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(Please scan this QR Code to view the Addendum to DRHP)

MY MUDRA

BHAROSE KA DUSRA NAAM

MY MUDRA FINCORP LIMITED
CIN: U65191DL2013PLC257611

Our Company was originally incorporated as "My Mudra Fincorp Private Limited" on September 11, 2013 vide Registration Certificate No. 257611 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana (RoC). Further, pursuant to special resolution passed by the shareholders at the extra ordinary general meeting, held on August 11, 2023 our Company was converted into a Public Limited Company and the name of our Company was changed from "My Mudra Fincorp Private Limited" to "My Mudra Fincorp Limited" vide a fresh certificate of incorporation dated October 19, 2023, CIN: U65191DL2013PLC257611 issued by the Registrar of Companies, Delhi (RoC).

Registered Office: 17A/45, 2nd Floor, w.e.a. Karol Bagh, Central Delhi, New Delhi, Delhi- 110005, India.

Corporate Office: 17A/45, 3rd Floor, w.e.a. Karol Bagh, Central Delhi, New Delhi, Delhi- 110005, India.

Tel No: 011-47010500; **E-mail:** info@mymudra.com; **Website:** www.mymudra.com;

Contact Person: Piyushi Jindal, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: VAIBHAV KULSHRESTHA AND NISHA KULSHRESTHA

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JULY 02, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF UPTO 30,24,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF MY MUDRA FINCORP LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.55% AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Chapter titled "Risk Factors" beginning on page 25 of the Draft Red Herring Prospectus has been updated;
2. The Chapter titled "General Information" beginning on page 48 of the Draft Red Herring Prospectus has been updated;
3. The Chapter titled "Objects of the Issue" beginning on page 72 of the Draft Red Herring Prospectus has been updated;
4. The Chapter titled "Industry Overview" beginning on page 90 of the Draft Red Herring Prospectus has been updated;
5. The Chapter titled "Our Business" beginning on page 104 of the Draft Red Herring Prospectus has been updated;
6. The Chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 194 of the Draft Red Herring Prospectus has been updated;
7. The Chapter titled "Government and Other Statutory Approvals" beginning on page 205 of the Draft Red Herring Prospectus has been updated;
8. The Chapter titled "Declaration" beginning on page 285 of the Draft Red Herring Prospectus has been updated;
9. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus/ Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

On behalf of My Mudra Fincorp Limited

Sd/-

Piyushi Jindal

Company Secretary & Compliance Officer

Place: New Delhi

Date: August 17, 2024

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>HEM SECURITIES LIMITED 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel. No.: +91- 22- 49060000; Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Ravi Kumar Gupta SEBI Regn. No. INM000010981</p>	 <p>Skyline Financial Services Private Limited Address: D-153A, 1st floor, Okhla Industrial Area, Phase I, New Delhi, Delhi -110020, India Telephone: 011- 40450193-97 Email: ipo@skyclinerta.com Website: www.skyclinerta.com Contact Person: Anuj Rana SEBI Registration Number: INR000003241 CIN: U74899DL1995PTC071324</p>

BID/ISSUE PERIOD

ANCHOR PORTION ISSUE OPENS/CLOSES ON*: [●] | BID/ISSUE OPENS ON**: [●] | BID/ISSUE CLOSES ON***: [●]***

*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date 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.

***The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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SECTION III: RISK FACTORS

22. Any Penalty or demand raised by statutory authorities in future will affect financial position of the Company.

Our Company is engaged in the distribution and sales of financial products as channel partner, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance etc. Any demand or penalty raised by the concerned authority in future for late payments or non-payments for any previous year and current year will affect the financial position of the Company. For instance, our company in the past had delayed filing of GSTR1/ GSTR3B due to operational reasons and accordingly paid late fees and penalties on the same. Any demand or penalty raised by the concerned GST/ Income Tax/ EPF/ESI or any other statutory authority for such late filings may affect the financial position of the company. The Company has now implemented strict monitoring and improved processes to ensure timely filing of returns and timely statutory payments in the future.

27. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.

