radha Rani	9	900000
						Rajeev Sharma	3	300000
						Rushil Mittal	60	6000000
						Sanjiv Kumar Mittal	50	500000
						Shreya Gupta	4	400000
						Suraj Kumar	10	1000000
						Sushant Gupta	3	300000
						Sushila Aggarwal	12	1200000
						Veena Mittal	47	4700000
						Vijay Kumar Khungar	30	3000000
						Yogesh Aggarwal	5	500000
NCD G Series-1	465	10/13/2021	3 yrs	10/12/2024	54	Akash Gupta	5	500000
						Anjana Gupta	5	500000

					Anuja Mittal	10	1000000
					Anuradha Gupta	2	200000
					Arun Gupta	10	1000000
					Barkha Gupta	3	300000
					Beena Aggarwal	2	200000
					Bharat Uppal	10	1000000
					Deepanshu Gupta	5	500000
					Devi Singh Pal	6	600000
					Diksha Aggarwal	5	500000
					Geeta Goswami	8	800000
					Gopal Behari Gupta (HUF)	3	300000
					Hansraj Aggarwal	36	3600000
					Harshit Goyal	2	200000
					Ipsita Gupta	2	200000
					Jitendra Nath Gupta	15	1500000
					Kamal Kishore Gupta	5	500000
					Kasturi Devi	4	400000
					Krishan Kumar Gupta	2	200000
					Kshitij Gupta	30	3000000
					Madan Mohan Aggarwal	2	200000
					Manju Garg	3	300000
					Meghna Goyal	32	3200000
					Neelam Gupta	5	500000
					Neena Aggarwal	10	1000000
					Neeta Gupta	2	200000
					Nikita Goyal	6	600000
					Pooja Aggarwal	5	500000
					Prachi Gupta	10	1000000
					Pratibha Roy	20	2000000
					Prem Chand Gupta	5	500000
					Prerna Roy	9	900000
					Priya Yadav	5	500000
					Princy Gupta	3	300000
					Priya Krishna Kumar	5	500000
					Radhika Aggarwal	3	300000
					Rajeev Sharma	3	300000
					Rajiv Goyal Huf	2	200000
					Ramesh Lal Uppal	20	2000000
					Ranjan Arya	2	200000
					Rushil Mittal	30	3000000

						Sachin Kumar Gupta HUF	7	700000
						Sapna Gupta	10	1000000
						Saroj Aggarwal	35	3500000
						Seema Uppal	20	2000000
						Shruti Gupta	2	200000
						Simran Goyal	4	400000
						Suresh Reddy Eswarawaka	10	1000000
						Sushant Gupta	2	200000
						Sushila Aggarwal	2	200000
						Swati Goyal	3	300000
						Usha Gupta	3	300000
						Veena Mittal	15	1500000
NCD G Series-2	297	11/1/2021	3 yrs	10/31/2024	47	Aditi Aggarwal	20	2000000
						Alka Kulshrestha	5	500000
						Anita Jain	23	2300000
						Anjana Gupta	10	1000000
						Anshika Kaushik	2	200000
						Archana Zarabi	2	200000
						Arvind Jain Huf	7	700000
						Brij Sangar	5	500000
						D K Chawla Huf	2	200000
						Deepak Gupta	1	100000
						Deepak Gupta Huf	1	100000
						Deepak Jain And Sons HUF	15	1500000
						Dimple	5	500000
						Eeshan Corporation Limited	10	1000000
						Geeta Goswami	1	100000
						Gopal Rawat	2	200000
						Hansraj Aggarwal	9	900000
						Heena Wadhwa	4	400000
						Kanta Rani	1	100000
						Kritika Gupta	11	1100000
						Manish Gupta Huf	1	100000
						Meenakshi	6	600000
						Monisha Mulwani	3	300000
						Mukesh Aggarwal Huf	15	1500000
						Neena Bansal	3	300000
						Neelam Tandon	2	200000
						Nisha	3	300000
						Nishank Jain	15	1500000

						Pankaj Kumar Jain	10	1000000
						Parul Gupta	1	100000
						Parveen Sahni HUF	2	200000
						Raj Rani Jain	4	400000
						Radha Krishan Arora And Prem Rani	7	700000
						Rekha Agarwal	20	2000000
						Sachin Kumar Gupta HUF	1	100000
						Saroj Aggarwal	5	500000
						Seema Verma	2	200000
						Shabnam Chawla	15	1500000
						Shivi Aggarwal	20	2000000
						Shriya Kaushik	3	300000
						Srishti Gupta	3	300000
						Sumer Chand Garg	1	100000
						Sushil Kumar	4	400000
						Tulika Rastogi	10	1000000
						Tushar Tandon	1	100000
						Vatsala Zarabi	3	300000
						Viraj Gupta HUF	1	100000
NCD H Series-1	485	5/6/2022	3 yrs	5/5/2025	36	Jitendara Nath Gupta/Lakshmi Devi Gupta	10	1000000
						Praveen Sahni HUF	5	500000
						Shushma Bhandula	10	1000000
						Baldev Raj HUF	10	1000000
						Hansraj Aggarwal	25	2500000
						Kasturi Devi	1	100000
						Neelam Gupta	38	3800000
						Diksha Aggarwal	10	1000000
						Pooja Aggarwal	10	1000000
						Anoop Garg (HUF)	14	1400000
						Vimal Gupta	50	5000000
						Princy Goel	2	200000
						Kamna Gupta	80	8000000
						Sandeep gupta	5	500000
						Neelam Tondon	2	200000
						Dinesh Kumar Chawla	2	200000
						Reema Chawla	2	200000

