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Draft Letter of Offer
Dated: September 16, 2024
For Eligible Shareholders only

PMC FINCORP LIMITED

Our Company was incorporated on February 04, 1985 with the name and style of Priti Mercantile Company Limited and certificate of incorporation was granted by Registrar of Companies, U.P., Kanpur. Subsequently, the name of the Company was changed from "Priti Mercantile Company Limited" to its present name i.e. "PMC Fincorp Limited" and fresh certificate of incorporation was granted by Registrar of Companies, Uttar Pradesh on March 20, 2014. The CIN of the company is L27109UP1985PLC006998. For further details, see "General Information" on page no. 47.

Registered Office: B-10, VIP Colony, Civil Lines, Rampur, Uttar Pradesh - 244901, India.
Corporate Office: Flat No. 201 & 202, 2nd Floor, Rattan Jyoti Building, 18, Rajendra Place, New Delhi- 110008, India.
Telephone No.: 011-47631025, 26, 27 | **Email:** contact@pmcfincorp.com | **Website:** www.pmcfincorp.com
Contact Person: Mr. Kailash, Company Secretary, and Compliance Officer
Corporate Identification Number: L27109UP1985PLC006998

PROMOTERS OF OUR COMPANY

MR. RAJ KUMAR MODI, MS. REKHA MODI, MR. PRABHAT MODI AND M/S. RAJ KUMAR MODI HUF

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PMC FINCORP LIMITED ONLY

ISSUE OF UP TO 17,80,20,400 FULLY PAID-UP EQUITY SHARES OF THE FACE VALUE OF ₹ 1 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT AN ISSUE PRICE OF ₹ 2.75/- PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹ 4,895.56/- LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARES FOR EVERY 3 (THREE) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY AS ON THE RECORD DATE, THAT IS, ON [●] (THE "ISSUE"). FOR DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 127.

WILLFUL DEFAULTER OR FRAUDULENT BORROWER

Neither our Company, our promoters nor our directors are identified as willful defaulters or fraudulent borrower. For further details, see *"Other Regulatory and Statutory Disclosures"* on page 123.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of *"Risk Factors"* given on page number 23 under the section 'General Risks'.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the Company and the issue which is material in the context of the issue, that the information contained in the Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are listed on the BSE Limited **("BSE" or "Stock Exchange")**. Our Company has received "In-principle" approval from BSE for listing the Rights Equity Shares through its letter bearing no. [●] dated [●]. Our Company will also make applications to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE

Skyline Financial Services Private Limited
Address: D-153-A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020, India
Telephone: 011-40450193-197
Fax: 011-26812682
E-mail: ipo@skylinerta.com
Investor grievance: grievances@skylinerta.com
Website: www.skylinerta.com
Contact person: Mr. Anuj Rana
SEBI Registration No: INR000003241

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR ON-MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of the Application shall be permitted by any Applicant after the Issue Closing Date.

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CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, Acts, regulations, rules, guidelines, or policies shall be to such legislations, acts, regulations, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Information" on pages 60 and 103, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Terms	Descriptions
Act/ Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
Articles of Association/ Articles / "AoA"	The Articles of Association of our Company, as amended from time to time.
Associates	With reference to any company, the associate of that company would mean any other company within the meaning of section 2(6) of the Companies Act.
Audit Committee	The Audit Committee of the Board of Directors of the Company.
Board of Directors / Board	The Board of Directors of our Company or a duly constituted committee thereof.
Chairman	The Chairman of our Company.
Company / our Company / The Company / the Issuer.	PMC Fincorp Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at B-10, VIP Colony, Civil Lines, Rampur, Uttar Pradesh - 244901, India.
Corporate Office	201 & 202 Second Floor Rattan Jyoti Building, 18, Rajendra Place, New Delhi – 110008, India
Director(s)	Any or all the directors on our Board, as may be appointed from time to time.
Equity Shareholder	A holder of Equity Shares.
Equity Shares	The equity shares of our Company, each having a face value of Re. 1/- each unless otherwise specified.
Executive Directors	Executive Director(s) of our Company, unless otherwise specified.
Group Companies/ Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by our Board including but not