There have been a few discrepancies in our corporate records, particularly concerning certain e-forms filed with the Registrar of Companies. These include clerical errors, such as the improper regularization of an additional director appointed by the board in the past, though this appointment has since been ratified as of the date of the Draft Red Herring Prospectus. Additionally, the Company has not filed certain charge forms i.e. form CHG-1 for vehicle loans taken in the past, leading to non-compliance with Section 77 of the Companies Act, 2013, which may result in penalties under Section 86 or other relevant provisions. However, these loans have been fully repaid as on date. The Company also did not attach cash flow statements with financial statements from the financial years 2017-18 to 2020-21, in violation of Section 129 read with Section 2(40) of the Companies Act, 2013. This has now been rectified, with the Company filing all the relevant cash flow statements for these financial years in E-Form GNL-2, along with the necessary attachments.

Furthermore, the Company had previously not complied with AS-15 (Employee Benefits) but has addressed this in the restated financial statements. Detailed information on gratuity and employee benefit expenses is provided in 'Annexure AB' on page 187 of the Draft Red Herring Prospectus. While the Company has not yet received any show-cause notice regarding these matters, any future penalties imposed by regulatory authorities for such non-compliance could adversely affect our financial condition to that extent.

SECTION IV: GENERAL INFORMATION

Underwriting

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter, **Hem Securities Limited** in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated August 08, 2024 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
Hem Securities Limited Address: - 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India Tel No.: +91-22-4906 0000 Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Rohit Sharma SEBI Registration Number: INM000010981	30,24,000	[•]	100%

SECTION IV: OBJECTS OF THE ISSUE**3. To Meet Working Capital Requirements**

Our business is working capital intensive as the majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹ 700.00 Lakhs from the Net Proceeds of the Issue and balance from internal accruals and borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

Sr. No.	Particulars	Audited			Projected	
		31-03-2022	31-03-2023	31-03-2024	31-03-2025	31-03-2026
I	Current Assets					
	Current Investment	-	-	25.49	25.49	25.49
	Trade receivables	378.23	693.75	1275.29	1557.86	2329.51
	Cash and bank balances	43.82	73.45	193.06	250.00	300.00
	Short Term Loans & Advances	175.11	265.39	601.08	1030.00	1662.65
	Other current assets	0.88	0.87	2.14	20.00	40.00
	Total(A)	598.03	1033.46	2097.07	2883.35	4357.65
II	Current Liabilities					
	Trade payables	29.96	39.39	23.74	35.00	38.00
	Other current liabilities	120.20	105.43	90.91	100.00	110.00
	Short-term provisions	6.89	119.16	258.35	378.75	505.84
	Total (B)	157.05	263.98	373.00	513.75	653.84
III	Total Working Capital Gap (A-B)	440.98	769.48	1724.07	2369.61	3703.81
IV	Funding Pattern					
	Borrowings and Internal accruals	440.98	769.48	1724.07	213.74	253.84
	IPO Proceeds				300.00	400.00

Justification for the assumptions for working capital requirements and the holding days:

Particulars	Justification
Debtors	The historical holding days of trade receivables has been ranging from 37 days to 51 days during Fiscal 2022 to Fiscal 2024. Customers of the company are Banks and financial institutions and as per the prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated at 54 Days and 55 Days of total revenue from operations during Fiscal 25 and Fiscal 26 respectively. The estimated holding period of the company commensurate with the business operations of the company and the holding period of last FY 2023-24 and in line with the projected sales growth of the company.
Creditors	Past trend of Trade payables holding days has been in the range of 2 days to 9 days approximately during Fiscal 2022 to Fiscal 2024. The company has business of direct selling agent, hence the company has creditors in the form of sub-agents. The payment to sub-agents is made within 2 days. Hence, the company intends to maintain the payment cycle to sub-agents and estimated trade payables as 2 days during Fiscal 2025 and Fiscal 26.

