



Annexure I

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RNFI SERVICES LIMITED

Corporate Identity Number U74140DL2015PLC286390

Our Company was originally incorporated as 'RNFI Services Private Limited', a private limited company under Companies Act, 2013, pursuant to a certificate of incorporation dated October 13, 2015 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an Extra-ordinary General Meeting held on November 22, 2023 and a fresh certificate of incorporation dated December 28, 2023 was issued by the Registrar of Companies, Delhi consequent upon conversion, recording the change in name of our Company from 'RNFI Services Private Limited' to 'RNFI Services Limited'. For details of change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 163 of the draft red herring prospectus dated March 27, 2024 (the "*Draft Red Herring Prospectus*").

Registered Office: UG-5, Relipay House, Plot No. 42, DLF Industrial Area Kirti Nagar, West Delhi, New Delhi, Delhi, India, 110 015

Contact Person: Kush Mishra, Company Secretary and Compliance Officer; Tel: +91 844 898 5100

E-mail: cs@rnfiservices.com Website: www.rnfiservices.com

Corporate Identity Number: U74140DL2015PLC286390

OUR PROMOTERS: RANVEER KHYALIYA, NITESH KUMAR SHARMA, DEEPANKAR AGGARWAL, RAJAN KUMAR, KRISHNA KUMAR DAGA, CHARANJEET SINGH AND SIMRAN SINGH PRIVATE TRUST

INITIAL PUBLIC OFFER OF UP TO 67,44,000[^] EQUITY SHARES OF FACE VALUE ₹10 EACH (THE "EQUITY SHARES") OF RNFI SERVICES LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING SECURITIES PREMIUM OF ₹[•] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹[•] LAKHS (THE "ISSUE") OF WHICH [•] EQUITY SHARES AGGREGATING TO ₹[•] LAKHS (CONSTITUTING UP TO [•]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•] % AND [•] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN [•] EDITION OF [•] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [•] EDITION OF [•] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND, HINDI BEING THE REGIONAL LANGUAGE OF DELHI WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED MARCH 27, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

This addendum ("Addendum") should be read in conjunction with the Draft Red Herring Prospectus dated March 27, 2024 filed with the Emerge platform of NSE Limited in relation to the Initial Public Issue of RNFI Services Limited.

In this regard, the Investor should note that certain updates and modifications has been made in various chapters of the Draft Red Herring Prospectus as per the instruction of the NSE and such updates and modifications are being presented to the Investors for their information and reference by way of this Addendum to the Draft Red Herring Prospectus:

This Addendum is to be read in conjunction with the Draft Red Herring Prospectus and accordingly all 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 and the Prospectus, as and when filed with NSE Limited and RoC. Please note that this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus. Potential Bidders should read the Red Herring Prospectus as and when filed with the RoC, and the NSE before making an investment decision in the Issue.

All capitalized terms used in this Addendum shall unless the context otherwise requires, have the same meanings as ascribed in the Draft Red Herring Prospectus.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

For and on behalf of RNFI Services Limited



Sd/-

Ranveer Khyaliya

Chairman and Managing Director

Place: New Delhi

Date: June 28, 2024

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE	
<div><p>Choice The Joy of Earning</p></div>		<div><p>Skyline Financial Services Pvt.Ltd.</p></div>	
<p>Choice Capital Advisors Private Limited Sunil Pataodia Tower, Plot No.156-158 J.B. Nagar, Andheri (East), Mumbai - 400 099, Maharashtra, India Telephone: +91 22 6707 9999 / 7919 E-mail: esl.ipo@choiceindia.com Website: www.choiceindia.com/merchant-investment-banking Investor Grievance E-mail: regulator_advisors@choiceindia.com Contact Person: Nimisha Joshi / Anuj Killa SEBI Registration No.: INM000011872</p>		<p>Skyline Financial Services Private Limited New Delhi – 110 020, India Telephone: +91 11 40450193-97 E-mail: ipo@skylinerta.com Investor grievance email: grievances@skylinerta.com Website: www.skylinerta.com Contact Person: Anuj Rana SEBI Registration No: INR000003241</p>	
ISSUE PROGRAMME			
ANCHOR INVESTOR BID/ ISSUE PERIOD		● *	
ISSUE OPENS ON		●	
ISSUE CLOSES ON		● **	

[^]Subject to finalization of Basis of Allotment

^{*}Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.

^{**}Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1 (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

TABLE OF CONTENTS

SECTION I – GENERAL	1
DEFINITIONS AND ABBREVIATIONS	1
SUMMARY OF THE OFFER DOCUMENT	2
SECTION II – RISK FACTOR.....	3
OBJECTS OF THE ISSUE.....	4
SECTION – IV ABOUT OUR COMPANY	9
OUR BUSINESS	9
HISTORY AND CERTAIN CORPORATE MATTERS.....	17
OUR MANAGEMENT	18
OUR PROMOTERS AND PROMOTER GROUP	19
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION	26
SECTION VI – LEGAL AND OTHER INFORMATION	29
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	29

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Term	Description
Promoters	The promoters of our Company, being Ranveer Khyaliya, Nitesh Kumar Sharma, Deepankar Aggarwal, Rajan Kumar, Krishna Kumar Daga, Charanjeet Singh and Simran Singh Private Trust as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 189.

Issue Related Terms

Term	Description
“Addendum”	This Addendum dated June 28, 2024 to the Draft Red Herring Prospectus dated March 27, 2024 filed by our Company with NSE

SUMMARY OF THE OFFER DOCUMENT

Names of our Promoters

As on the date of this Draft Red Herring Prospectus, Ranveer Khyaliya, Nitesh Kumar Sharma, Deepankar Aggarwal, Rajan Kumar, Krishna Kumar Daga, Charanjeet Singh and Simran Singh Private Trust are the Promoters of our Company. For further details, see “***Our Promoter and Promoter Group***” beginning on page 189.

SECTION II – RISK FACTOR

19. We depend on our suppliers for the supply of our services and such suppliers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition

Our top (10) ten suppliers are responsible for a significant portion of supply of services, contributing approximately Rs. 38,101.65 lakhs, Rs. 76,297.48 lakhs, Rs. 2,964.23 lakhs and Rs. 2,981.83 lakhs which constitute 93.98%, 90.77%, 87.13%, and 98.28% of total purchase of traded goods for the six months period ended September 30, 2023 and for the Fiscal 2023, 2022 and 2021 respectively. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of services from our suppliers. Non-availability or inadequate supplies by our suppliers, could have a material adverse effect on our business, profitability and overall operations of our Company.

OBJECTS OF THE ISSUE

Means of Finance

The fund requirements for all objects are proposed to be funded entirely out of the Net Proceeds and our internal accruals.

Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and through existing identifiable internal accruals as required under Regulation 230(1)(e) the SEBI ICDR Regulations.

Funding the working capital requirements of our Company

Over the years, we believe that we have pioneered in providing modern financial technology solutions in the B2B and B2B2C financial technology arena through an integrated business model via online portal and digital application.

In FY21 the Company's current assets were fully funded by its current liabilities. In fact, its current liabilities were more than its current assets by Rs. 953.06 lakhs making its working capital negative. This is because in FY 21, the Company invested its amount of cash accruals in property, plant and equipment and capital work in progress. The Company also created a non-current fixed deposit out of the cash available which led to decline in current assets keeping its current liabilities intact. This led to negative working capital in FY 21.

Justification for increase in Working Capital in Financial Year 2022 as compared to Financial Year 2021

The Company's working capital was Rs. 232.60 lakhs in FY22 as compared to negative working capital of Rs. 953.06 lakhs in FY21. In FY22, the company had extended additional short-term loans and advances amounting to Rs. 975.87 to its subsidiaries and group entities for their business activities. These advances have been disclosed under Short Term Loans and Advances. Also, the company had experienced revenue growth of 13.29% i.e. standalone revenue from operations (comprising of business correspondent and non-business correspondent services) increased from Rs. 13,396.67 lakhs in financial year 2021 to Rs. 15,177.06 lakhs in financial year 2022 which led to an increase in working capital requirement for the company.