Terms	Descriptions
	limited to Amarendra Financial Private Limited, Dinkar Commercial Private Limited and Filmcity Media Limited.
Managing Director	Managing Director of our Company i.e., Mr. Raj Kumar Modi.
Materiality Policy	A policy adopted by our Company for the identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum of Association / Memorandum / MoA	The Memorandum of Association of our Company, as amended from time to time.
Non-Executive and Independent Director	Non-Executive and Independent Directors of our Company, unless otherwise specified.
Non-Executive Director	Non-Executive Directors of our Company, unless otherwise specified.
Promoter and Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
Promoter Group	Unless the context requires otherwise, the individuals and entities forming part of our promoter group in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchange from time to time.
Promoter/ Promoters	Mr. Raj Kumar Modi, Ms. Rekha Modi, Mr. Prabhat Modi, and M/s. Raj Kumar Modi HUF are the Promoters of our Company.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations. Company's Promoter Group comprises of: 1. Prabhat Management Services Private Limited; and 2. RRP Management Services Private Limited
Registered Office	The Registered Office of our Company is located at B-10, VIP Colony, Civil Lines, Rampur, Uttar Pradesh – 244901, India.
Registrar of Companies / RoC	Registrar of Companies, Kanpur having its office at 37/17, Westcottt Buidling, The Mall, Kanpur-208001 Uttar Pradesh.
Rights Issue Committee	The Rights Issue Committee of the Company comprising of Mahavir Prasad Garg, Non-executive Independent Director; Prabhat Modi, Executive Director; and Rekha Modi, Non-executive Non Independent Director.
Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof.
Statutory Auditors	The current statutory auditors of our Company, being M/s Pankaj Gupta & Co., Chartered Accountants.
We, Our, or Us	PMC Fincorp Limited, unless otherwise specified or unless the context is otherwise.

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Allot, Allotment or Allotted	Allotment of Rights Equity Shares pursuant to this Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by the Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants, will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Banks	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, IDBI Bank Limited.
Allotment Date	The date on which the Allotment shall be made pursuant to this Issue.
Allottee(s)	Person(s) who shall be allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount or ASBA	Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in *"Terms of the Issue"* on page 127 of this Draft Letter

Term	Description
	of Offer.
Bankers to the Issue Agreement	Agreement dated September 06, 2024, entered into by and among our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited (BSE)
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated September 16, 2024, filed with the Designated Stock Exchange i.e. BSE for its observations and In-Principle Approval.
Eligible Equity Shareholders	Equity Shareholders of our Company as on the Record Date, i.e., [●].
Issue	Issue of up to 17,80,20,400#, Rights Equity Shares of the face value of Re. 1/- each of our Company for cash at an issue price of Rs. 2.75/- per Rights Equity Share (including a premium of Rs. 1.75 per Rights Equity Share) aggregating up to Rs. 4,895.56/- Lakh(#) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Share for every 3 (Three) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]. *#Assuming full subscription.*
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Material	Collectively, the Draft Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form, including any notices, corrigendum

Term	Description
	thereto and any other material relating to the Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. 2.75/- (Rupees Two and Seventy Five Paisa Only) per Rights Equity Share, including a Premium of Rs. 1.75/- per Rights Equity Share, payable on Application.
Issue Proceeds / Gross Proceeds	Gross proceeds of this Issue.
Issue Size	Amount aggregating to up to Rs. 4,895.56/- Lakh. (*Assuming full subscription)*
Letter of Offer	The Letter of Offer dated [●], filed with the Designated Stock Exchange (BSE), and with SEBI for purposes of record keeping after incorporating the observations received from BSE on DLOF.
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see *"Objects of the Issue"* on page 56.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
Off Market Renunciati on	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Registrar to the Issue or Registrar	Skyline Financial Services Private Limited
Registrar to the Company	Indus Portfolio Private Limited
Registrar Agreement	Agreement dated August 05, 2024, entered into between our Company and Skyline Financial Services Private Limited in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue

Term	Description
	Closing Date.
Rights Entitlements	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being 1 (One) Rights Equity Share for every 3 (Three) Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights Equity Shareholder	A holder of the Rights Equity Shares, from time to time.
Rights Equity Shares	Equity shares of our Company having face value of Re. 1/- per share and to be allotted pursuant to this Issue pursuant to receipt of Application Money.
SCSB(s)	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time.
Stock Exchange	The Stock Exchange where our Equity Shares are presently listed, being BSE.
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Accounts in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter or Fraudulent Borrower	Company or person, as the case may be, categorized as a willful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in terms of Regulation 2(1)(lll) of SEBI ICDR Regulations and in accordance with the guidelines on willful defaulters issued by RBI and includes any company whose director or promoter is categorized as such.
Working Day(s)	Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations.