Detailed Justification for the Working Capital Requirement:**Justification for the working capital requirement in FY 2022-23 in comparison to FY 2021-22 is as follows:**

The company has experienced significant growth in FY 2023 due to increase in the Revenue from Operations from Rs. 2838.25 Lakhs in F.Y. 2021-22 to Rs. 5346.00 Lakhs in F.Y. 2022-23, representing an increase of 88.36%. The main reason for increase in total revenue was due to increase in commission income as a Direct Selling Agent. This increase in revenue has led to an increase in Trade Receivables in FY 2022-23 to Rs. 693.75 Lakhs, involving more funds getting blocked in Trade Receivables. The company is in the business of Direct Selling Agent, in which income is earned in the form of commission earned from various banks and financial institutions. These

banks and financial institutions deduct TDS while making payment to the company. The TDS receivable is shown under Short Term Loans and Advances and due to increase in revenue, the TDS receivable is also increased to Rs. 265.39 Lakhs in FY 2022-23. Hence, this increase in Trade Receivables and Short-Term Loans and Advances has led to an increase in the working capital requirement of the company.

Justification for the working capital requirement in FY 2023-24 in comparison to FY 2022-23 is as follows:

The Revenue from Operations of the company has increased from Rs. 5346.00 Lakhs in FY 2022-23 to Rs. 7107.24 Lakhs in FY 2023-24, representing an increase of 32.95%. This increase in revenue has led to increase in Trade Receivables to Rs. 1275.29 Lakhs in FY 2023-24. Short-Term Loans and Advances has increased to Rs. 601.08 Lakhs which includes TDS Receivables of Rs. 357.18 Lakhs and Other Loans and Advances of Rs. 243.90 Lakhs in FY 2023-24, hence resulting in increase in working capital requirement of the company.

Justification of increase in working capital requirements of the Company for estimated period FY 2024-25 and FY 2025-26:

The company foresees a rise in working capital needs on account of continuous increase in the revenue from business operations of the company. The trade receivables of the company are estimated at Rs. 1557.86 Lakhs in FY 2024-25 and Rs. 2329.51 Lakhs in FY 2025-26 based on the revenue from operations of the company. The estimated trade receivables holding period are estimated at 54 days and 55 days respectively for the FY 2024-25 and FY 2025-26, which are commensurate with the business operations of the company are in line with the existing trade receivables holding period of 51 days in FY 2023-24.

The estimated short-term loans and advances are Rs. 1030.00 Lakhs and Rs. 1662.65 Lakhs in FY 2024-25 and FY 2025-26 respectively, which includes TDS Receivables and Other Loans and Advances. The estimated short-term loans and advances are in line with the volume of revenue of operations of the company.

SECTION V: INDUSTRY OVERVIEW

RECENT TRENDS

1. INSURANCE SECTOR

- New distribution channels such as bank assurance, online distribution and Non-Banking Financial Companies (NBFCs) have widened the reach and reduced operational costs.
- In November 2020, LIC took initiatives to facilitate quicker proposal completion by launching a digital application – ANANDA.
- India's general insurance market is expected to grow at a compound annual growth rate (CAGR) of 7.1% during 2024-2028.

2. MOBILE WALLETS

- As the RBI allows more features such as unlimited fund transfer between wallets and bank accounts, mobile wallets will become strong players in the financial ecosystem.
- India's mobile wallet industry is estimated to grow at a CAGR of 23.9% between 2023 and 2027 to reach US\$ 5.7 trillion.
- In February 2024, Unified Payments Interface (UPI) recorded 12.10 billion transactions worth Rs. 18.28 lakh crore (US\$ 220.77 billion).

3. DIGITAL TRANSACTIONS

- Indian companies are strengthening their footprint on foreign shores, enhancing geographical exposure. India's digital payment is estimated to increase to US\$ 1 trillion by 2023.
- In the Union budget of 2022-23, India has announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee.
- The number of transactions through immediate payment service (IMPS) reached 534.6 million (by volume) and amounted to Rs. 5.58 trillion (US\$ 68.61 billion) in February 2024.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose specific digital payment solution.
- Digital payment platforms for rural India:
 - In August 2021, Neokred, an open banking stack that delivers curated versions of issuance in the payment ecosystem, teamed with Virenxia, a provider of integrated and sustainable solutions for rural transformation and development, to launch the 'The Kisan Card,' a special payment card for Indian farmers.