Justification for increase in Working Capital in Financial Year 2023 as compared to Financial Year 2022

The Company's working capital has increased from ₹ 232.60 lakhs in FY 2022 to ₹ 979.23 lakhs in FY 2023. This was again mainly on account of increase in short term advances amounting to Rs. 1,732.88 lakhs to its subsidiaries and group entities for their business operations. These advances have been disclosed under Short Term Loans and Advances.

It should be noted that the total current assets reduced by ₹ 895.06 lakhs from ₹8,346.90 lakhs to ₹ 7,451.84 lakhs. However, the total current liabilities reduced by ₹ 1,641.69 lakhs. Hence, the Company used its internal accruals to manage its working capital by repaying its liabilities and maintaining smoothness in the business operations.

Justification for increase in Working Capital during the period ended 30 September, 2023

For the stub period ended September 30, 2023, we see an increase of ₹ 188.05 lakhs in working capital. This is primarily due to increase in trade receivables holding level during the period ended September 30, 2023 as compared to Financial Year 2023. The same is due to growth in the delinquent loan collection business, which has a high credit period of 80-100 days.

Banks and financial institutions with whom the company is having tie ups for delinquent loan collection send data to the company pertaining to details from whom loan is to be collected at the beginning of the month. Thereafter, at the month end the company raises the bills for the amount of loan collected during the month on the banks and financial institutions. Banks and financial institutions takes 40 to 50 days depending upon the quantum of data to reconcile the same and then clear the bills raised by the Company. This typically becomes a credit cycle of 80 to 100 days.

Further, the other current assets increased significantly due to temporary increase in advances to suppliers and higher outstanding balance with channel partners due to growth in number of transactions.

(Justification for the stub period will be modified in the RHP according to the updated Restated Financial Statements)

Justification for increase in estimated working capital requirement for FY 2024 compared to FY 2023.

The Company has estimated its working capital requirements for FY 2024 at ₹ 1,567.81 lakhs as compared to ₹ 979.23 lakhs in FY 2023. The increase of Rs. 588.58 lakhs is due to the following factors:

- (a) This is primarily due to increase in trade receivables from Rs. 980.91 lakhs in Financial Year 2023 to Rs. 1,319.40 lakhs in Financial Year 2024.

Banks and financial institutions with whom the company is having tie ups for delinquent loan collection send data to the company pertaining to details from whom loan is to be collected at the beginning of the month. Thereafter, at the month end the company raises the bills for the amount of loan collected during the month on the banks and financial institutions. Banks and financial institutions takes 40 to 50 days depending upon the quantum of data to reconcile the same and then clear the bills raised by the Company. This typically becomes a credit cycle of 80 to 100 days. Since the Company expects the delinquent loan collection business to grow in future through expansion of business in new regions with existing customers and on-boarding of new customers, the Company will require working capital to fund maintenance of higher trade receivables.

- (b) The Company also expects the other current assets which mainly consist of advance to suppliers and balance with channel partners to increase, in line with the increase already reflected during the period ended September 30, 2023.
- (c) The Company also expects to reduce the gap between cash and bank balances and portal balance of merchants from Financial Year 2024 onwards.

Justification for increase in estimated working capital requirement for FY 2025 compared to FY 2024.

The Company has estimated its working capital requirements for FY 2025 at Rs. 4,168.09 lakhs as compared to Rs. 1,567.81 lakhs in FY 2024. This increase in working capital requirement of Rs. 2,600.28 lakhs is due to below mentioned reasons.

- (a) The Company expects its business in delinquent loan collection services to expand, leading to higher working capital requirement in the form of trade receivables as it has relatively higher credit period of 80-100 days. Due to expected growth in revenue, the Company estimates trade receivables to increase by Rs. 915.36 lakhs from Rs. 1,319.40 lakhs in Financial Year 2024 to Rs. 2,234.76 lakhs in Financial Year 2025.
- (b) The Company has entered into business advance agreements with various network partners for specified limits under their respective agreements. For Financial Year 2025, the Company has estimated increase in other current assets by Rs. 1,921.41 lakhs from Rs. 2,442.13 lakhs in Financial Year 2024 to Rs. 4,363.54 lakhs in Financial Year 2025. This includes an additional amount for funding business advances to merchants amounting to Rs. 1,000 lakhs to help them render various services including financial or non-financial, business correspondent or non-business correspondent services. The Company also estimates an increase in balance with channel partners by Rs. 500.00 lakhs to fund the expected growth in volume of transactions from merchants. The balance increase in other current assets is due to increase in current tax assets and receivable from merchants in line with estimated increase in revenue.
- (c) The Company expects its business to grow rapidly from FY2025 onwards through deployment of Micro ATMs and expansion of network partners' network due to which it foresees increased requirement of working capital.
- (d) In order to carry out various business services, the network partners are required to maintain deposits with us to pre-fund their e-ledgers accounts. This is reflected under portal balance of network partners under the head current liability in our books of accounts. This amount is repayable on demand. The Company, going forward, is planning to maintain equivalent cash and cash equivalents against the outstanding portal balance to meet

any unforeseen demand of the network partners. To facilitate this, the Company will require increased working capital in the form of cash and bank balances.

We propose to utilise Rs. 2,500.00 lakhs from the Net Proceeds of the Issue towards our increased working capital requirement of Rs. 2,600.28 lakhs. The balance will be funded from internal accruals.

Justification for Holding Period levels

The justifications for the holding levels mentioned in the table above are provided below:

Inventories	Inventories primarily include Micro ATMs sold to network partners that help them to render cash withdrawal services. Our Company had maintained inventory days at 5 days in Financial Year 2021 and 2022 and had reduced to 3 days in Financial Year 2023 and 2 days during the period ended September 30, 2023. Recently, our Company has adopted the strategy of leasing the Micro ATMs to network partners instead of selling them for their end use. This will help our Company to attract new network partners and thus the inventory days is estimated to reduce to 1 day in Financial Year 2024 and further to 0 day in Financial Year 2025.
Trade receivables	<p>Our Company's trade receivable days was 13 days in Financial Year 2021. There was an increase in trade receivable days from 13 days to 21 days in Financial Year 2022 due to increase in standalone revenue from operations. In Financial Year 2023 trade receivable days increased slightly to 24 days due to decline in revenue from operations while the value of trade receivables increased marginally as compared to Financial Year 2022. Further, our Company witnessed a substantial increase in trade receivables holding level from 24 days in Financial Year 2023 to 38 days in the period ended September 30, 2023. This is due to the growth in the delinquent loan collection business, which has a high credit period of 80-100 days.</p> <p>Banks and financial institutions with whom the company is having tie ups for delinquent loan collection send data to the company pertaining to details from whom loan is to be collected at the beginning of the month. Thereafter, at the month end the company raises the bills for the amount of loan collected during the month on the banks and financial institutions. Banks and financial institutions takes 40 to 50 days depending upon the quantum of data to reconcile the same and then clear the bills raised by the Company. This typically becomes a credit cycle of 80 to 100 days.</p> <p>However, in Financial Year 2024, the Company estimates a slight decrease in trade receivable days to 32 days due to efficiency in collection process. Furthermore, Company expects the delinquent loan collection business to grow in future through expansion of business in new regions with existing customers and on-boarding of new customers. Due to expected growth in revenue, the Company estimates to maintain trade receivables holding level at 31 days in Financial Year 2025.</p>
Other Current Assets	<p>Other Current Assets majorly comprise of balance with channel partners, advance to suppliers and current tax assets. Balance with channel partners represents balance maintained by our Company in the account of channel partners to facilitate the merchants to execute various business services such as bill payments, IRCTC bookings, mobile recharges etc .</p> <p>For the Financial Year 2021, our Company's other current assets holding level was 24 days. In Financial Year 2022, its holding level increased to</p>