Conventional terms or Abbreviations

Terms	Descriptions
₹/ Rs. / Rupees or INR	Indian Rupee.
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Arbitration Act	Arbitration and Conciliation Act, 1996.
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounts) Rules, 2014.
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated

Terms	Descriptions
	December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
BSE	BSE Limited.
CAA	Citizenship (Amendment) Act, 2019.
CBLO	Collateralized Borrowing and Lending Obligation.
CDSL	Central Depository Services (India) Limited.
Central Government / Government of India / GoI	Central Government of India.
CIN	Corporate Identification Number.
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder.
Depositories Act	Depositories Act, 1996.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP / Depository Participant	Depository Participant as defined under the Depositories Act.
DP ID	Depository Participant Identification.
DPIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and depletion expenses, exceptional items and other income as presented in the statement of profit and loss in the Financial Statements.
EGM	Extraordinary General Meeting.
EPS	Earnings per share.
ETF	Exchange Traded Fund.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FDI Policy	The consolidated foreign direct investment policy notified by the DIPP (now DPIT) vide circular no. D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017 effective from August 28, 2017.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year / FY /Fiscal	Period of 12 months ended March 31 of that particular year.
Foreign Portfolio Investors /FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations, registered with SEBI under applicable laws in India.

Terms	Descriptions
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
FVCIs	Foreign Venture Capital Investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
Government	Central Government and/or the State Government, as applicable.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards.
Income-tax Act	Income-tax Act, 1961.
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IPC	Indian Penal Code, 1860.
ISIN	International Securities Identification Number.
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchange.
MCA	The Ministry of Corporate Affairs, Government of India.
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. / N/A	Not applicable.
NACH	National Automated Clearing House.
NEFT	National Electronic Fund Transfer.
NR / NRs	Non-resident(s) or person(s) resident outside India, as defined under the FEMA.
NRE Account	Non-resident external account.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
OCB / Overseas Corporate Body	A company, partnership, society, or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.

Terms	Descriptions
PAN	Permanent Account Number.
PBT	Profit Before Tax.
PAT	Profit After Tax.
RBI	Reserve Bank of India.
REPO	Repurchase Agreement.
RONW	Return on Net Worth.
RTGS	Real-Time Gross Settlement.
SAT	Securities Appellate Tribunal.
SCN	Show Cause Notice.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Rights Issue Circulars	Collectively, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and the SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
SFIO	Serious Fraud Investigation Office
SMS	Short Message Service.
State Government	Government of a state of India.
Trademarks Act	Trademarks Act, 1999.
TDS	Tax Deducted at Source.

Terms	Descriptions
U. K.	United Kingdom.
U.S. / USA / United States	United States of America, including the territories or possessions thereof.
VAT	Value Added Tax.
VCFs	Venture Capital Funds, as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
w.e.f.	With effect from.
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31 of a particular year.

The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

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NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material, and the issue of Rights Entitlements and the Rights Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, and other Issue material only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. Further, this Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer, and the Application Form from the websites of the Registrar, our Company, and the Stock Exchange.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer was filed with the Stock Exchange. Accordingly, the Rights Entitlements and the Rights Securities may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Draft Letter of Offer, the Application Form and the Rights Entitlement Letter and any other offering materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

This Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, or the Rights Entitlement Letter must be treated as sent for information only and should not be acted upon for subscription to Rights Securities and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter should not, in connection with the issue of the Rights Securities or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject the Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, or Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Securities or the Rights Entitlements referred to this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter. The Company is not making any representation to any person regarding the legality of an investment in the Rights Entitlements or the Rights Securities by such person under any investment or any other laws or regulations. No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax, or investment advice.

Any person who makes an application to acquire Rights Entitlements and the Rights Securities offered in this Issue will be deemed to have declared, represented, warranted, and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Securities in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Securities will be deemed to make the representations, warranties, acknowledgments, and agreements set forth in *"Other Regulatory and Statutory Disclosures"* on page 123.

Neither the delivery of this Draft Letter of Offer nor any sale of Rights Securities hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information. Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of buying or selling of Rights Securities or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of the Rights Securities or Rights Entitlements. In addition, neither our Company nor any of its affiliates are making any representation to any offeree or purchaser of the Rights Securities regarding the legality of an investment in the Rights Securities by such offeree or purchaser under any applicable laws or regulations.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("United States" or "U.S.") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("Regulation S"), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer / Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements, and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form. Rights Entitlements may not be transferred or sold to any person in the United States.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors, and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect the service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14, and 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction.
- The judgment has not been given on the merits of the case.
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable.
- The proceedings in which the judgment was obtained are opposed to natural justice.
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to the execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

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PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise or unless the context requires otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Financial Statements of the Company. For details, see *"Financial Statements"* on page 103.

We have prepared our Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Our Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "Fiscal Year", "Fiscal", "Financial Year" or "FY" are to the 12 months period ended on March 31 of that year.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakhs.

Market and Industry Data

Unless stated otherwise, market and industry data used in this Draft Letter of Offer has been obtained or derived from publicly available information, industry publications, and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability, or underlying assumptions are not guaranteed. Similarly, industry forecasts and market research and industry and market data used in this Draft Letter of Offer, while believed to be reliable, have not been independently verified by our Company or its respective affiliates and neither our Company nor its respective affiliates make any representation as to the accuracy of that information. Accordingly, investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share, ratio of non-current borrowings (including current maturities) / total equity, ratio of total borrowings/ total equity and Earnings before interest, tax, depreciation and amortization ("EBITDA") have been included in this Draft Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Indian GAAP.