4. NBFCs

- NBFCs have served the non-banking customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs aspire to emerge as a one-stop shop for all financial services.
- In July 2021, Rajya Sabha approved Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.

SECTION V: OUR BUSINESS**OVERVIEW**

We provide our customers with the ability to research and compare a wide range of lending and insurance products offered by our lending and insurer partners, enhancing choice and transparency. Once customers share their requirements, we present multiple options, detailing related costs and features in a clear and simple manner, enabling informed decisions for applications to the appropriate financial institutions, such as banks or NBFCs. Upon credit approval, the loan is conveniently sanctioned. Our company ensures faster service and disbursement of loans at the most competitive interest rates and terms acceptable to the customers.

Our Company serves a diverse clientele, including individuals, corporates, and professionals like Chartered Accountants (CAs) and Company Secretaries (CSs). As a trusted Direct Selling Agent (DSA), For individuals, we provide seamless access to funds for various purposes, from fulfilling personal aspirations to managing unexpected expenses. Our corporate clients benefit from tailored financing solutions designed to fuel growth and expansion, including Business loan, working capital financing and project funding. The Company provides specialized loans such as unsecured loan for professionals like Chartered Accountants (CAs), Company Secretaries (CSs), and architects. Loan amounts are based on their degrees and years of practice, with longer practice periods qualifying for higher amounts and minimal financial documentation. With a commitment to excellence and customer satisfaction, Our Company empowers individuals, corporates, Business and professionals to achieve their financial goals with confidence and convenience.

We also work through our franchisees and Sub-DSAs. Our franchise model leverages a unique code provided by banks and NBFCs, allowing our franchisees to process loan applications and earn commissions based on business volume, with payments made after loan disbursement. Our franchisees can operate nationwide without geographical restrictions and benefit from higher commissions compared to direct dealings, due to our volume-based payout structure. We offer comprehensive support and training to ensure smooth operations. This model ensures better earnings and faster payments for our franchisees while expanding our company's national reach.

Below are the details about the business from self and sub-DSAs for the Financial Year ended on March 31, 2024, 2023 and 2022.

(Amount in Rs. Lakhs)

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total no. of channel partners/ franchises/ sub DSAs	149	139	116
No. of channel partners/ franchises/ sub DSAs added during the year	10	23	11
Total Revenue earned (A)	7107.24	5346.00	2838.25
Revenue earned from self (B)	1483.03	843.77	299.14
Revenue earned from sub-DSA (C)	5624.21	4502.23	2539.11
% of total revenue earned from sub-DSA (C/A%)	79%	84%	89%
Commission paid to Sub-DSA (D)	4803.08	3973.81	2179.97
% of revenue shared with sub-DSA on the revenue earned from sub-DSA (D/C%)	85%	88%	86%

OUR PORTFOLIO OF OFFERINGS:**3. PROFESSIONAL LOANS:**

As a Direct Selling Agent (DSA) of major Banks and NBFCs, we offer specialized loan products and dedicated support to professionals such as Chartered Accountants (CAs), Company Secretaries (CSs), Doctors, Architects and other professionals, facilitating their professional and personal endeavors.

Loan amounts are based on their degrees and years of practice, with longer practice periods qualifying for higher amounts and minimal financial documentation. Leveraging our expertise and extensive network, we ensure that the best possible loan options are provided to the professionals.

OUR STRENGTH:**4. Strategic Partnerships with Banks and NBFCs:**

We have established strong partnerships with major Banks and NBFCs. These alliances enable us to provide our customers with competitive and attractive financial solutions, ensuring they have access to the Most competitive terms and rates.