						Madan Mohan Aggarwal	2	200000
						Keshav Sharma	20	2000000
						Shivish Gupta	40	4000000
						Megha Goyal	5	500000
						Harshit Goyal	3	300000
						Sonam Goel	2	200000
						Bharat Uppal	13	1300000
						kusum lata	5	500000
						Parveen mohindru HUF	8	800000
						VK GUPTA HUF	50	5000000
						Viraj Gupta HUF	4	400000
						Sachin Gupta HUF	5	500000
						Deepak Gupta HUF	5	500000
						Manish Gupta HUF	5	500000
						Kanta Rani	4	400000
						Mahesh Kumar Gupta HUF	2	200000
						Surbhi Gupta	10	1000000
						Radha Rani	20	2000000
						Gopal Singh Rawat	6	600000
NCD H Series-2	515	5/31/2022	3 yrs	5/30/2025	82	Rajni Harjai	2	200000
						Gaurav	4	400000
						Krishan Kumar Gupta HUF	3	300000
						Nitin Rastogi	5	500000
						Hari Om Rastogi	7	700000
						Ruchi Rastogi	4	400000
						Tanuja Gupta	2	200000
						Dimple	3	300000
						Saroj Agarwal	10	1000000
						Neena Aggarwal	9	900000
						Jyoti Goswami	2	200000
						Pooja Agarwal	4	400000
						Diksha Agarwal	5	500000
						Surbhi/Sushil Gupta	5	500000
						Sushma Dhondyal	5	500000
						Prachi Gupta	5	500000
						Poonam Gupta	5	500000
						Madhur Gupta	5	500000

					Shruti Gupta	2	200000
					Shabnam Chawla	5	500000
					Gurpreet Kulshetra	5	500000
					Vatsala Zarabi	3	300000
					Asha ji Zarabi	3	300000
					Archana Zarabi	2	200000
					Bharat Uppal	5	500000
					Vijaylaxmi Gulshan Bansal	5	500000
					Pushpendra Singh	5	500000
					Kalawati devi	5	500000
					Prabha Sharma	10	1000000
					Riya Chaudhary	5	500000
					Neelam Tandon	1	100000
					Lakshmi Devi Gupta,Jitender Nath Gupta	10	1000000
					Anju Bala Gupta	4	400000
					Nitika Aggarwal	5	500000
					Neeta Gupta	7	700000
					Rajeev Sharma	5	500000
					Daksh Chawla	5	500000
					Sunita Chawla	2	200000
					Anjali Kumari	2	200000
					Rajat Khungar	40	4000000
					Lakshmi Murthy	10	1000000
					Gurinder Kaur	10	1000000
					Anant Agarwal	1	100000
					Darshan Bansal	5	500000
					Priya Yadav	7	700000
					Shanti Devi	5	500000
					Dinesh Kumar	1	100000
					Ruchi Rastogi	5	500000
					Eeshan Corporation Limted	10	1000000
					Radha Krishna Arora/ Prem Rani	5	500000
					Shilpi Malhotra	2	200000
					Vimal Gupta and Associates	10	1000000
					Priya Rastogi	5	500000
					Palakkal Krishna Kumar	5	500000
					Parul Gupta	3	300000
					Ujjawal Jain	15	1500000