Currency of Presentation

In this Draft Letter of Offer, references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S. $" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lacs' or 'ten lakhs', the word 'Lacs / Lakhs / Lac' means 'one hundred thousand', and 'Crore' means 'ten million and 'billion / bn./ Billions' means 'one hundred crores.

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking Statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans, or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans, and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance, or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties, and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances, and achievements to differ materially from any of the forward-looking statements include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices, or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national, and international economies.

Additional factors that could cause actual results, performance, or achievements to differ materially include, but are not limited to, those discussed in the section *"Risk Factors"* on page 23.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses, or impact on net interest income and net income could materially differ from those that have been estimated, expressed, or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer and our Company has not undertaken any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated, or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

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SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the chapters, *"Objects of the Issue", "Outstanding Litigation and Other Defaults"* and *"Risk Factors"* on pages 56, 114, and 23 respectively.

Summary of our business

Our Company is a Non-Systematically important Non-Deposit taking Company categorized as Investment and Credit Company i.e. ICC registered with the RBI. Our Company is primarily engaged in the business of trading in shares, financing (Corporate and Personal Finance), and investing in the securities of Listed and Unlisted Companies. For further details, please refer to the chapter titled "*Our Business Overview*" on page 92 of this Draft Letter of Offer.

Our Promoters

The Promoters of our Company are Mr. Raj Kumar Modi, Ms. Rekha Modi, Mr. Prabhat Modi and M/s. Raj Kumar Modi HUF.

Objects of the Issue

The proposed utilization of the Net Proceeds is set forth in the table below:

(₹ in lakhs)

S. No.	Particulars	Amount (In ₹ Lakhs)
1.	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities.	[●]
2.	General Corporate Purposes*	[●]
	Total Net Proceeds*	[●]

(*) Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. For further details, please see the chapter titled "Objects of the Issue" on page 56 of this Draft Letter of Offer.

Intention and extent of participation by the Promoter and Promoter Group

Our Promoter and Promoter Group vide their letters dated July 29, 2024 **(the "Subscription Letters")** have informed the Company that they will (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group; and (iii) Subscribe to additional Rights Equity Shares in the Issue to the extent of the Issue Size, subject to compliance with the minimum public shareholding requirement as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription.

The acquisition of Rights Equity Shares by our Promoter and Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of Financial Information

The details of Financial Information for the quarter ended at June 30, 2024 and for the Financial Year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

(₹ in lakhs)

S. No.	Particulars	Quarter Ended	Year Ended		
		June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1.	Equity Share capital	5,340.61	5,340.61	5,340.61	5,090.61
2.	Net Worth	12,104.04	11,517.83	10,336.96	9,112.61
3.	Revenue	804.98	1,566.34	849.73	738.19
4.	Profit after tax	586.21	1,134.68	(636.39)	181.26
5.	Earnings per share (Basic)	0.11	0.21	(0.12)	0.04
6.	Earnings per share (Diluted)	0.11	0.21	(0.12)	0.04
7.	Net Asset Value per equity share	2.27	2.16	1.93	1.79
8.	Total borrowings (as per balance sheet)	976	1,854.96	2,746.76	2,460.18

Summary of Outstanding Litigation

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (₹ Lakhs)
Company	**By**	-	-	7	-	2,621.98
	Against	-	1	7	-	2,631.98
Promoter &	**By**	-	-	-	-	NIL

Promoter Group	**Against**	-	1	16	1	3,399.91
Group Companies/Entities	**By**	-	-	11	1	3,225.72
	Against	1	-	11	-	3,225.72
Directors' other than promoters	**By**	-	-	-	-	NIL
	Against	-	-	-	-	NIL

For further details, please refer to the chapter titled *"Outstanding Litigations & Material Development"* beginning on page 114 of this Draft Letter of Offer.

Risk Factors

Kindly refer to chapter titled *"Risk Factors"* beginning on page 23 of this Draft Letter of Offer.

Summary of Contingent Liabilities

For details of Contingent Liabilities, please see the chapter titled *"Financial Information"* beginning on page 103 of this Draft Letter of Offer.

Summary of Related Party Transactions

For details regarding Related Party Transactions, please see the chapter titled *"Financial Information"* beginning on page 103 of this Draft Letter of Offer.

Issue of equity shares made in last one year for consideration other than cash.

Our company has not issued equity shares for consideration other than cash in last one year, immediately preceding the date of this Draft Letter of Offer.

Split or consolidation of Equity Shares in the last one year.

