



## IPO Details

Opening Date	July 22, 2024
Closing Date	July 24, 2024
Allotment Date	July 25, 2024
Listing Date	July 29, 2024
Stock Exchange	NSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹98 to ₹105
Issue Size	70.81 Cr.
Fresh Issue	70.81 Cr.
Offer for Sale	-
Application Amt	₹ 1,26,000 (1,200 shares)

## IPO Note

### RNFI Services Limited

Recommendation: **AVOID!**

#### Company Background -

- Incorporated in 2015, RNFI Services Limited is a financial technology firm that offers B2B and B2B2C solutions through its online portal and mobile application. It focuses on providing banking, digital, and Government-to-Citizen (G2C) services across India.
- The company derives the majority of its revenue from Full-fledged money changer service forming nearly 69% of its revenue for FY Ended 2024.
- The company has 1,405 permanent employees as of March 31, 2024.

#### Objects of the Issue -

- Funding the working capital requirements of the Company.
- Funding Capital expenditure requirements for the Purchase of Micro ATMs/laptops/Server.
- Strengthening our technology infrastructure to develop new capabilities.
- Achieving inorganic growth through unidentified acquisitions and other strategic initiatives.
- General Corporate Purposes.

#### Promoters Name -

Ranveer Khyaliya, Nitesh Kumar Sharma, Deepankar Aggarwal, Rajan Kumar, Krishna Kumar Daga, Charanjeet Singh and Simran Singh Private Trust.

#### Rationale for recommendation -

- ✓ The company has seen volatility in its top lines and consequently EBITDA Margins.
- ✓ The company's P/E is 26.30 times on post IPO basis which seems a bit over-priced.
- ✓ RNFI's concentrated ownership (89.53% held by Simran Singh Private Trust- 4 out of 6 promoters are on the board) and inexperienced promoter-led board raise significant governance concerns.

#### KPIs

(Amt in Lakhs.)

KPI's	FY 22	FY 23	FY 24
Revenue	18,825.26	1,06,659.37	93,542.38
EBITDA	721.99	713.62	1,161.15
Net Profit	555.02	488.73	996.06
RoCE	25.80%	14.76%	15.52%
ROE	40.53%	22.83%	31.12%
P/E	35.71	34.65	17.95

#### Promoter Share Holding Pattern

Pre-Issue	Post Issue
86.74%	63.82%

#### Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	5.85	3.99
BVPS	17.58	41.09
P/E	17.95	26.30
P/BV	5.97	2.56
Mkt Cap (In Cr)	191.19	262.00

#### Lead Managers -

Choice Capital Advisors Private Limited

#### Registrar -

Skyline Financial Services Private Limited

## Business Overview -

### Company Overview

Established in 2015, RNFI is a technology-driven financial services company operating in India. With a mission to empower rural India through accessible financial technology, the company has grown significantly, processing over 11.5 million monthly transactions as of March 31, 2024. RNFI's operations span 28 states and 5 union territories, with a network of over 3.6 lakh network partners and a workforce of 1,405 employees.

### Business Model

RNFI operates through a "phygital" model, blending physical and digital channels to deliver financial services to both urban and rural populations. The company's revenue primarily comes from commissions and fees from banking partners, as well as the sale of products and services to its network partners.

### Service Delivery Mediums

RNFI utilizes various platforms for service delivery:

- **Web Platform** (<https://partner.rnfi.in/>): Offers banking and non-banking services to network partners.
- **Mobile Applications:**
  - Relipay: Provides services to retailers.
  - Relipay Partner: Offers tools for distributors and partners.

### Business Segments

RNFI's business is segmented into four main categories:

#### 1. Business Correspondent Services:

- Domestic Money Transfer (DMT)
- Aadhaar Enabled Payment System (AePS)
- Micro ATM (M-ATM)
- Kiosk Banking
- Doorstep e-KYC services

#### 2. Non-Business Correspondent Services:

- Utility and Travel Services (mobile/DTH recharge, bill payments, flight/train booking)
  - EMI Collection
  - Delinquent Loan Collection
  - Sale/Subscription of Products and Services
3. **Full-Fledged Money Changer Service:** Provided through subsidiary RNFI Money Private Limited.
4. **Insurance Broking:** Offered through subsidiary Reliassure Insurance Brokers Private Limited.