	<p>36 days as our Company's current tax assets increased significantly. For the Financial Year 2023, our Company was able to reduce its other current assets holding level to 33 days due to decrease in current tax assets. In the period ended September 30, 2023, the holding period level of other current assets increased significantly to 59 days due to temporary increase in advances to suppliers and higher outstanding balance with channel partners due to growth in number of transactions. Our Company estimates the holding period to decrease to 52 days for Financial Year 2024 due to expectation of reduction in advance to suppliers as compared to period ended September 30, 2023.</p>
	<p>For Financial Year 2025, our Company has estimated higher other current assets which includes an additional amount for funding business advances to merchants to help them render various services including financial or non-financial, business correspondent or non-business correspondent services. Our Company also estimates to increase its balance with channel partners to fund the expected growth in volume of transactions from merchants. The above factors are expected to increase standalone revenue from operations which will lead to decrease in holding level to 58 days in Financial Year 2025 in comparison to period ended September 30, 2023.</p>
Trade Payables	<p>Our Company's trade payables holding level was at 4 days in Financial Year 2021. For Financial Year 2022 there was a marginal increase to 6 days, which again reduced to 3 days in Financial Year 2023. In the period ended September 30, 2023 the holding level was 2 days and is estimated to be maintained at same level of 2 days for Financial Year 2024. In Financial Year 2025, the Company is estimating trade payables holding level at 3 days.</p>
Portal balance of Merchants	<p>Portal balance of merchants consists primarily of the deposits made by merchants in our Company's bank accounts which are reflected in the respective merchant's e-ledger. The merchant then uses this e-ledger to perform transactions through our Company's portal. The e-ledger balance can be utilized by the merchants anytime for executing any transaction through our Company's portal. This balance can be withdrawn by the merchants at any point of time. Hence, our Company is liable to repay on demand.</p> <p>In Financial Year 2021 holding level of portal balance of merchants was at 120 days which further increased to 134 days in Financial Year 2022 due to increase in average portal balance of merchants with our Company. The holding level in Financial Year 2023 reduced to 117 days due to decline in balance which further reduced in period ended September 30, 2023 bringing down the holding level to 101 days.</p> <p>Our Company estimates that the portal balance of merchants shall be reduced from ₹ 3,313.72 lakhs as on September 30, 2023 to ₹ 2,935.76 lakhs as on March 31, 2024 and increase to ₹ 3,235.76 lakhs as on March 31, 2025. Due to expected increase in standalone revenue from operations in Financial Year 2024 and Financial Year 2025 the holding levels are estimated to reduce to 96 days and 53 days respectively. It is to be noted that we need to maintain equivalent liquid assets and cash and cash equivalent against outstanding portal balance of merchants and therefore any increase or decrease in portal balance of merchants is working capital neutral.</p>
Other Current Liabilities	<p>Other Current Liabilities mainly include payable for expenses, statutory dues payable, payable to channel partners, advance from customers and short term provisions. Amount payable to channel partners represents amount collected by Company from merchants towards EMI collection business but the same is outstanding to be paid to channel partners as at</p>

year/period end.

In Financial Year 2021 other current liabilities holding level was at 36 days. In Financial Year 2022, the Company's other current liabilities holding level increased to 50 days due to liability payable to channel partner. In Financial Year 2023 due to increase in other current liabilities and declining revenue the holding level further increased to 64 days. For the period ended September 30, 2023, increase in short term provisions and advance from customers shoot up the holding level to 74 days. Further, the Company estimates same holding level for Financial Year 2024 at 72 days and for Financial Year 2025 the Company estimates an increase in value of other current liabilities but estimates the holding level to reduce to 52 days due to expected growth in revenue.

FUNDING CAPITAL EXPENDITURE REQUIREMENTS FOR THE PURCHASE OF MICRO ATMS/LAPTOPS/SERVER

The equipment intended to be purchased is not second hand equipment.

4. RNFI Web and Mobile App Enhancement - We will be enhancing the RNFI Web and Mobile App Platform, featuring modern technologies for improved performance, security, and scalability.

4. ACHIEVING INORGANIC GROWTH THROUGH UNIDENTIFIED ACQUISITIONS AND OTHER STRATEGIC INITIATIVES

We intend to carry strategic acquisition domestically.

We confirm that the said object is being carried out in compliance with regulation 230(3) of SEBI (ICDR) as amended.

SECTION – IV ABOUT OUR COMPANY

OUR BUSINESS

Business Overview

We are a tech enabled platform offering financial technology solutions in B2B and B2B2C financial technology arena through an integrated business model via our online portal and mobile application, focusing on providing banking, digital and Government to Citizen (“G2C”) services on PAN India basis.

We believe that we have established an end-to-end network, comprising of front-end distribution network and back-end technology, through implementing of “phygital” strategy (*i.e. integration of physical and digital functionalities*).

We believe that our network size, front-end distribution channels with back-end technology functions, across the payments and remittance solutions, utility payment services and travel services, provide us with a competitive edge.

Our Competitive Strength

Holistic Business Model: All-in-one solution for B2B and B2B2C and wide-ranging product and service portfolio:

We are a tech enabled platform offering financial technology solutions through our online portal and mobile application, offering diverse services including transactional BC business, utilities and travel, EMI collection services, delinquent loan collection services and doorstep services of e-KYC.

Our wide-ranging product and service portfolio, coupled with a growing customer base, mitigates reliance on any one product or service in an event of sector-specific downturns, regional economic fluctuations, political disruptions, etc.

A technology focused business model with an advanced digital platform:

These investments encompassed enhancements to our core technology platform and the development of proprietary applications. This strategic investment is geared towards delivering an user experience for our customers and enabling our network partners to conduct transactions seamlessly.

With our internal technology proficiency and a culture of innovation driven by practical application, we offer value proposition to all stakeholders. Presently, our capabilities encompass automated reporting processes at the backend, SAS dashboards for in-depth analytics and demand projection, fraud risk management system for instant detection, as well as an equipped security infrastructure and a network of servers. Our technology-centric approach grants us full control and ownership of our systems and applications. This empowers us to swiftly adapt, innovate, and introduce new product features to the market. Our oversight of technology functions and applications ensures seamless end-to-end visibility and control, resulting in consistent availability of our core platform.

Asset light and scalable business model

Along with this, central to our strategy is our technology platform and consistent investments for enhancements, enabling efficient service to a diverse network partners base with varied needs.

Diverse Distribution Network spread across PAN India

Our Business Strategies

Accelerating growth and increasing our diversity using Micro ATM as a catalyst

These compact devices play a crucial role in extending financial services to the farthest corners of the nation, effectively bridging the urban-rural divide.

Optimize Growth across Business Segments through Integrated Model and Cross-Selling Strategies

While we already hold market positions across our primary business segments, the dynamic demand for digital products and services in India presents significant growth opportunities. We are committed to continuously enhancing customer engagement and retention on our platform by offering tailored products.

Strengthen our network capabilities

Our proven track record and experience in delivering technology-centric integrated services across various sectors have endowed us with insights into the diverse needs of our broad customer base across different regions. We are committed to amplifying our reach across India by strategically expanding our geographic footprint and bolstering our network capabilities. This expansion is crucial for us to enhance our ability to cater to our customers effectively and bolster our customer acquisition potential. To achieve this strategic expansion, we recognize the need to fortify our existing network, ensuring optimal customer satisfaction within our current operational regions. Simultaneously, we intend to establish new networks across key states, aligning with our commitment to maintaining quality standards of customer service and ensuring sustainable profitability.

Business Segment

We are a technology-focused company of professionals, each dedicated to driving innovation and excellence in the digital realm. Their hallmark lies in providing seamlessly intuitive technology solutions, meticulously tailored to meet the unique needs of our network partners. With an arsenal of technologies at our disposal, we ensure that our products and services are not only technologically advanced but also remarkably user-friendly. The incorporation of round-the-clock chatbot support and a dedicated network partner contact centre further elevates our commitment to quality customer service to harness the full potential of our digital offerings. Security is paramount to us, evidenced by servers and encryption protocols, ensuring the safeguarding of sensitive data in an ever-evolving digital landscape.

Web Platform

Name - <https://partner.rnfi.in/>

Nature - This is a website accessible via web browsers such as Google Chrome, Microsoft edge.

Function – This platform offers banking services such as AePS, DMT, Micro ATM and non-banking services such as Utility & Bill payments, flight booking, Pan Card Creation etc. to its network partners who facilitate their walk-in customers for above mentioned services.

End Users – End users comprises of all the network partners which include Retailers, Distributors, Partners and Super Distributors.

Application Platform

Name – Relipay and Relipay Partner

Nature – These are two smartphone applications available for download on Google Play store on Android platform

Function

Relipay App - This application offers banking services such as AePS, DMT, Micro ATM and non-banking services such as Utility & Bill payments, Pan Card Creation etc. to its retailers who facilitate their walk-in customers for above mentioned services.