Our company has not undertaken split or consolidation of Equity Shares in last one year, immediately preceding the date of this Draft Letter of Offer.

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SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their examination and the terms of the issue including the merits and risks involved. The risks described below are not the only risks relevant to us, or Equity Shares, the industry, or the segment in which we operate. Additional risks & uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations, and financial condition.

To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled "Our Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page numbers 92 and 106, respectively, of the Draft Letter of Offer as well as the other financial and statistical information contained in the Draft Letter of Offer.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Letter of Offer were to occur, our business, financial condition, and results of our operation could suffer material adverse effects and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is, therefore, subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

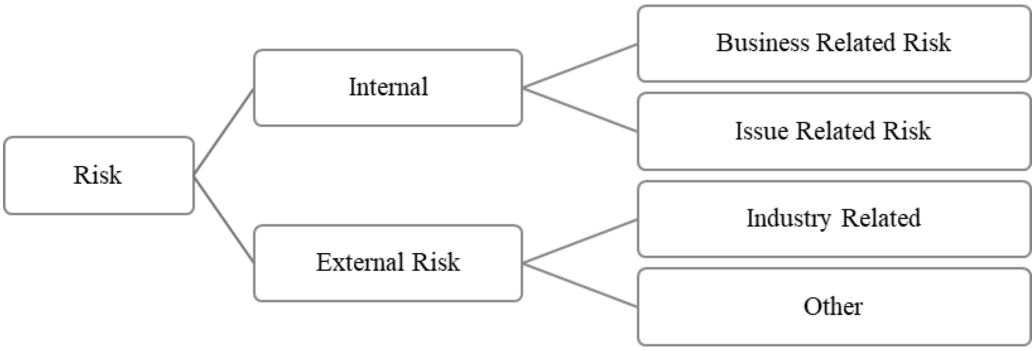
The Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Letter of Offer. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any risks mentioned herein.

Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided based on the following factors:

1. Some events may not be material individually but may be material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

Classification of Risk Factors



INTERNAL RISKS

1. ***Sustained negative cash flow could adversely impact our business growth, financial condition, and results of operations.***

   The cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, repay loans, and make new investments without raising finance from external sources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled *"Financial Statements"* and the chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on page no. 103 and page no. 106 respectively, of this Draft Letter of Offer.

2. ***There are certain legal proceedings involving our Company, Directors, and Promoters. Any adverse decision/outcome in such proceedings may adversely impact our reputation, financial condition, business, results of operations, and cash flows.***

   Our Company, Directors, and Promoters are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various levels with concerned judicial bodies. The summary of outstanding litigation as on date in relation to criminal matters, tax matters, and actions by regulatory/ statutory authorities against our Company, Directors, and Promoter, as applicable, have been set out under *"Outstanding Litigation and Defaults"* on page 114.

   A summary of material outstanding legal proceedings as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (Rs.

						Lakhs)
Company	**By**	-	-	7	-	2,621.98
	Against	-	1	7	-	2,631.98
Promoter	**By**	-	-	-	-	NIL
	Against	-	1	16	1	3,399.91
Group Companies/Entities	**By**	-	-	11	1	3,225.72
	Against	1	-	11	-	3,225.72
Directors' other than promoters	**By**	-	-	-	-	NIL
	Against	-	-	-	-	NIL

Adverse decisions in any of the aforesaid outstanding legal proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations. If the courts or tribunals rule against our Company, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

For further details, please see the chapter titled "*Outstanding litigation and Material Developments*" on page no. 114 of this Draft Letter of Offer.

3. ***There are criminal proceedings against our promoter and Group Companies which, if materialized may have adverse effect on the Company.***

The promoter of the Company Mr. Raj Kumar Modi and the group companies i.e. Amarendra Financial Private Limited and Dinkar Commercial Private Limited were named as accused in the Adarsh Scam Matter. Mr. Modi was summoned under Section 447 of the Companies Act, 2013 and Sections 418, 420 of the Indian Penal Code (IPC) read with Section 120-B of the IPC. He has been granted interim bail until further directions from the Hon'ble Supreme Court of India in the matter vide order dated August 16, 2021. The matter is pending in trial court and the Hon'ble Supreme Court of India.

There can be no assurance that this litigation will be decided in favor of our Promoter or Group Companies, and such proceedings may divert management time and attention and consume financial resources in their defence or prosecution. An adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

4. ***The shareholding of Promoter & Promoter Group in the Company is only 20.03%.***

The Company's Promoter & Promoter Group currently hold only 20.03% of the shareholding in the Company. This relatively small level of promoter ownership poses a potential risk regarding the passing of resolutions within the Company. If at any point of time, any single shareholder or group of shareholders acquire a stake exceeding 20.03%, their increased influence could significantly affect the outcome of shareholder votes and resolutions.