### Partnerships and Collaborations

RNFI partners with various banks, government agencies, and other entities, including:

- 11 national private and public sector banks and payment banks
- Protean eGov Technologies for PAN card services
- Ministry of Electronics and Information Technology for UMANG services
- Noida Power Company Limited for bill collection
- IRCTC for train ticket booking
- Various airlines for flight booking

### Technology and Security

RNFI prioritizes technology and data security, utilizing:

- Servers with 220 TPS capacity
- Encryption protocols
- Firewalls
- Access controls
- Regular audits

### Market and Competition

RNFI targets both urban and rural markets in India, competing with other business correspondents, payment banks, insurance brokers, and online travel agencies. The company differentiates itself through its extensive network, diverse services, and technological focus.

### Revenue Bifurcation Segment-wise:

(Amt in Lakhs)

Business Segments	March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue	%	Revenue	%	Revenue	%
Business correspondent services	16,827.97	17.99	17,013.97	15.95	11466.58	60.91
Non-business correspondent services	11,834.16	12.65	13,433.88	12.6	6891.29	36.61
Full-Fledged money changer service	64,371.91	68.82	76,188.46	71.43	467.39	2.48
Insurance broking	508.34	0.54	23.06	0.02	-	-
<b>Total</b>	<b>81,708.22</b>	<b>100</b>	<b>1,06,659.37</b>	<b>100</b>	<b>18,825.26</b>	<b>100</b>

## Competition -

### Porter's Five Forces Analysis:

**Threat of New Entrants:** High, due to the continuous emergence of innovative online and offline agencies.

**Bargaining Power of Suppliers:** Moderate, as the company depends on partnerships with banks and financial institutions.

**Bargaining Power of Buyers:** High, due to price sensitivity and numerous alternative service providers.

**Threat of Substitutes:** High, given the growing use of UPI and digital payments.

**Competitive Rivalry:** Intense, with competition from both established industry leaders and local players.

### Industry Life Cycle and Business Cycle Analyses:

The fintech industry is in a growth stage, marked by rapid innovation and market expansion but is affected by economic cycles impacting demand and supply.

#### Experience Curve:

The company seeks to use the experience curve by investing in R&D to boost efficiency, lower costs, and maintain a competitive edge.

#### Social and Macroeconomic Influences:

Digital payment adoption and regulatory changes greatly influence the industry.

### Key Challenges and Opportunities:

Challenges include attracting skilled tech talent and competing with both established and new players. Opportunities lie in the expanding fintech market for growth and innovation.

## Risk Factors -

Company, subsidiaries, promoters & directors face criminal proceedings (filed by the company) totalling ₹95.22 lakhs, potentially impacting business if ruled against them.

Company has had negative cashflow in FY ended 2023.

Company's ₹462.37 lakhs unsecured loans repayable on demand pose cash flow risk if recalled unexpectedly.

RNFI's group companies, operates in similar business, potentially leading to conflicts of interest and competition, they have also incurred losses in FY21, FY22, and FY23. These factors may impact RNFI's overall credibility and operations, especially as RNFI does not currently control these companies.

## Business Strategies -

### Accelerating Growth and Increasing Diversity Using Micro ATM as a Catalyst

The company is focusing on growth and diversity by deploying Micro ATMs. By May 2024, it has placed 25,376 units and aims to add 60,000 more by FY 2025, bridging financial gaps and supporting local entrepreneurship.

### Using Technology to Create Greater Scalability

The company invests in technology to enhance scalability, streamline processes, and cut costs, aiming to improve user experience and client loyalty.

### Optimize Growth Across Business Segments Through Integrated Model and Cross-Selling Strategies

It employs cross-selling and integration strategies to boost growth and customer engagement, leveraging the demand for digital services.

### Strategic Expansion: Acquisitions and Geographic Growth

Recent acquisitions, including Ciphersquare Digital, Relicollect LLP, and Reliconnect LLP, expand the company's capabilities and reach.

### Strengthen Network Capabilities

The company plans to enhance its network across India to improve customer satisfaction and ensure sustainable growth.