						Viraj Gupta HUF	4	400000
						Deepak Gupta HUF	1	100000
						Ramesh Bihari Mathur	10	1000000
						Neelam Gupta	7	700000
						Aditi Agarwal	7	700000
						Shivi Agarwal	8	800000
						Anjna Garg	1	100000
						Manisha Dabral	1	100000
						Susheela Devi	2	200000
						Parth Jain	5	500000
						Naveen Modi	1	100000
						Eswarawaka Suresh Reddy	10	1000000
						Vasundhara Mahajan	5	500000
						Bindu	2	200000
						Ajay Saxena	5	500000
						REKHA AGGARWAL	20	2000000
						Deepak Gupta	40	4000000
						Prateek Gupta	5	500000
						Anuradha Gupta	1	100000
						Nikita Goyal	6	600000
						Mini Singh	10	1000000
						Vipin Aggarwal	5	500000
						Pooja Rajvanshi	7	700000
						Shivali Mahajan	10	1000000
						Nishank Jain	15	1500000
						Raj Rani	7	700000
NCD I Series-1	352	11/28/2022	3 yrs	11/27/2025	14	Shakuntla Mahajan	20	2000000
						Gurinder Kaur	40	4000000
						Kasturi Devi	1	100000
						Sudha Devi	28	2800000
						Lakshmi Devi Gupta	3	300000
						Geeta Goswami	2	200000
						Asha Gupta	5	500000
						Kshitij Gupta	20	2000000
						Prateek Gupta	10	1000000
						Shushila Aggarwal	2	200000
						Pooja Aggarwal	1	100000
						Grand League Farms Pvt Ltd	70	7000000
						Tulika Rastogi	50	5000000

						Anantjivin Projects Private Limited	100	10000000
NCD I Series-2	348	12/16/2022	3 yrs	12/15/2025	44	Ravi Prakash	13	1300000
						Renu Aggarwal	7	700000
						Sushma Bhandula	10	1000000
						Neeta Gupta	4	400000
						Neena Bansal	10	1000000
						Kapil Dev Gupta	30	3000000
						Anuja Mittal	10	1000000
						Sushil Gupta	50	5000000
						Madhuri Gupta	5	500000
						Krishan Gopal Gupta	5	500000
						Rajeev Sharma	3	300000
						Nishank Jain	15	1500000
						Narendra Kumar Sharma	5	500000
						Preeti Uppal	3	300000
						Abhishek Gupta	7	700000
						VK Gupta HUF	25	2500000
						Geeta Soni	13	1300000
						Vikrant Jha	3	300000
						Nisha Aggarwal	5	500000
						Ram Chand Arora	3	300000
						Geeta Goswami	1	100000
						Archana Jain	20	2000000
						Naveen Modi	4	400000
						Srishti Gupta	2	200000
						Rashmi Gupta	3	300000
						Arun Varshney	2	200000
						Tanima Varshney	1	100000
						Shweta Chopra	3	300000
						Ujjawal Jain	10	1000000
						Nishank Jain and sons HUF	10	1000000
						Piyush Chopra	4	400000
						Sushil Kumar Agarwal	3	300000
						Dinesh Kumar	1	100000
						Shagun Gupta	3	300000
						Kamini Rustagi	2	200000
						Chanchal Yadav	2	200000
						Ietha venkata subba Rao	5	500000
						Rekha Aggarwal	5	500000

						Rajesh Kumar Gupta	15	1500000
						Barkha Gupta	15	1500000
						Manish Gupta HUF	3	300000
						Viraj Gupta HUF	2	200000
						Deepak Gupta HUF	3	300000
						Sachin Gupta HUF	3	300000
NCD J Series-1	410	3/7/2023	3 YRS	3/6/2026	39	Veena Mittal	45	4500000
						Rushil Mittal	15	1500000
						Arushi Garg	1	100000
						Deepak Gupta HUF	14	1400000
						Kanta Rani	3	300000
						Manish Gupta HUF	17	1700000
						Parul Gupta	8	800000
						Sandhya Gupta	4	400000
						Sachin Gupta HUF	10	1000000
						Viraj Gupta HUF	17	1700000
						Mohit Goyal	16	1600000
						Gopal Rawat	3	300000
						V K Gupta HUF	25	2500000
						Aditi Aggarwal	13	1300000
						Shivi Aggarwal	12	1200000
						Ranjan Arya	4	400000
						Parth Jain	11	1100000
						Kriti Enterprises	10	1000000
						Deepanshu Gupta	5	500000
						Swarajta Kant Gautam	35	3500000
						Lakshmi Devi Gupta	8	800000
						Raj Advertisers	10	1000000
						Sanjay Mishra	7	700000
						Subhash Chander Mishra	10	1000000
						Sushil Gupta	50	5000000
						vertex buildwell	2	200000
						Pooja Rajvanshi	5	500000
						Sunita Gambhir	2	200000
						Kamlesh Rajvanshi	2	200000
						Divya Gupta	5	500000