Specifically, if a shareholder accumulates more than 20.03% of the Company's shares, they could potentially gain substantial voting power, which might impact the ability of the current promoters to drive resolutions in alignment with their interests or strategic plans. This shift in voting dynamics could lead to challenges in executing the Company's initiatives or affect the governance structure, depending on the nature and scale of the acquired stake.

5. ***We, as an NBFC, have to adhere to several regulatory norms prescribed by RBI from time to time. Any non-compliance with such norms or any adverse change in the norms could negatively affect our Company's operations, business, financial condition, and the trading price of Equity Shares.***

   NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations, and permissions for operating our business. Such approvals, licenses, registrations, and permissions must be maintained/renewed over time, and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable requirements may change over time. We are required to obtain and maintain a license for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. The inability to meet the prescribed norms/ criteria can adversely affect the operations and profitability of our Company.

6. ***As an NBFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.***

   Any lending or investment activity is exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties. Our loan book stood at Rs. 11,088.45 Lakh and Rs. 11,566.59 Lakh for the FY 2023-24 and FY 2022-23 respectively comprising of short term and long term loan to a few corporate and non-corporate clients. Our Company has granted Unsecured Loans. Further, in relation to the unsecured loans, our ability to realize the amounts due to us for such loans would be restricted to initiating legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favorable decisions in connection therewith. Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.

   However, the size of our loan portfolio is expected to grow as a result of our expansion strategy. This will expose us to an increasing risk of defaults as our portfolio expands. The borrowers and/or guarantors and/or third parties may default on their repayment obligations due to various reasons including insolvency, a lack of liquidity, and operational failure.

7. ***We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchange and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange, or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.***

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange, or any other statutory authority may lead to penalties being imposed on us.

There have been, on a few occasions, inadvertent non-compliances done by our Company as required under the provisions of SEBI LODR 2015. We believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non-filing to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

For Instance, there was non-compliance with the Corporate Governance requirements in terms of the provisions of Regulation 17(1)(c) of SEBI (LODR), Regulations 2015 for the quarter ended September 30, 2021 and up to November 23, 2021 (SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020). In this regard, BSE has issued two notice(s) and imposed fine of Rs. 4,60,000/- plus GST for the period ended September 30, 2021 and Rs, 2,70,000/-plus GST for the quarter ended December 31, 2021.

The Company appointed two directors on its Board w.e.f. November 24, 2022 and made representation to BSE for waiver of the above said fines.

8. ***We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, error, or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on representation and/or information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. All of our loans are unsecured, however in the future for ascertaining the creditworthiness and encumbrances on collateral we may depend on the representations by the customer, and third parties and we also exercise our own judgement and experience in relation to the representations (whether written or otherwise) by the customer, the value of the collateral, and our reliance on any misleading information given, may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition, and results of operations.

9. ***The objects of the Issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution.***

The objects of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results. Utilization of Issue proceeds would be disclosed to our Company's shareholders in the manner required under the SEBI LODR Regulations.

The Funds raised are further proposed to be utilized towards augmenting our capital base and providing for our fund requirements for increasing our operational scale with respect to our NBFC activities and Repayment/prepayment in full or part, of an unsecured loan availed by our Company.

For further details, please see the section titled "*Objects of the Issue"* on page 56 of this Draft Letter of Offer.

10. ***Our Company has incurred losses in the past and may incur losses in the future.***

Our Company has incurred losses in the past, including at the EBIDTA level. The Net Loss incurred by the Company during FY 2022-23 is Rs. 636.39 Lakh. There can be no assurance that the Company will not incur losses in the future, which may have an adverse effect on our reputation and business.

11. ***Our Company is subject to periodic inspections by the RBI. Non-compliance with observations made during any such inspections could result in penalties and fines on our Company and could adversely affect the reputation of the business of our Company***

Our Company is subject to periodic inspections by the RBI of our Company's books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information, or particulars furnished to the RBI or for obtaining any information, which our Company has failed to furnish when called upon to do so. The RBI conducts an annual inspection of our Company's books of accounts and other records relating to our financial position every year under Section 45N of the RBI Act. RBI inspections are a regular exercise and are carried out periodically by RBI for banks, financial institutions, and NBFCs. While our Company has responded to the RBI observations, and has taken steps or is in the process of taking steps to rectify the identified deficiencies, if our Company fails to comply with the RBI's observations or all of the terms and conditions stipulated in the observations, or fails to seek waivers or extensions of time for complying with these terms and conditions, the RBI may take adverse actions against our Company, such as revoking its registration/license or placing stringent restrictions on our

Company's operations in case of any major non-compliance with RBI guidelines, circulars or notifications, as the case may be. Any major failure to meet the RBI's directions could materially and adversely affect our Company's pending applications or requests with the RBI and our Company's ability to obtain the regulatory permits and approvals required to expand our business or result in the interruption of all or some of our Company's operations, which could have a material adverse effect on our Company's business, financial condition and results of operations.