OUR STRATEGIES:

2. Product diversification:

We are committed to continuously broadening our product portfolio to meet the evolving needs of our customers. Recently, we have launched the sale and distribution of insurance products, including life, health, and general insurance, providing our customers with comprehensive financial protection options. For this purpose, we are in the process of obtaining required licenses from IRDA and has made an application for registration as Corporate Agency on portal linked to IRDA. Additionally, we are planning to introduce gold loan services, allowing customers to leverage their gold assets for quick and convenient loans with flexible terms and competitive interest rates. By integrating these new offerings seamlessly into our existing business model, conducting thorough market research, and investing in our digital and technological infrastructure, we ensure a smooth and efficient experience for our customers. Our targeted marketing campaigns and dedicated support teams further enhance customer awareness and satisfaction, solidifying our position as a one-stop destination for diverse financial solutions.

Infrastructure & Utilities:

Digital Infrastructure: Our company utilizes various platforms and tools to support our digital operations. We host our website and databases on AWS using services like S3 Bucket, EC2, SES, Amplify, RDS, and Route53. Our Laravel-built website, "My Mudra," offers loan options and content, supported by a CMS for posting. Our partially implemented CRM captures and tracks leads, assigning them to the sales team via the Sales Portal, and managing application progress with banks through the Back Office Portal. Access is role-based. We use a Click-to-Call API for sales agents to initiate customer calls easily. Our code is managed on GitHub, and our back-office portal is hosted on Railway.app. Communication tools include an SMS Panel and a WhatsApp Panel for marketing campaigns, along with G-Suite for email management. We manage the domains mymudra.com and mudrafincorp.co.in. For creative tasks, we use Canva Pro for graphic design and Filmora Pro for video editing. All these services are leased except for the website and CRM system. Further the Company also uses hardware including Computers, laptops, printers, routers, projectors scanner etc.

SECTION VI: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Business Overview

We provide our customers with the ability to research and compare a wide range of lending and insurance products offered by our lending and insurer partners, enhancing choice and transparency. Once customers share their requirements, we present multiple options, detailing related costs and features in a clear and simple manner, enabling informed decisions for applications to the appropriate financial institutions, such as banks or NBFCs. Upon credit approval, the loan is conveniently sanctioned. Our company ensures faster service and disbursement of loans at the Most Competitive interest rates and terms acceptable to the customers.

Our Company serves a diverse clientele, including individuals, corporates, and professionals like Chartered Accountants (CAs) and Company Secretaries (CSs). As a trusted Direct Selling Agent (DSA), For individuals, we provide seamless access to funds for various purposes, from fulfilling personal aspirations to managing unexpected expenses. Our corporate clients benefit from tailored financing solutions designed to fuel growth and expansion, including Business loan, working capital financing and project funding. The Company provides specialized loans such as unsecured loan for professionals like Chartered Accountants (CAs), Company Secretaries (CSs), and architects. Loan amounts are based on their degrees and years of practice, with longer practice periods qualifying for higher amounts and minimal financial documentation. With a commitment to excellence and customer satisfaction, Our Company empowers individuals, corporates, Business and professionals to achieve their financial goals with confidence and convenience.

We also work through our franchisees and Sub-DSAs. Our franchise model leverages a unique code provided by banks and NBFCs, allowing our franchisees to process loan applications and earn commissions based on business volume, with payments made after loan disbursement. Our franchisees can operate nationwide without geographical restrictions and benefit from higher commissions compared to direct dealings, due to our volume-based payout structure. We offer comprehensive support and training to ensure smooth operations. This model ensures better earnings and faster payments for our franchisees while expanding our company's national reach.

Below are the details about the business from self and sub-DSAs for the Financial Year ended on March 31, 2024, 2023 and 2022.

(Amount in Rs. Lakhs)

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total no. of channel partners/ franchises/ sub DSAs	149	139	116
No. of channel partners/ franchises/ sub DSAs added during the year	10	23	11
Total Revenue earned (A)	7107.24	5346.00	2838.25
Revenue earned from self (B)	1483.03	843.77	299.14
Revenue earned from sub-DSA (C)	5624.21	4502.23	2539.11
% of total revenue earned from sub-DSA (C/A%)	79%	84%	89%
Commission paid to Sub-DSA (D)	4803.08	3973.81	2179.97
% of revenue shared with sub-DSA on the revenue earned from sub-DSA (D/C%)	85%	88%	86%

Justification for increase in PAT margin from FY 2022 to FY 2024

Revenue from operations mainly consists of revenue received in form of commission as a Direct Selling Agent of loans and credit card sales for Banks, NBFCs, Financial Institutions etc. The revenue from operations of the company increased from Rs. 2838.25 Lakhs in FY 2021-22 to Rs. 5346.00 Lakhs in FY 2022-23 and further increased to Rs. 7107.24 Lakhs in FY 2023-24. The main reason for increase in total revenue was due to increase in revenue from operations of the company.