						Jitender Nath Gupta	4	400000
						Darshan Bansal	2	200000
						Archana Jain	20	2000000
						Sumer Chand Garg HUF	5	500000
						Lilita	2	200000
						Prachi Garg	1	100000
						Diksha Aggarwal	2	200000
						Pooja Aggarwal	1	100000
						Nisha	4	400000
NCD J Series-2	240	3/29/2023	3 YRS	3/28/2026	40	Lalit Rajvanshi	2	200,000.00
						Arun Kumar Roy	10	1,000,000.00
						Prabha Gupta	5	500,000.00
						Rajeev Sharma	4	400,000.00
						Swati Goyal	3	300,000.00
						Viraj Gupta HUF	8	800,000.00
						Archana Zarabi	5	500,000.00
						Manju Sharma	10	1,000,000.00
						Ravinder nath sharma	5	500,000.00
						Mohan Lal	5	500,000.00
						Manisha Dabral	1	100,000.00
						Pisto Aggarwal	5	500,000.00
						Harshit Goyal	3	300,000.00
						Swarajya Kant Gautam	5	500,000.00
						Shweta Chopra	1	100,000.00
						Vinit Gandhi	5	500,000.00
						Krishna Pal	5	500,000.00
						Poonam Gautam	5	500,000.00
						Asha JI Zarabi	3	300,000.00
						Vatsala Zarabi	3	300,000.00
						Anshika Kaushik	3	300,000.00
						Shruti Gupta	2	200,000.00
						Shriya Kaushik	4	400,000.00
						Pranay Gupta	10	1,000,000.00
						Naman Gupta	5	500,000.00
						Barkha Garg	22	2,200,000.00
						Sumer Chand Garg	2	200,000.00
						Divij Nanda	3	300,000.00
						VK GUPTA HUF	40	4,000,000.00
						Vikrant Jha	1	100,000.00
						Kunal Goswami	1	100,000.00

						Raj Rani Jain	5	500,000.00
						Eswarawaka Bharathamma	10	1,000,000.00
						Jagdish Chander Bhatia	2	200,000.00
						Ujjawal Jain	10	1,000,000.00
						Geeta Goswami	1	100,000.00
						Govinda	1	100,000.00
						Rukmani Gupta	5	500,000.00
						Rhythm Agarwal	15	1,500,000.00
						Ajay Saxena	5	500,000.00
NCD K series	500	9/16/2023	3 YRS	9/15/2026	46	Gopal Rawat	2	200,000
						Manisha Dabral	1	100,000
						Bhanu Pratap Singh	1	100,000
						Seema Pal	1	100,000
						Harshit Goyal	2	200,000
						Akansha Dubey	20	2,000,000
						Kusum Maheshwari	3	300,000
						Neena Bansal	5	500,000
						Nisha Aggarwal	5	500,000
						Asha Gupta	10	1,000,000
						Baldev Raj HUF	10	1,000,000
						Sharad Jaina	1	100,000
						Diksha Aggarwal	2	200,000
						Meghna Goyal	45	4,500,000
						Prachi Gupta	7	700,000
						Shruti Gupta	2	200,000
						Bharthamma Eswarawaka	10	1,000,000
						Shipra	2	200,000
						Rythem Aggarwal	5	500,000
						Vinit Gandhi	5	500,000
						Shriya Kaushik	3	300,000
						Rajeev Sharma	3	300,000
						Amrita Singh	10	1,000,000
						RK Gupta and Sons HUF	20	2,000,000
						Raj Advertisers	10	1,000,000
						Kartik Gupta	2	200,000
						Kritika Gupta	10	1,000,000
						Ashok Kumar Chawala	5	500,000
						Pranay Gupta	5	500,000
						Sanjeev Mittal	80	8,000,000
						Ujjawal Jain	10	1,000,000

						Ranjana Goswami	1	100,000
						Sudarshan Lal	1	100,000
						Meenakshi Gupta	19	1,900,000
						Naval Kishore Gupta	40	4,000,000
						Shivish Gupta	100	10,000,000
						Mukesh Aggarwal HUF	10	1,000,000
						Arpit Gautam	5	500,000
						Tulika Rastogi	10	1,000,000
						Vaishali Bhaan	2	200,000
						Lakshmi Devi Gupta	2	200,000
						Piyush Chopra	1	100,000
						Gurpreet	5	500,000
						Neeta Gupta	1	100,000
						Abha Vij	4	400,000
						Geeta Goswami	2	200,000

SECTION VII - LEGAL AND OTHER INFORMATION
OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

5. The Company has obtained approval from Reserve Bank of India dated September 10, 2024.

SECTION XI – DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Addendum to Draft Red Herring Prospectus is contrary to the provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Addendum to Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company				
S. N.	Name	Category	Designation	Signature
1.	Rajesh Gupta	Executive	Managing Director	Sd/-
2.	Anoop Garg	Executive	Director	Sd/-
3.	Geeta Goswami	Executive	Director and Chief Executive Officer	Sd/-
4.	Nupur Gupta	Non-Executive	Director	Sd/-
5.	Nimisha Jain	Non- Executive	Independent Director	Sd/-
6.	Pankaj Jain	Non- Executive	Independent Director	Sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
7.	Prashant Raghuwanshi	Full-time	Chief Financial Officer	Sd/-
8.	Kritika Goswami	Full-time	Company Secretary and Compliance Officer	Sd/-

Place: Delhi

Date: October 03, 2024