## PEER ANALYSIS

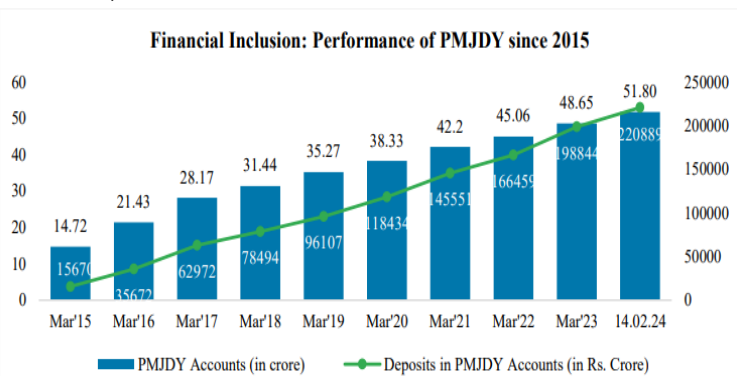
Particulars	RNFI Services Limited			BLS E-Services Limited			Mos Utility Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	2.9%	0.5%	1.1%	5.5%	8.4%	11.1%	4.1%	5.4%	6.0%
EBITDA Margin	4%	1%	1%	9%	14%	17%	7%	10%	9%
RoCE	26%	15%	16%	28%	27%	10%	26%	-	-
ROE	41%	23%	31%	79%	19%	8%	36%	22%	14%
EPS (INR)	2.94	3.03	5.85	1.79	3.90	4.44	3.36	3.92	4.17
P/E	35.71	34.65	17.95	0.00	-	69.82	-	-	30.55

## Indian Overview -

### Current Landscape

India's digital financial services (DFS) industry is experiencing unprecedented growth, fuelled by a combination of government initiatives and technological advancements. Key statistics highlight its remarkable progress:

- **Pradhan Mantri Jan Dhan Yojana (PMJDY):** Over 51.8 crore bank accounts opened as of February 14, 2024, with a focus on women (55.5%) and rural/semi-urban areas (66.7%).
- **Banking Infrastructure:** Significant expansion in bank branches (from 49,860 in March 2017 to 53,372 in September 2022) and ATMs (from 1,40,424 to 1,51,897) across the country.
- **Business Correspondents (BCs):** 1.3 lakh Sub Service Areas covered by online BCs, acting as vital intermediaries in underserved regions.
- **Aadhaar Enabled Payment System (AePS):** Recorded 433.11 million transactions in January 2024, facilitating financial transactions for the marginalized.
- **Micro ATMs:** 17.6 lakh micro-ATMs deployed by January 2024, expanding the reach of banking services to remote areas.
- **Digital Transactions:** Exponential growth in digital transactions, reaching 13,462 crores in FY 2021-22, up from 2,071 crore in FY 2017-18.

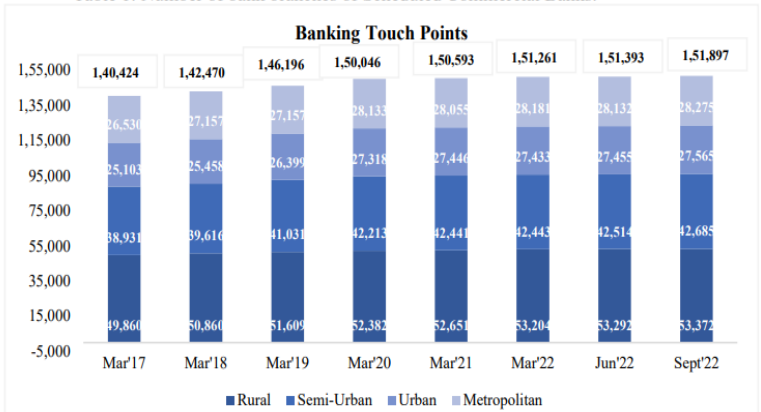


### Industry Trends

- **Mobile-First Approach:** The increasing penetration of smartphones is driving the adoption of mobile-based financial services, including mobile banking, digital payments, and investment platforms.
- **Rise of Fintech Startups:** Innovative fintech companies are disrupting traditional financial services with customer-centric solutions and leveraging technologies like AI and blockchain.
- **Expansion into Rural Markets:** The focus on financial inclusion is driving the expansion of DFS into rural and underserved areas, where there is a vast untapped market.
- **Data-Driven Personalization:** DFS providers are utilizing data analytics to offer personalized financial products and services tailored to individual customer needs.
- **Regulatory Support:** The government is actively promoting financial inclusion through initiatives like Jan Dhan Yojana and creating a favourable regulatory environment for the growth of the DFS sector.