Relipay Partner App – This application enables our Super Distributors, Partners & Distributors to manage their multiple requirements such as Detailed dashboard, reports and transaction reconciliation services along with network partner on-boarding services

End Users

Relipay App – End users comprises of our retailers

Relipay Partner App – End users comprises of our Super distributors, Partners & Distributors

A. Business correspondent services

Domestic Money Transfer (DMT)

We have committed to embark our extensive presence and serve the underserved by creating multiple touchpoints nationwide to cater to their banking needs.

Kiosk Banking/Traditional BC Business

Details of services offered under our Kiosk Banking services.

(in ₹ lakhs, unless otherwise stated)

Particulars	FY 2022-23	For Period ended October 2023
Cash Withdrawal (Pension/Govt. Subsidy disbursement data included)	60,724.06	51,605.50
Cash Deposit	9,298.33	7,796.31
Opening & Renewal of RD & FD Account (in numbers)	185	375
Recovery in small Loan /NPA accounts through certified Bank Mitras	2,916.58	901.49
Govt. Insurance schemes (in numbers)	43,668	42,631
Pension schemes (in numbers)	25,390	24,160
Micro Finance to SHG/Individuals	31,439.88	3,988.48
Activity of Aadhaar Seeding and Authentication on PMJDY or other accounts (in numbers)	6,720	5,496
Account Opening (in numbers)	97,649	80,413

Source: Consolidated MIS data from 1 public sector bank

State wise

State/Union Territory	As on March 31, 2024	State/Union Territory	As on March 31, 2024
Andhra Pradesh	20	Karnataka	67
Arunachal Pradesh	1	Kerala	41
Assam	85	Madhya Pradesh	43
Bihar	146	Maharashtra	648
Chandigarh	12	Manipur	2
Chhattisgarh	5	Odisha	83
Dadra And Nagar Haveli	1	Punjab	64
Daman & Diu	1	Rajasthan	128
Delhi	71	Tamil Nadu	81
Gujarat	103	Telangana	9
Haryana	193	Tripura	4
Himachal Pradesh	4	Uttar Pradesh	261
Jammu & Kashmir	8	Uttarakhand	7
Jharkhand	129	West Bengal	261
Grand Total		2478	

Mobile & DTH Recharges

We offer our network partners the opportunity to serve these walk-in customers by performing their mobile & DTH recharges and generate additional earning on every recharge.

Bharat Bill Payments System (BBPS)

By leveraging the bill payments services offered through our web and mobile app platform to the network partner, our network partners earn a commission for each transaction, creating an additional source of income for them.

Flight Booking

Our portal, equipped with secure payment options, empowers network partners to seamlessly make flight bookings worldwide. Through our platform, users can effortlessly search, book, and even cancel their tickets with immediate confirmation.

Digital Collection

Digital collections refer to the use of equipped technologies and online platforms to facilitate EMI reminders, alerts of outstanding debts and recovery of outstanding debts from delinquent borrowers.

Sale & Subscription of Products & Services

By offering products and services, we not only meet the needs and demands of our network partners but also establish vital connections and relationships. Sales bring in immediate revenue, while subscriptions provide a recurring source of income.

RNFI provides an extensive array of services through its network partners and to render these services multiple products are being used, for instance, Biometric Fingerprint Scanner are being used to carry out Aadhaar authentication during Aadhaar based Cash Withdrawal.

Below mentioned is the list of complimentary and paid products and services.

Complimentary Services: AePS, DMT, recharges, utility & bill Payments, fastag recharges, flight booking etc.

Paid Services: Pan card generation, premium commission plans, lead generation, kiosk banking services, IRCTC digital login

Paid Products: IRCTC physical login, Micro ATMs, Bluetooth printers, biometric fingerprint scanners, iris scanners etc.

The paid offerings are divided into two main categories namely One Time paid offerings and Subscription based paid offerings.

One Time paid offerings: Some of the above paid mentioned products and services are available to the network partner for lifetime by paying upfront. e.g. Pan Card generation under paid services & IRCTC physical login under paid products.

Subscription based paid offerings: A subscription business model is a recurring revenue model in which network partner pay on a daily, weekly, monthly, half or yearly fee in exchange for products or services. Network Partner can renew their subscription after a certain period of time. Network partner have the convenience of automatically repurchasing a product or service that he needs. e.g. premium commission plans under paid services & Micro ATMs under paid products.

Bifurcation of our revenue from operations under our business correspondent and non-business correspondent segments

Table set forth below represents bifurcation of our revenue from operations under our business correspondent and non-business correspondent segments:

(Rs in lakhs)

Particulars	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Business correspondent segment				
DMT	4,931.05	10,484.47	6,058.89	3,651.29
AEPS	2,339.70	4,900.08	4,130.38	3,650.90
M-ATM	249.98	660.29	851.73	679.92
Kiosk Banking	395.78	816.23	422.61	124.38
Doorstep Services	55.32	152.90	2.98	0.01
Total Business correspondent segment	7,971.83	17,013.97	11,466.58	8,106.50
Non-Business correspondent segment				
Utilities and Travel	2,327.55	8,975.72	4,074.66	2,645.19
EMI Collection	1,116.90	1,343.51	1,061.71	703.93
Delinquent Loan collection	1,265.40	1,118.90	166.94	-
Sale & Subscription of Products & Services	828.20	1,995.74	1,587.97	1,944.80
Total Non-Business correspondent segment	5,538.05	13,433.88	6,891.29	5,293.92
FFMC	38,967.34	76,188.46	467.39	0.22
Insurance Broking	241.17	23.06	-	-
Total	52,718.39	1,06,659.37	18,825.26	13,400.64

(Data for the stub period will be modified in the RHP according to the updated Restated Financial Statements)

Bifurcation of our revenue from operations on the basis of each product and service provided by our Company

Table set forth below represents bifurcation of our revenue from operations on the basis of each product and service provided by our Company:

(Rs in lakhs)

Particulars	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products*				
Device Sale	37.19	337.69	396.99	969.47
PAN Token Sale	19.97	49.63	45.88	33.34
Recharge Sale	2,226.65	7,727.52	2,614.43	1,924.82
Foreign Exchange Sold	38,908.60	76,174.64	466.30	0.22
Total Sale of Products	41,192.41	84,289.48	3,523.60	2,927.85
Sale of Services				
Business correspondent services				
DMT	4,931.05	10,484.47	6,058.89	3,651.29
AEPS	2,339.70	4,900.08	4,130.38	3,650.90
M-ATM	249.98	660.29	851.73	679.92
Kiosk Banking	395.78	816.23	422.61	124.38
Doorstep Services	55.32	152.9	2.98	0.01

Particulars	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Business correspondent services	7,971.83	17,013.97	11,466.59	8,106.50
Non-Business correspondent services				
Utilities and Travel	100.90	1,248.20	1,460.23	720.37
EMI Collection	1,116.90	1,343.51	1,061.71	703.93
Delinquent Loan collection	1,265.40	1,118.90	166.94	-
Sale & Subscription of Products & Services	771.04	1,608.42	1,145.10	941.99
Total Non-Business correspondent services	3,254.24	5,319.03	3,833.98	2,366.29
Services Charges on FFMC	58.74	13.82	1.09	0.00
Insurance Broking	241.17	23.06	-	-
Total Sale of Services	11,525.98	22,369.88	15,301.66	10,472.79
Total	52,718.39	106,659.37	18,825.26	13,400.64

(Data for the stub period will be modified in the RHP according to the updated Restated Financial Statements)

*The following are the heads under “Sale of Product” and their detailed description:-

Device Sale

We are facilitating our network partners with the sale of multiple devices such as Micro ATM devices for performing cash withdrawal & balance enquiry transactions through (card+pin), Fingerprint & IRIS Biometric Devices for enabling AePS transactions for cash withdrawal, balance enquiry & mini statement and Bluetooth printers for printing the transaction receipts etc. Through the sale of these devices, we are generating an additional stream of revenue for us. These devices are used by our network partners in their daily business operations in which they are providing multiple services to their walk-in customers.