12. ***The logo of our Company is not a registered trademark and we may be unable to adequately protect our trademarks and an inability to protect or use our intellectual property rights may adversely affect our business.***

The logo of our Company is not a registered trademark. Accordingly, we may not be able to safeguard it from infringement or passing off. Further, we do not own any other trademark and therefore our ability to attract and retain customers is dependent upon public perception and recognition of the quality associated with our Company and promoter. Our success depends on our ability to maintain the brand image of our existing products and effectively build our brand image for new products and brand extensions. We currently do not have any form of intellectual property protection. Any unauthorized usage by a third party of logo that is being used by us may create confusion in the market as to our identity and/or may have a material adverse effect on our reputation, goodwill, business prospects and results of operation too. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

We may also face allegations that we have infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from our competitors or non-practicing entities, for passing off. Any adverse decision by the adjudicating authority may prevent us from registering and using such trademarks. Further, patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain products or product features, acquire licenses, which may not be available at a commercially reasonable price or at all, or modify our products, product features, processes or websites while we develop non-infringing substitutes.

13. ***Our Registered Office and Corporate Office from where we operate are not owned by us.***

Our Registered Office and Corporate Office premises are not owned by us. For further details, see section *"Our Business"* on page 92 of this Draft Letter of Offer. If we are required to vacate the current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

14. ***Internal or external fraud, dishonesty, or misconduct by our personnel could have a negative impact on our reputation and financial results.***

Misconduct by our employees could bind us to transactions that exceed authorized limits or present unacceptable risks, and our employees could conceal unauthorized or unlawful activities from us. Employee misconduct could also involve front-running in securities markets or the improper use or disclosure of confidential information or non-compliance with insider trading rules, which could result in regulatory sanctions and serious reputational or financial harm.

It is not always possible to deter fraud or misconduct by employees, and the precautions we have taken and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of fraud or misconduct could adversely affect our reputation, business, results of operations, and financial condition.

15. ***Any increase in or realization of our commitments and contingent liabilities could have a material adverse effect on our business, financial condition, cash flow, results of operations, and prospects.***

As on March 31, 2024, and March 31, 2023, we had the following contingent liabilities and commitments in our Audited Financial Statements:

i. A demand of Rs. 2,621.98 Lacs has been imposed on the company by Income Tax Department as at March 31, 2024 (March 31, 2023 Rs. 2,667.15 Lacs). The Company has filed an appeal before the Commissioner of Income Tax (Appeals), Kanpur, against the said demands raised by the Income Tax Department.

ii. Penalty by SEBI

SEBI initiated adjudication proceedings under Section 15HA OF SEBI Act, 1992 for violations of Sections 12A(a), (b), (c) of SEBI Act r/w Regulations 3(a), (b), (c), (d) and Regulations 4(1) of SEBI (PFUTP) Regulations, 2003. After consideration, the adjudicating officer under Section 15-I of SEBI ACT r/w Rule 5 of the Adjudication Rules, imposed a penalty of Rs. 10,00,000 on the company through order dated May 31, 2021. In response to this, the company filed an Appeal in the Securities Appellate Tribunal (SAT). Consequently, SAT quashed the SEBI Adjudication order along with the penalty imposed through an order dated September 12, 2023.

For details of the contingent liabilities of our Company, please refer to page no. 103 of this Draft Letter of Offer.

16. ***Our business requires substantial capital, and any disruption in funding sources would have a material and adverse effect on our liquidity and financial condition.***

The liquidity and ongoing profitability of our business are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of shareholder funding, and unsecured loan funds, with equity being a pre-dominant source. Thus, our business depends on and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the

Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. Further, as we grow, we may have to finance our funding from debt also. Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity and financial condition.

17. ***Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance, and results of operations.***

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that a good reputation is essential to our business. The reputation of our Company could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, our market perception and customer acceptance of our brands may also decline.

18. ***We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and the results of operations.

19. ***Our Promoters play a key role in our functioning, and we heavily rely on their knowledge and experience in operating our business. Therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.***

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction, and management of our business. Our Promoters have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations, and prospects may be materially and adversely affected.

20. We do not have any insurance policy and hence we will not be protected against any losses or damage.

We currently do not have any insurance policies and hence are not covered against any loss or damage that we may incur during the course of our business.