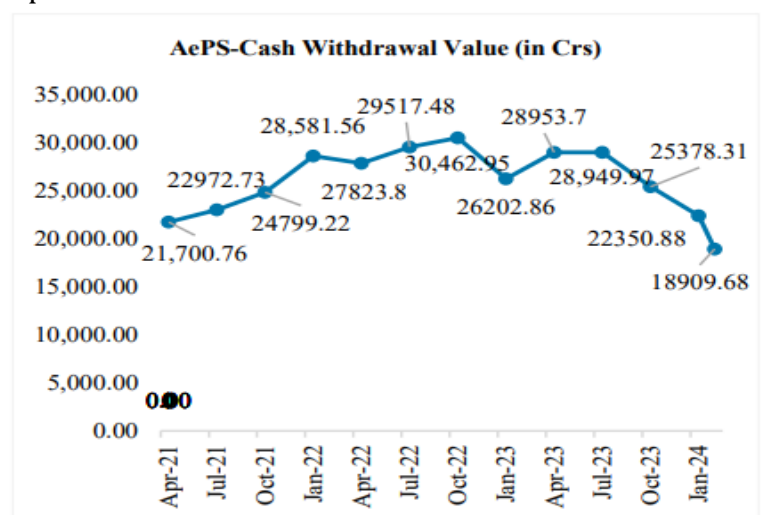
## Global Overview -

Table 1: Number of bank branches of Scheduled Commercial Banks:



### Growth Drivers

- **Government Initiatives:** Government programs like PMJDY have incentivized account openings and financial transactions through various incentives and awareness campaigns.
- **Technological Advancements:** The adoption of technologies like UPI, AePS, and micro-ATMs has made financial services more accessible and convenient.
- **Increasing Smartphone Penetration:** The widespread use of smartphones has created a fertile ground for the growth of mobile-based financial services.
- **Rising Disposable Incomes:** As disposable incomes rise, there is an increased demand for financial products like insurance and investment options.
- **Favourable Demographics:** India's young and tech-savvy population is more receptive to digital financial services.
- **Untapped Rural Market:** The vast rural population represents a significant untapped market for DFS provider



(Source: NPCI Statistics)



**Key Management -**



<b>Key Management Persons Name -</b>	<b>Ranveer Khyaliya</b>
<b>Age</b>	33
<b>Designation and No. of years of experience</b>	Promoter, Chairperson and Managing Director, 8+ Years of experience
<b>Qualification</b>	Masters in Computer Applications from Amity University, Rajasthan.
<b>Roles and Responsibility</b>	Oversees the technological advancements and developments across the company's range of products and services.
<b>Other Directorships</b>	Ciphersquare Digital Private Limited; RNFI Fintech Private Limited and Paysprint Private Limited

<b>Key Management Persons Name -</b>	<b>Nitesh Kumar Sharma</b>
<b>Age</b>	33
<b>Designation and No. of years of experience</b>	Promoter, 8+ Years of experience
<b>Qualification</b>	Bachelor of Technology in Computer Science & Engineering from Maharshi Dayanand University, Rohtak.
<b>Roles and Responsibility</b>	oversees operation relating to information technology including but not limited to software infrastructure development, engineering solutions, automating technical financial services process and solution
<b>Other Directorships</b>	-

<b>Key Management Persons Name -</b>	<b>Deepankar Aggarwal</b>
<b>Age</b>	42
<b>Designation and No. of years of experience</b>	Promoter, Executive Director, 18+ years of experience
<b>Qualification</b>	Bachelors in Commerce from University of Delhi and IFS Level 3 Certificate in Mortgage Advice and Practice from the IFS School of Finance.
<b>Roles and Responsibility</b>	Responsible for the seamless execution of daily operations and overseeing of business compliances
<b>Other Directorships</b>	Reliassure Insurance Brokers Private Limited , Paysprint Private Limited and Trustee of the Simran Singh Private Trust.