PAN Token Sale

At RNFI Services Limited, we are principal agent of IRCTC and we appoint multiple network partners for train ticket bookings for their walk-in customers. These agents are provided with a PAN Token provided by RNFI to register them with IRCTC for agent assisted train ticket booking. Along with this we have also tied up with UTI and providing pan card creation and updating services through our network partners. We purchase these tokens from UTI at discounted price and selling them to our network partners. We are garnering a portion of our revenue from the sale of these PAN tokens to our network partners.

Recharge Sale

We are enabling our network partners with recharge services wherein they can provide their walk-in customers with Mobile & DTH recharge services. For providing this service we have tied up with vendor and we are purchasing recharge from them and selling it to our network partners with some markup which parts a formidable part of our revenue and is considered under recharge sale.

Foreign Exchange Sold

We have a Material subsidiary named RNFI Money Private Limited authorised by RBI with a Unified FFMC licence to conduct foreign exchange business. In RNFI Money Private Limited we are providing foreign exchange

services to various individuals & Corporates from our multiple branches in PAN India. We procure foreign currency from Banks, AD2 Entities & FFMC's and in turn selling them to individuals & Corporates with some additional markup. Sale of foreign exchange is forming a substantial part of our revenue sale.

Marketing

Geographical bifurcation of number of front-end distribution network partners as on September 30, 2023

State/Union Territory	As on September 30, 2023	State/Union Territory	As on September 30, 2023
Andhra Pradesh	11,339	Madhya Pradesh	13,096
Arunachal Pradesh	210	Maharashtra	14,896
Assam	6,236	Manipur	1,271
Bihar	52,633	Meghalaya	136
Chandigarh	122	Mizoram	753
Chhattisgarh	3,916	Nagaland	136
Dadra And Nagar Haveli	135	Odisha	11,514
Daman And Diu	23	Puducherry	31
Delhi	4,754	Punjab	7,827
Goa	30	Rajasthan	8,124
Gujarat	5,180	Sikkim	22
Haryana	6,840	Tamil Nadu	7,511
Himachal Pradesh	340	Telangana	2,621
Jammu And Kashmir	175	Tripura	2,820
Jharkhand	12,404	Uttar Pradesh	36,041
Karnataka	7,442	Uttarakhand	950
Kerala	1,383	West Bengal	30,815
Grand Total			251,726

Property

Sl. No	Co. Name	Registered Office/Branch	Owned/Leased	Name of the lessor/seller	Term of Lease/Date of Purchase	Address
1	RNFI Services Limited	Registered Office	Owned	Neeru Sehgal, Sachiv S Sahni, Bina Sahni	October 1, 2020 and December 3, 2020	UG-5, Relipay House, Plot No. 42 DLF Industrial Area, Kirti Nagar, New Delhi, West Delhi, DL 110015, India
2	RNFI Money Pvt Ltd	Ahmedabad Branch	Leased	Chandrikaben Manoj Kumar Thakker, Manjulaben Prakash Kumar Thakker and Kantaben Manharlal Thakker	Up to August 29, 2024	2nd Floor, Office No. 6, Kalapurnam Complex, Nr Muni Market, Cg Road, Navrangpura, Ahmedabad, Gujarat, 380009
3	RNFI Money Pvt Ltd	Bangalore Branch	Leased	R.G. Sali	Up to March 31, 2027	554, First Floor, F Block Sahakarnagar, Bengaluru Karnataka -560092
4	RNFI	Dehradun	Leased	Mohinder	Up to	Shop No. 28A, Meedo Plaza,

Sl . No	Co. Name	Registered Office/ Branch	Owned/ Leased	Name of the lessor/seller	Term of Lease/Date of Purchase	Address
	Money Pvt Ltd	Branch		Singh Rajput	November 30, 2025	Second Floor, Rajpur Road, Dehradun Uttarakhand – 248001
5	RNFI Money Pvt Ltd	Delhi Branch	Leased	RNFI Services Limited	Up to September 30, 2027	Ug-2 , Relipay House , Plot No. 42, Dlf Industrial Area, Kirti Nagar New Delhi- 110015
6	RNFI Money Pvt Ltd	Gurgaon Branch	Leased	Saket Sharma	Up to October 31, 2025	E-16, Sushant Shopping Arcade, Sushant Lok 1 ,Gurgaon, Haryana -122002
7	RNFI Money Pvt Ltd	Jalandhar Branch	Leased	Gagan Mahindru and Subhash Chander	Up to December 31, 2027	Plot No. 59, Urban Estate Phase 1, Urban Estate, Jalandhar, Punjab, 144022
8	RNFI Money Pvt Ltd	Kolkata Branch	Leased	Vidcom Business Solution Pvt Ltd	Up to March 31, 2025	7th Floor, Office No. 702, Shantiniketan Building 8, Camac Street, Camac Street Area, Kolkata, West Bengal, 700017
9	RNFI Money Pvt Ltd	Lucknow Branch	Leased	Anita Rastogi	Up to October 31, 2025	F-2C And F-2D, 2nd Floor A.F. Tower Park Road Lucknow Uttar Pradesh 226001
10	RNFI Money Pvt Ltd	Andheri Branch	Leased	Vidcom Business Solution Pvt Ltd	Up to February 28, 2025	B-605, Mittal Commercial, Hasan Pada Road, Near Marol Naka Metro Station, Marol Andheri East, Mumbai-400059
11	RNFI Money Pvt Ltd	Noida Branch	Leased	Reliconnect LLP	Up to May 30, 2024	A-23 Upper Ground Floor Block A Sector 2 Noida Uttar Pradesh 201301
12	RNFI Money Pvt Ltd	Pune Branch	Leased	Shriwallabh Mahendra Aghor	Up to May 31, 2025	Branch Address - F- 35, 1St Floor Next To Bramha Suncity Vadgaonsgeri Pune Maharashtra 411014
13	RNFI Money Pvt Ltd	Surat Branch	Leased	Premilaben Sureshbhai Patel	Up to February 28, 2026	S/4 Rajhans Plaza Opp. Pizza Hut Ghoddod Road Surat Gujarat 395007
14	RNFI Money Pvt Ltd	Vashi Branch	Leased	Bala Krishna Laxman Mahale and Leela Bala Krishna Mahale	Up to January 10, 2026	Shop No. 16 Ground Floor Jai Jawan Co-Operative Housing Society Limited Plot No. 1 Sec 17 Vashi Navi Mumbai Thane Maharashtra 400703
15	RNFI Money Pvt Ltd	Delhi Branch	Leased	Neelam Tandon and Beenu Tandon	Up to March 31, 2028	Flat No. 1-C First Floor D.C.M. Building At 16 Barakhamba Road With Cps No. 18 On Lower Basement New Delhi Delhi 110001
16	Paysprint Pvt Ltd	Delhi Branch	Leased	RNFI Services Limited	Up to June 30, 2027	101, First Floor Plot No.42, Dlf Industrial Area, Kirti Nagar, West Delhi, Delhi, 110015

HISTORY AND CERTAIN CORPORATE MATTERS

Our Subsidiaries

1. RNFI Money Private Limited

The company is into the business of carrying foreign exchanges transaction services.

Launch of key products or services, entry into new geographies or exit from existing markets

Recently, we have adopted a strategy of extensive deployment of our key product i.e. Micro ATM which acts as a catalyst in extending financial services to the farthest corners of the nation. For details of our Company's strategies, see "*Our Business- Our Business Strategies*" on page 139.

OUR MANAGEMENT

Relationship amongst Key Managerial Personnel and Senior Management Personnel

None of our Directors are related to each other or to our Key Managerial Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Ranveer Khyaliya, Nitesh Kumar Sharma, Deepankar Aggarwal, Rajan Kumar, Krishna Kumar Daga, Charanjeet Singh and Simran Singh Private Trust are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Shareholder	Number of Equity Shares Held	% of Pre-Issue issued, subscribed and paid-up Equity Share capital*
1.	Ranveer Khyaliya	100	Negligible
2.	Nitesh Kumar Sharma	100	Negligible
3.	Deepankar Aggarwal	Nil	Nil
4.	Rajan Kumar	Nil	Nil
5.	Krishna Kumar Daga	Nil	Nil
6.	Charanjeet Singh	Nil	Nil
7.	Simran Singh Private Trust	1,63,02,519	89.53

*Rounded-off to the closest decimal

For details of the build-up of the Promoters' shareholding in our Company, see “*Capital Structure – Other details of shareholding of our Company*”, on page 78.