The company earns revenue in the form of commission as a Direct Selling Agent (DSA). For the purpose of achieving such revenue, the company sources clients directly and through various sub- DSA who are associated with the company for generation of clients and revenue. The major expense of the company is the commission paid to such sub-DSA on the business sourced by them.

Below are the details about the business from self and sub-DSAs for the Financial Year ended on March 31, 2024, 2023 and 2022:

(Amount in Rs. Lakhs)

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
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Total no. of channel partners/ franchises/ sub DSAs	149	139	116
No. of channel partners/ franchises/ sub DSAs added during the year	10	23	11
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% of total revenue earned from sub-DSA (C/A%)	79%	84%	89%
Commission paid to Sub-DSA (D)	4803.08	3973.81	2179.97
% of revenue shared with sub-DSA on the revenue earned from sub-DSA (D/C%)	85%	88%	86%

In the FY 2021-22, 88% of the total loan disbursed by the company was through franchise and sub-DSA, thus resulting in the commission to be paid by the company. In FY 2022-23, 80% of the total loan disbursed by the company was through sub-DSA, hence, the commission paid to the DSA was less in FY 22-23 as compared to FY 21-22. In FY 2022-23, revenue from self was Rs. 843.77 Lakhs compared to Rs. 299.14 Lakhs in FY 2021-22, with no commission paid. Thus, the incremental revenue from self amounted to Rs. 544.63 Lakhs, resulting in a saving of approximately 88% in commission expenses. This reduction in expenses contributed to an increase in net profit and PAT for FY 2022-23. This in effect resulted in the increase in PAT margins of the company in FY 23.

In FY 2023-24, 77% of the total loan disbursed by the company was through franchise and sub-DSA and thus resulting in further decrease in commission expenses of the company in comparison to the revenue. In FY 2023-24, revenue from self was Rs. 1,483.03 Lakhs compared to Rs. 843.77 Lakhs in FY 2022-23, with no commission paid. Thus, the incremental revenue from self amounted to Rs. 639.26 Lakhs, resulting in a saving of approximately 85% in commission expenses. This reduction in expenses contributed to an increase in net profit and PAT for FY 2023-24. This has resulted in the increase of PAT margins of the company in FY 24.

SECTION VII: GOVERNMENT AND OTHER STATUTORY APPROVALS

IX. Licenses/ Approvals which are applied by Company and are pending for approval:

3. We are in the process of obtaining required licenses from IRDA and has made an application for registration as Corporate Agency on portal linked to IRDA.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Vaibhav Kulshrestha Chairman & Managing Director DIN: 06979149	Sd/-

Date: August 17, 2024

Place: New Delhi

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Abhisek Dhal Whole Time Director DIN: 08909761	Sd/-

Date: August 17, 2024

Place: New Delhi

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Ganesh Kumar Mishra Non-Executive Director DIN: 06593768	Sd/-

Date: August 17, 2024

Place: New Delhi

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Sudhir Kumar Jain Independent Director DIN: 10626387	Sd/-

Date: August 17, 2024

Place: New Delhi

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Sarita Independent Director DIN: 10626409	Sd/-

Date: August 17, 2024

Place: New Delhi

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name and Designation	Signature
Vidit Jindal Chief Financial Officer PAN: ALJPJ3215E	Sd/-

Date: August 17, 2024

Place: New Delhi

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Name and Designation	Signature
Piyushi Jindal Company Secretary & Compliance officer M. No.: A37242	Sd/-

Date: August 17, 2024

Place: New Delhi