<b>Key Management Persons Name -</b>	<b>Rajan Kumar</b>
<b>Age</b>	40
<b>Designation and No. of years of experience</b>	Promoter, 6 years of experience
<b>Qualification</b>	Bachelors of Commerce from University of Delhi
<b>Roles and Responsibility</b>	Oversees the technical operations of the Company
<b>Present Association</b>	Trustee of the Simran Singh Private Trust
<b>Previous Association</b>	Manager – Technical Operation and Pivotal Flow Consultants LLP as Senior Manager – Technical Operation in RNFI

<b>Key Management Persons Name -</b>	<b>Krishna Kumar Daga</b>
<b>Age</b>	39
<b>Designation and No. of years of experience</b>	Promoter, 10+ years of experience
<b>Qualification</b>	Company Secretary and Chartered Accountant possessing a Masters of Commerce from Mumbai University
<b>Roles and Responsibility</b>	Brings to the Company his work experience in the field of corporate laws, securities laws & capital market
<b>Present Association</b>	Trustee of the Simran Singh Private Trust
<b>Previous Association</b>	Signora Texport Private Limited as Finance Controller, Tech Mahindra Limited as Senior Executive International Taxation, Larsen & Toubro Limited as Executive Finance & Accounts.

Presently, currently is serving as AVP, Finance, Strategy and Operations in Youfirst Group.

<b>Key Management Persons Name -</b>	<b>Charanjeet Singh</b>
<b>Age</b>	42
<b>Designation and No. of years of experience</b>	Promoter, 7 years of experience
<b>Qualification</b>	Bachelors of Commerce from University of Delhi
<b>Roles and Responsibility</b>	Oversees customer support of the Company
<b>Previous Associations</b>	Partner in Rellicollect LLP, Director in OSSR Tech Solutions Private Limited as well as Trustee of the Simran Singh Private Trust

<b>Key Management Persons Name -</b>	<b>Kirandeep Singh Anand</b>
<b>Age</b>	42
<b>Designation and No. of years of experience</b>	Executive Director, 19+ years of experience
<b>Qualification</b>	Post Graduate Diploma in Business Management from the Guru Nanak Institute of Management.
<b>Roles and Responsibility</b>	Forging new partnerships, ushering in innovative products and services to diversify RNFI's revenue streams and foster sustainable growth
<b>Previous Associations</b>	ICICI Bank Limited, Indusind Bank and Lyra Network Private Limited

<b>Key Management Persons Name -</b>	<b>Rahul Srivastava</b>
<b>Age</b>	44
<b>Designation and No. of years of experience</b>	Executive Director, 22+ years of experience
<b>Qualification</b>	Masters of Management Studies from Institute of Management Studies and Research
<b>Roles and Responsibility</b>	Spearheads the development of innovative business strategies aimed at propelling the company's growth trajectory.
<b>Previous Associations</b>	Yes Bank Limited and Alankit Limited

<b>Key Management Persons Name -</b>	<b>Sunil Kulkarni</b>
<b>Age</b>	60
<b>Designation and No. of years of experience</b>	Independent Director, 37+ years of experience
<b>Qualification</b>	Bachelors of Engineering in Electronics and Communication Engineering from University of Jodhpur
<b>Roles and Responsibility</b>	Provides strategic advisory on digital transformation to Banks and Fintech
<b>Previous Associations</b>	Director of Frog 8 Technology Services where he served as strategic advisor to Meta in India for advisory on WhatsApp Payments, Joint Managing Director of Oxigen Services (India) Limited and currently CEO of the Business Correspondents Federation of India (BCFI)
<b>Other Directorships</b>	Nearby Neodigital Services Private Limited; One Stack Solution Private Limited; Softpos Technologies Private Limited; Frog 8 Technology Services Private Limited; Amoret Events & Weddings Private Limited; Adani Digital Services Private Limited; Equal Pay India Private Limited; MOS Utility Limited