Details of our Individual Promoters



Ranveer Khyaliya

Ranveer Khyaliya born on January 13, 1991, aged 33 years, is the Chairman and Managing Director and Promoter of our Company. His permanent account number is DXXPK0315R.

For the complete profile of Ranveer Khyaliya, along with details of his residential address, educational qualifications, experience, positions/ posts held in the past and other directorships, other ventures, special achievements, business and other activities, see “*Our Management*” on page 189.



Nitesh Kumar Sharma

Nitesh Kumar Sharma born on September 13, 1990, aged 33 years, is the Promoter of our Company. His permanent account number is EGJPS2520E.

Address: J-154, First Floor, Rajouri Garden, Rajouri Market, West Delhi-110027, India

He has completed his Bachelor of Technology in Computer Science & Engineering from Maharshi Dayanand University, Rohtak. He possesses over eight (8) years of experience in the field of information technology and fintech products.

He is one of the initial subscribers of our Memorandum of Association. In past he has worked on various projects involving back-end web programming technologies.

He is actively involved in the affairs of the Company and oversees operation relating to information technology including but not limited to

software infrastructure development, engineering solutions, automating technical financial services process and solution. He has been actively involved in developing and implementing the Company's business strategy and overseeing its technical operations.



Deepankar Aggarwal

Deepankar Aggarwal born on March 24, 1982 aged 42 years, is the Promoter of our Company. His permanent account number is AHYP A0694F

For the complete profile of Deepankar Aggarwal, along with details of his residential address, educational qualifications, experience, positions/ posts held in the past and other directorships, other ventures, special achievements, business and other activities, see "*Our Management*" on page 189.

He is one of the Trustee of the Simran Singh Private Trust.



Rajan Kumar

Rajan Kumar born on August 18, 1983, aged 40 years, is the Promoter of our Company. His permanent account number is BSDPK9791E

Address: M 77, M Block, Prem Nagar, Uttam Nagar, West Delhi, 110059.

He has completed his Bachelors of Commerce from University of Delhi. He possesses over 6 years of experience in technical operations. In past he served our Company in the position of Manager – Technical Operation and Pivotal Flow Consultants LLP as Senior Manager – Technical Operation. Presently, he oversees the technical operations of the Company.

He is one of the Trustee of the Simran Singh Private Trust.



Krishna Kumar Daga

Krishna Kumar Daga born on July 07, 1984 aged 39 years, is the Promoter of our Company. His permanent account number is AHLPD8033G

Address: A/303, Shree Raj Crystal CHS Ltd, Eksar Road Opposite Daffodils Resturant, Royal Complex, Borivali West 400091.

He is a qualified Chartered Accountant and member of Institute of Chartered Accountants of India. He is also qualified Company Secretary. He has completed his Masters of Commerce from Mumbai University. He possesses over 10 years of experience in the field of finance and compliance. In past, he was associated with Signora Texport Private Limited as Finance Controller, Tech Mahindra Limited as Senior Executive International Taxation, Larsen & Toubro Limited as Executive Finance & Accounts. Presently, he is serving as AVP, Finance, Strategy and Operations in Youfirst Group.

He is one of the Trustee of the Simran Singh Private Trust.



Charanjeet Singh

Charanjeet Singh born on December 05, 1981 aged 42 years, is the Promoter of our Company. His permanent account number is BUDPS3839P

Address: WZ-102, Top Floor, Block-WZ, Mukharji Park, Tilak Nagar, West Delhi, 110018.

He has completed his Bachelors of Commerce from University of Delhi. He possesses over 7 years of experience in Customer Support. He is one of the designated partners in Rellicollect LLP and is holding position of Director in OSSR Tech Solutions Private Limited. Presently, he oversees customer support of the Company.

He is one of the Trustee of the Simran Singh Private Trust.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhaar card number and driving license number of our individual Promoters shall be submitted to the Stock Exchange at the time of filing of this Draft Red Herring Prospectus.

Other Promoter**Simran Singh Private Trust (“Promoter Trust”)**

- **Trust information:** Simran Singh Private Trust was formed pursuant to a trust deed dated December 11, 2023 (“**Trust Deed**”). The principal office of Simran Singh Private Trust is located at B 214, 2nd Floor, Derawal Nagar, New Delhi – 110 009, India.
- **Trustees of the Promoter Trust:** The Trustees of the Simran Singh Private Trust, as on the date of this Draft Red Herring Prospectus are Ranveer Khyaliya, Charanjeet Singh, Deepankar Aggarwal, Krishna Kumar Daga, and Rajan Kumar. The administration, management and direction of affairs of the Trust is conducted and is vested in Board of Trustees comprising of minimum five Trustees and maximum of seven Trustees.
- **Beneficiaries of the Promoter Trust:** The Beneficiaries of the Trust are Vikas Khyaliya, Ranveer Khyaliya, Nitesh Sharma, Sapna, Nitu Chawla, Vasdev Chawla, Gautam Chawla, Himanshu Chawla, Usha Chawla, Jatinder Kaur Amarbir Singh Bharara, Hargeet Kaur Bharara, Jasleen Kaur, Amrik Singh Bhalla and Satinder Kaur Bhalla.
- **Settlors of the Promoter Trust:** The Settlers of the Promoter Trust are Ranveer Khyaliya, Nitesh Kumar Sharma, Kapil Chawla, Jatinder Kaur Amarbir Singh Bharara and Amrik Singh Bhalla.
- **Objects of the Promoter Trust:** The primary objects of the Promoter Trust are:
 - a. To ensure effective succession planning mechanism and inter-generational transfer of Trust Fund and Income for Beneficiaries and their legal descendent.
 - b. To provide for any financial or non-financial needs of existing and future Beneficiaries of the Trust including travel, medical, education, marriage, maintenance, insurance, payment of insurance premium or any other requirement which according to the Trustee is essential to ensure welfare and benefit of the Beneficiaries, etc.
 - c. To undertake investment activities in movable and immovable assets.

The permanent account number of Simran Singh Private Trust is ABITS3765R.

Our Company confirms that the permanent account number and bank account number of Simran Singh Private Trust shall be submitted to the Stock Exchange at the time of filing of this Draft Red Herring Prospectus.

Changes in control of our Company

Simran Singh Private Trust, formed pursuant to trust deed dated December 11, 2023 holds 89.53% of the shareholding of the Company. Our erstwhile Promoters Ranveer Khyaliya and Nitesh Kumar Sharma together with Simran Singh Private Trust continue to be the Promoters of the Company.

Interest of our Promoters

Our Promoters are interested in our Company to the extent of: (i) having promoted our Company; (ii) their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives; (iii) their directorship in our Company; and (iv) of remuneration payable to them as Directors or employee of our Company.

Our Promoters are also directors on the boards, or shareholders, members or partners or related to persons in control of such entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities.

For further details, see “*Capital Structure*”, “*Our Management*”, “*Summary of the Issue Document - Related Party Transactions*” and “*Financial Statements*” beginning on pages 74, 175, 26 and 198 respectively.

Except as stated in “*Summary of the Issue Document - Related Party Transactions*” beginning on page 26 and disclosed in “*Our Management*” beginning on page 175, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce them to become or qualify them as a director or Promoters or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Except as stated below, our individual Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Name of Promoter	Company/Firm from which they have disassociated	Date
Ranveer Khyaliya	Microkred Technologies Private Limited	October 7, 2023
	Reliwellness LLP	November 17, 2023
	Ciphersquare Technologies LLP	October 1, 2022
	RNFI Money Private Limited	March 24, 2021
Krishna Kumar Daga	Ciphersquare Payment Solutions Private Limited	February 13, 2023
	RNFI Money Private Limited	November 19, 2021
Charanjeet Singh	Reliconnect LLLP	January 1, 2024
Deepankar Aggarwal	Reli Associates LLP	December 10, 2023

Note: Our Promoter Nitesh Kumar Sharma resigned from the Board of Directors of our Company due to personal reasons. However, he still continues to be a Promoter and Shareholder of our Company.

In past, our Promoter, Krishna Kumar Daga was director in RNFI Capital Private Limited, RELI Money Forex Private Limited, Proskill Ventures Private Limited and Youfirst Gifting Solutions Private Limited which were Voluntary Strike off under section 248(2) of the Companies Act 2013. Further, our Promoter, Deepankar Aggarwal was director and shareholder in Perennial Business Solutions (OPC) Private Limited which was Voluntary Strike off under section 248 (2) of the Companies Act 2013.

Experience of our Promoters in the business of our Company

Our individual Promoters, are experienced in the line of business in which our Company operates. For details in relation to experience of our Promoters in the business of our Company, see “*Our Management*” and “*Our Promoters*” on pages 175 and 189, respectively.

Interest of our Promoters in the property of our Company

Except as stated in the section **“Our Business”** and **“Financial Information”**, beginning on pages 135 and 198, respectively, our Promoters are not interested in the properties acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery, other than in the normal course of business.

Material Guarantees given by our Promoters

Our Promoters have not given any material guarantees to any third party, in respect of the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Payment of Amounts or Benefits to the Promoters or Promoter Group During the last two years

Except in the ordinary course of business and as stated in the section **“Related Party Transactions - Financial Information”** on page 223, there has been no payment of amounts or benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

Undertakings/ Confirmations

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoter and members of the Promoter Group in the past, and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoters are not promoter or director of any other Company which is debarred from accessing capital markets.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not been declared as fugitive economic offender under section 12 of the Fugitive Economic Offender Act, 2018.

There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoter during the past three years.

Our Promoters namely Ranveer Khyaliya and Nitesh Kumar Sharma have given personal guarantees respectively, towards financial facilities availed from the Bankers of our Company, therefore, they are interested to the extent of the said guarantees. Further, they have also extended unsecured loans and are therefore also interested to the extent of the said loans. For further information, see **“Financial Indebtedness”** on page 251 and **“Financial Information”** on page 198.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations except the Promoters are set out below:

Natural persons forming part of our Promoter Group (other than our Promoter):

Name of the Individuals	Relationships
Ranveer Khyaliya	
Banwari Lal	Father
Bhanwari	Mother
Vikas Khyaliya	Brother

Name of the Individuals	Relationships
Sarita Kumari	Sister
Nitesh Kumar Sharma	
Sukhama Sharma	Mother
Kavita Rani Sharma	Sister
Sapna	Spouse
Dhriti Sharma (Minor)	Daughter
Manoj Kumar	Spouse's Father
Seema	Spouse's Mother
Mohit	Spouse's Brother
Sahil	Spouse's Brother
Deepankar Aggarwal	
Ved Kumar Aggarwal	Father
Arjun Aggarwal	Brother
Charu Chugh	Sister
Neha Aggarwal	Spouse
Dhvan Aggarwal (Minor)	Son
Vijay Kumar Bhateja	Spouse's Father
Neelam Bhateja	Spouse's Mother
Abhishek Bhateja	Spouse's Brother
Rachna Solanki	Spouse's Sister
Reema Bhatiaa	Spouse's Sister
Rajan Kumar	
Mahender Kumar	Father
Sarswati Devi	Mother
Praveen Kumar	Brother
Naveen Kumar	Brother
Kavita	Sister
Sanchita	Spouse
Vishesh Kumar (Minor)	Son
Abeer Kumar (Minor)	Son
Mange Ram	Spouse's Father
Mukul	Spouse's Brother
Deepa	Spouse's Sister
Krishna Kumar Daga	
Radheshyam Ishwardas Daga	Father
Kusum Radheshyam Daga	Mother
Rashmi Ramesh Chandak	Sister
Renu Bihani	Sister
Shruti Bagree	Spouse
Kushita Krishna Kumar Daga (Minor)	Daughter
Srikishan Bagree	Spouse's Father
Yogendra Srikishan Bagree	Spouse's Brother
Suman Bagree	Spouse's Sister
Charanjeet Singh	
Darshan Singh	Father
Harvinder Kaur	Mother
Jagmeet Kaur	Sister
Simran Kaur	Spouse
Ranbir Singh (Minor)	Son
Harsheen Kaur (Minor)	Daughter
Baljeet Singh	Spouse's Father
Harinder Kaur	Spouse's Mother
Mandeep Singh Bhogal	Spouse's Brother
Vikramjit Singh	Spouse's Brother

Other Promoter Group

Name of the Individuals
Nitu Chawla
Vasdev Chawla
Gautam Chawla
Himanshu Chawla
Usha Chawla
Kapil Chawla
Jatinder Kaur Amarbir Singh Bharara
Hargeet Kaur Bharara
Jasleen Kaur
Amrik Singh Bhalla
Satinder Kaur Bhalla

Entities forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the entities
Body corporates / entities in which at least 20% of the equity share capital is held by our Promoters or the immediate relatives/individuals as set out above of our Promoters / Trust	
1.	Shri Sai Kripa Stone Crusher kantiya (Partnership Firm)
2.	Simran Boutique
3.	Paysprint Services Private Limited
4.	Daga Metal Corporation (Proprietorship)
5.	Sahiba Trade Links (Proprietorship)
6.	Radhe Shyam Ishwardas Daga (HUF)
Body corporate in which at least 20% of the equity share capital is held by the body corporates forming a part of our Promoter Group as set out above	
1.	Nil

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

Seasonality of Business

Our Business is not seasonal in nature.

Our Results of Operations

The Company's revenue from operations comprises of two components-

- sale of products i.e. trading income from sale of Micro ATMs, PAN tokens, recharge coupons and foreign exchanges and
- sale of services i.e. commission-based income from rendering of Business correspondent services, Non-Business Correspondent services, insurance services etc.

Below mentioned table gives a detailed year on year analysis of revenue and gross contribution made by each component of revenue and the corresponding PAT achieved in each year:

(Rs. in lakhs)

Particulars	Period ended September 30, 2023	% of Revenue from Operations	Year ended March 31, 2023	% of Revenue from Operations	Year ended March 31, 2022	% of Revenue from Operations	Year ended March 31, 2021	% of Revenue from Operations
Sale of Products (a)	41,192.41	78.14%	84,289.48	79.03%	3,523.60	18.72%	2,927.84	21.85%
COGS (b)	40,626.93		83,905.96		3,510.92		2,748.86	
Gross Contribution from sale of products (a-b)	565.48		383.52		12.68		178.98	
Gross contribution margin (c)	1.37%		0.46%		0.36%		6.11%	
Sale of Services (d)	11,525.98	21.86%	22,369.89	20.97%	15,301.66	81.28%	10,472.80	78.15%
Direct Cost (e)	8,349.06		18,294.26		12,488.78		7,874.68	
Gross contribution from sale of services (d-e)	3,176.92		4,075.63		2,812.88		2,598.12	
Gross contribution margin (f)	27.56%		18.22%		18.38%		24.81%	
Revenue from Operations (A = a + c)	52,718.39	100.00%	106,659.37	100.00%	18,825.26	100.00%	13,400.64	100.00%
Total Direct Cost (B= b + d)	48,975.99	92.90%	102,200.22	95.82%	15,999.70	84.99%	10,623.54	79.28%
Total Gross Contribution (C= c + f)	3,742.40	7.10%	4,459.15	4.18%	2,825.56	15.01%	2,777.10	20.72%
Indirect expenses (net of other income) (D)	2,667.21	5.06%	3,465.28	3.25%	1,845.89	9.82%	1,627.23	12.14%
EBITDA (E=C-D)	1,075.19	2.04%	993.87	0.93%	979.67	5.20%	1,149.87	8.58%
Finance Cost (F)	120.23	0.23%	140.00	0.13%	49.20	0.26%	40.39	0.30%

Depreciation (G)	168.58	0.32%	200.22	0.19%	149.49	0.79%	94.27	0.70%
PBT (H = E-F-G)	786.38	1.49%	653.65	0.61%	780.98	4.15%	1,015.21	7.58%
Exceptional Items and Tax (I)	234.37	0.44%	164.94	0.15%	225.95	1.20%	269.24	2.01%
PAT (H-I)	552.01	1.05%	488.71	0.46%	555.03	2.95%	745.97	5.57%

RESULTS OF OPERATIONS INFORMATION FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 COMPARED WITH FINANCIAL YEAR ENDED MARCH 31, 2022