## FINANCIAL SNAPSHOT

### Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24
Revenue from Operations	18,825.26	1,06,659.37	93,542.38
Other Income	254.67	280.26	762.72
<b>Total Income</b>	<b>19,079.93</b>	<b>1,06,939.63</b>	<b>94,305.1</b>
<b>Expenses</b>			
Direct Costs	12,488.78	18,294.26	18,023.81
Purchase of traded goods	3,402.08	84,060.24	69,246.36
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	108.84	-154.28	25.86
Employee Benefit Expenses	1,672.76	2,799.48	3,685.47
Finance Cost	49.20	140.00	242.92
Depreciation and Amortisation	149.49	200.22	378.92
Other expenses	427.81	946.05	1,399.73
<b>Total Expenses</b>	<b>18,298.96</b>	<b>1,06,285.97</b>	<b>93,003.07</b>
<b>EBITDA</b>	<b>721.99</b>	<b>713.62</b>	<b>1,161.15</b>
<b>EBITDA Margin</b>	<b>3.84%</b>	<b>0.67%</b>	<b>1.24%</b>
Exceptional Items	-3.00	-	-
<b>Profit/(Loss) before tax</b>	<b>777.97</b>	<b>653.66</b>	<b>1,302.03</b>
<b>Tax Expense</b>			
Current tax	226.37	210.51	335.43
Deferred Tax Expenses/(credit)	-3.42	-45.58	-29.46
<b>Total Tax</b>	<b>222.95</b>	<b>164.93</b>	<b>305.97</b>
<b>Profit/(Loss) for the year</b>	<b>555.02</b>	<b>488.73</b>	<b>996.06</b>
<b>Net Profit Margin</b>	<b>2.95%</b>	<b>0.46%</b>	<b>1.06%</b>

### Statement of Equity, Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share Capital	10.00	10.00	1,820.87
Reserves and surplus	1,332.07	2,043.47	1,350.86
Non-Controlling Interest	27.25	87.20	28.97
<b>Total Shareholder's Fund</b>	<b>1,369.32</b>	<b>2,140.67</b>	<b>3,200.70</b>
<b>2. Non-current liabilities</b>			
Long-term borrowings	787.99	1,226.25	1,647.33
Lease Liabilities	15.33	30.32	99.28
Other financial liabilities	-	20.96	20.35
Long-term provisions	46.75	54.96	69.55
Other non-current liabilities	-	4.57	2.94
<b>Total Non-current liabilities</b>	<b>3,442.94</b>	<b>3,359.83</b>	<b>822.54</b>
<b>3. Current liabilities</b>			
Short-term borrowings	299.66	644.38	1,379.90
Lease Liabilities	62.39	34.43	124.08
Trade Payables			
Total outstanding dues of micro enterprises & small enterprises	10.88	57.74	227.84
Total outstanding dues of creditors other than micro enterprises & small enterprises	163.18	157.45	362.28
Other financial Liabilities	2.34	11.96	1.17
Provisions	531.22	228.11	373.20
Other Current Liabilities	8,372.29	7,914.90	11,542.76
<b>Total Current liabilities</b>	<b>9,441.96</b>	<b>9,048.97</b>	<b>14,011.23</b>
<b>Total Liabilities</b>	<b>10,292.03</b>	<b>10,386.03</b>	<b>15,850.68</b>
<b>Total Equity and Liabilities</b>	<b>11,661.35</b>	<b>12,526.70</b>	<b>19,051.38</b>

Particulars	FY 22	FY 23	FY 24
<b>ASSETS</b>			
<b>4. Non-current assets</b>			
Property, Plant & Equipment	732.91	343.38	1,396.14
Investment Property	-	1,158.51	1,183.97
Capital Work-In-Progress	409.25	-	-
Goodwill	12.68	1.95	1.95
Other Intangible Assets	139.42	155.53	1,189.03
Right-to-use assets	69.94	65.08	212.35
Intangible assets under development	37.00	262.08	716.99
Financial Assets			
Investments	19.24	22.21	2.00
Other financial assets	180.72	187.97	228.43
Deferred Tax Assets (Net)	15.56	57.25	80.15
<b>Total Non-Current assets</b>	<b>1,666.30</b>	<b>2,556.02</b>	<b>5,457.06</b>
<b>5. Current assets</b>			
Inventories	337.98	492.26	466.40
Investments	31.12	31.12	31.12
Trade Receivables	1,216.88	1,442.43	2,939.86
Cash & Cash equivalents	5,262.48	3,237.11	6,067.00
Bank balance other than included in cash & cash equivalents above	293.69	480.51	440.73
Loans	901.00	2,083.62	7.48
Other financial assets	80.62	159.96	281.87
Current Tax Assets (net)	687.12	726.88	680.04
Other Current Assets	1,184.16	1,316.81	2,679.83
<b>Total Current assets</b>	<b>9,995.05</b>	<b>9,970.70</b>	<b>13,594.33</b>
<b>Total Assets</b>	<b>11,661.35</b>	<b>12,526.72</b>	<b>19,051.39</b>