Profit After Tax

Financial Year 2023 vs 2022

The Company's revenue from operations grew exponentially from Rs. 18,825.26 lakhs in financial year 2022 to Rs. 1,06,659.37 lakhs in financial year 2023 representing a revenue growth of 466.58%. This is mainly attributable to the uptick in sale of products in financial year 2023 which experienced a revenue growth of 2292.14%. The sale of services grew at the stable growth rate of 46.19%. In spite of increased revenue from operations, the Company's PAT and PAT margin declined from Rs. 555.03 lakhs to Rs. 488.71 lakhs and 2.95% to 0.46% respectively. This is because of the following reasons:

- 1) Continuation of increased commission pay outs to the merchants/network partners/customers under sale of services to increase its customer base as part of its strategy.
- 2) As stated on page no. 218 of the DRHP under the heading "Segment reporting", the Company's wholly owned subsidiary named Reliassure Insurance Brokers Private Limited experienced loss in its first year of operation of insurance broking business in the financial year 2023 amounting to Rs. 40.47 lakhs which leads to a decline in consolidated profit. This has also contributed to decline in gross margin from sale of services segment from 18.38% to 18.22%.
- 3) As stated on page no. 218 of the DRHP under the heading "Segment reporting", the full-fledged money changer business in RNFI Money Private Limited (Company's wholly owned subsidiary) has contributed an increase in total revenue of Rs. 75,721.07 lakhs in FY23 out of total revenue from operations increase of Rs. 87,834.11 Lakhs which is 86.20% of the total revenue increase in FY23, while the PAT margin under this segment is only 0.05% in Financial Year 2023. Therefore, the business runs on high volume but low margin. As a result, the gross contribution margin from Company's overall revenue from operations also experienced a dip from 15.01% to 4.18% due to drastic increase in sale of foreign exchanges.
- 4) Further there is a decline in PAT during the FY 2023 due to an increase in Finance cost and Depreciation by Rs. 141.53 lakhs.

RESULTS OF OPERATIONS INFORMATION FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 COMPARED WITH FINANCIAL YEAR ENDED MARCH 31, 2021

Profit After Tax

Financial Year 2022 vs 2021

The Company at a consolidated level achieved a revenue growth of 40.48% i.e. increasing from Rs. 13,400.64 lakhs in financial year 2021 to Rs. 18,825.26 lakhs in financial year 2022. This is on account of increase in Sale of Services (which majorly comprises of Business Correspondent services and Non-Business Correspondent services) from Rs. 10,472.80 lakhs in financial year 2021 to Rs. 15,301.66 lakhs in financial year 2022 which is 89.02% of total increase in revenue and the remaining 10.98% is on account of increase in Sale of Products (which majorly comprises of Foreign Exchange sold and Mobile Recharge Sale).

However, the PAT and PAT margin of the Company have declined from Rs. 745.97 lakhs to Rs. 555.03 lakhs and 5.57% to 2.95% respectively in financial year 2022 in comparison to in financial year 2021. The reason for the decline was on account of the following:

- 1) The Company experienced a decline in profits in the standalone entity i.e. RNFI Services Limited. This was due to strategic increase in commission pay out to the merchants/network partners/customers under sale of services segment (Business Correspondent and Non-business correspondent segment) to increase the new customer base and get a competitive benefit. This led to reduction in gross contribution margin of the Company from sale of services from 24.81% in Financial Year 2021 to 18.38% in Financial Year 2022 while the indirect expenses remained the same.
- 2) As stated on page 218 of the DRHP under the heading “Segment reporting”, company has incurred loss to the tune of Rs. 31.56 Lakhs under Full Fledge Money Changer (FFMC) segment which is being conducted by its wholly owned subsidiary, RNFI Money Private Limited.
- 3) Further there is a decline in PAT in Financial Year 2022 due to an increase in Finance cost and Depreciation by Rs. 64.03 lakhs in comparison to Financial Year 2021.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

(i) *Cases under the Motor Vehicles Act, 1988*

Our Company had received a challan under section 117 of the Motor Vehicles Act, 1988 bearing number Warrant or Summons case bearing no. 39545 of 2022 before the Hon'ble Chief Judicial Magistrate, Delhi and various challans under section 112 and 115 of Motor Vehicles Act, 1988 in Virtual courts of Delhi (Traffic Department) and Delhi (Notice Department). We submit that the Company has paid the penalties for the abovementioned cases and received a copy of the challans against the Payment made and therefore the said matters have been settled.

Further, a traffic challan bearing no. 58376703 is pending before the Virtual court, Delhi (Notice Department) the Company will be required to make the payment against the challan once the proceeding of the challan is completed and intimated by the virtual court, Delhi (Notice Department).

(ii) *Cases under section 138 of the Negotiable Instruments Act, 1881*

Our Company is involved in 24 pending cases before the Chief Metropolitan Magistrate, West, Tiz Hazari Court, Delhi, wherein our Company had filed complaints under Section 138 of the Negotiable Instruments Act, 1881 in relation to default in payment by third parties for claims approximating to ₹65.00 lakhs against. The details relating to the parties and case number are set out below:

1. RNFI Services Limited vs. Devnath Mishra bearing Criminal case no. 3628/2022 amounting to ₹1,00,000
2. RNFI Services Limited vs. Shamshar Ali bearing Criminal case no. 231/2023 amounting to ₹ 2,00,000
3. RNFI Services Limited vs. Jitender bearing Criminal case no. 2820/2022 amounting to ₹ 2,00,000
4. Criminal case no. 4007/2022 RNFI Services Limited vs. Sachin Mahendru amounting to ₹4,00,000
5. RNFI Services Limited vs. Sunny bearing Criminal case no. 4005/2022 amounting to 2,00,000
6. RNFI Services Limited vs. Shahrukh Khan bearing Criminal case no. 3909/2022 amounting to 3,00,000
7. RNFI Services Limited vs. Vicky Communication bearing Criminal case no. 366/2022 amounting to 3,00,000
8. RNFI Services Limited vs. Chetan Babulal Shah bearing Criminal case no. 955/2022 amounting to 3,00,000
9. RNFI Services Limited vs. Ashok Vijay Yadav bearing Criminal case no. 1321/2023 amounting to 2,00,000
10. RNFI Services Limited vs. Kamlesh Lalji Mishr bearing Criminal case no. 2817/2022 amounting to 3,00,000
11. RNFI Services Limited vs. Kulbhaskar Pandey bearing Criminal case no. 2818/2022 amounting 3,00,000
12. RNFI Services Limited vs. Gurdeep Singh bearing Criminal case no. 2819/2022 amounting 3,00,000
13. RNFI Services Limited vs. Ashish Pandey bearing Criminal case no. 2829/2022 amounting 3,00,000
14. RNFI Services Limited vs. Mangesh Koshti bearing Criminal case no. 2821/2022 amounting 2,00,000
15. RNFI Services Limited vs. Ashraf Husain bearing Criminal case no. 2726/2023 amounting 2,00,000
16. RNFI Services Limited vs. Rafique Hussain Shaikh bearing Criminal case no. 2723/2023 amounting 3,00,000
17. RNFI Services Limited vs. Anklesh Avadesh Dubey bearing Criminal case no. 2573/2023 amounting to 1,00,000
18. RNFI Services Limited vs. Malek Tosib bearing Criminal case no. 2365/2023 amounting to 5,00,000
19. RNFI Services Limited vs. Vivek bearing Criminal case no. 2248/2023 amounting to 2,00,000
20. RNFI Services Limited vs. Zafar Tour and Travels bearing Criminal case no. 1788/2021 amounting to 1,00,000
21. RNFI Services Limited vs. Santosh Devadiga bearing Criminal case no. 952/2022 amounting to 2,00,000
22. RNFI Services Limited vs. Vignesh B bearing Criminal case no. 4142/2023 amounting to 3,00,000
23. RNFI Services Limited vs. Sangeeta Suresh Palsapure bearing Criminal case no. 4444/2023 amounting to 5,00,000
24. RNFI Services Limited vs. Jayamon Anand bearing Criminal case no. 34/2024 amounting to 5,00,000

Some of the pending matters are in the process of being settled between the Company and third parties, and the Company will withdraw the complaints concerning such cases, once they are settled and outstanding amounts are received.