Cash Flow Statement	Amt in Lakhs.		
Particulars	FY 22	FY 23	FY 24
Net Cash Flow from Operating Activities	2,017.25	-2,009.33	4,707.60
Net Cash Flow from Investing Activities	-37.55	-807.85	-2,615.11
Net Cash Flow from Financing Activities	-599.46	791.80	737.40

**Key Ratios**

Particulars	FY 22	FY 23	FY 24
<b><u>Per Share Data</u></b>			
Diluted EPS	2.94	3.03	5.85
BV per share	7.52	11.76	17.58
<b><u>Operating Ratios</u></b>			
EBITDA Margins	3.84%	0.67%	1.24%
PAT Margins	2.95%	0.46%	1.06%
Inventory days	6.55	1.68	1.82
Debtor days	23.59	4.94	11.47
Creditor days	18.67	0.93	3.11
<b><u>Return Ratios</u></b>			
RoCE	25.80%	14.76%	15.52%
RoE	40.53%	22.83%	31.12%
<b><u>Valuation Ratios (x)</u></b>			
EV/EBITDA	-3.89	1.08	0.14
Market Cap / Sales	1.39	0.25	0.28
P/E	35.71	34.65	17.95
Price to Book Value	13.96	8.93	5.97

**Solvency Ratios**



Debt / Equity	0.79	0.87	0.95
Current Ratio	1.06	1.10	0.97
Quick Ratio	1.02	1.05	0.94
Asset Turnover	1.61	8.51	4.91
Interest Coverage Ratio	11.64	3.67	3.22

### LEAD MANAGER TRACK RECORD -

The lead manager to the issue is Choice Capital Advisors Pvt Ltd. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

#### Choice Capital Advisors Pvt Ltd –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Ramdevbaba Solvent Limited	50.27	85.00	April 23, 2024	96.85
2.	Vishnu Prakash R Punglia Limited	308.88	99.00	September 05, 2023	207.25

The company has handled 2 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 19<sup>th</sup> July 2024.

As per the offer document, from the above-mentioned mandates all have opened at premium on the listing day.

**Recommendation -**

The company has been in the industry since 2015 and has decent experience in the industry. The management overview of the company is not satisfactory, while the company has 6 Promoters, 3 Executive directors and 4 Independent Directors, the promoters lack extensive background in financial services, which could be a disadvantage in a heavily regulated industry.

RNFI presents a mixed picture with both promising aspects and notable challenges. While demonstrating a significant revenue increase from ₹19.1 Cr in FY22 to ₹106.9 Cr in FY23, experienced a subsequent decline to ₹94.3 Cr in FY24. Profitability, as indicated by net profit margin, improved to 1.06% in FY24, but fluctuations in EBITDA margins raise concerns, indicating operational challenges in maintaining consistent profitability due to cost pressures. The company's appeal lies in its asset growth and improved return on equity (31% in FY24). However, concerns include revenue volatility, fluctuating profitability, increasing debt, and a concentration risk due to a significant portion of revenue coming from the Full-Fledged Money Changer service.

RNFI's concentrated ownership (89.53% held by a trust) and 4 out of 6 promoters on the board raise governance concerns.

The listed peers cannot be compared on apple-to-apple basis either since both the peers don't fetch majority of their revenue from Full-Fledged Money Changer service.

The P/E on a post-IPO is around 15.79 times which makes it slightly over-priced by looking at the performance of the company and sector. The Sector P/E is 26.3 times.

For the above stated reasons, we would recommend to **AVOID** this IPO.

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