21. We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.

We face competition in all our lines of business. Our primary competitors are other NBFCs, public sector banks, private sector banks, cooperative banks, foreign banks, and unorganized financiers who principally operate in the markets where we operate. Banks have access to low-cost funds which enables them to enjoy higher margins and/or offer finance at lower rates. NBFCs do not have access to large quantities of low-cost deposits, a factor which can render them less competitive. In addition, interest rate deregulation and other liberalization measures affecting the retail and small and medium enterprises finance sector, together with increased demand for capital by individuals as well as small and medium enterprises, have resulted in an increase in competition.

We face competition from other NBFCs, microfinance companies as well as both commercial and small finance banks. In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest. Our ability to compete effectively will depend, to some extent, on our ability to raise low-cost funding in the future. Furthermore, as a result of increased competition in the finance sector, finance products are becoming increasingly standardized, and variable interest rates and payment terms, and lower processing fees are becoming increasingly common in the finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline. If we are unable to compete effectively with other participants in the finance sector, our business, and future financial performance may be adversely affected.

22. Our Promoters will continue to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

Post this Issue, our Promoters will collectively own a substantial portion of our Equity Share Capital. As a result, our Promoters will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may have the effect of delaying, preventing, or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that may not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

23. ***Our growth will depend on our ability to build our brand and failure to do so will negatively impact on our ability to effectively compete in this industry.***

We believe that we need to continue to build our brand, which will be critical for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high-quality services. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

24. ***Our operations could be adversely affected by disputes with employees.***

As of the date of this Draft Letter of Offer, the Company employed a workforce of 9 full-time employees. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its workforce or contract labor employed by independent contractors.

25. ***In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section *"Objects of the Issue"* on page no. 56 of this Draft Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations. We have not identified any alternate source of raising the funds required for our *"Objects of the Issue"*. Any shortfall in raising/meeting the same could adversely affect our growth plans, operations, and financial performance. Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

26. ***Our Company has, in the past, entered into certain related party transactions and may continue to do so in the future.***

Our Company has entered into related party transactions with our Directors, Group Companies in which Directors are interested, and other associates. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

27. Dividend declaration by the Company in the future will depend upon earnings, financial condition, cash flows, working capital requirements, capital expenditure, and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, the realization of a gain on shareholders' investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

28. System failures or inadequacy and security breaches in computer systems may adversely affect our business.

Our trade portfolio dashboard, financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. Our operations also rely on the secure processing, storage, and transmission of confidential and other information in our computer systems and networks. Our online trading systems, computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention, or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

29. Certain data mentioned in this Draft Letter of Offer has not been independently verified.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

ISSUE SPECIFIC RISKS

30. Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

31. Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their Demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For details, refer chapter titled *"Terms of the Issue-Procedure for Application by Eligible Equity Shareholders holding equity shares in physical form"* on page 148 of this Draft Letter of Offer.

32. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and the Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see *"Terms of the Issue"* on page 127 of this Draft Letter of Offer.

33. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Additionally, a securities transaction tax ("STT") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gains realized on the sale of equity shares held for more than 12 months are subject to long-term capital gains tax in India. Such long-term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT. Further, any capital gains realized on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Rights Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Rights Equity Shares.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing, or trading in Rights Equity Shares.

However, as per Budget 2024, the rate of short-term capital gain tax from Equity Shares has hiked to 20% and the long-term capital gains will be taxed at a flat rate of 12.5% without Indexation.

Budget 2024 has also increased the limit of exemption of capital gains on listed Equity to Rs. 1,25,000 per annum from the existing Rs. 1,00,000. All the changes in the new capital gains tax rate will be effective immediately from July 23, 2024.

34. You may not receive the Equity Shares that you subscribe to in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe to in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

35. There is no guarantee that the Rights Equity Shares issued pursuant to the issue will be listed on the Stock Exchange in a timely manner or at all, and any trading closure at the Stock Exchange may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Rights Equity Shares will not be granted by the Stock Exchange until those Rights Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Rights Equity Shares to be submitted. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining approval would restrict investors' ability to dispose of their Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

36. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

37. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such a conversion may reduce the net dividend for foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

38. ***Loss of major clients or the deterioration of their financial condition or prospects could have a material adverse effect on our business.***

While our strategy is intended to enable us to increase our revenues and earnings from our major corporate clients, the strategy also exposes us to increased risks arising from the possible loss of a major client's accounts. In addition, some of our clients are in industries that have experienced adverse business and financial conditions during the economic downturn. The deterioration of the financial condition or business prospects of these clients could reduce their need for temporary employment services, and result in a significant decrease in the revenues and earnings we derive from these clients. The bankruptcy of a major client could have a material adverse impact on our ability to recover monies from them and consequently to meet our working capital requirements.

39. ***The success of our business depends on our ability to attract and retain senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations, and prospects.***

The success of our business depends on the continued service of our senior management and various professionals including information technology resources, relationship and finance professionals, etc. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and qualified professionals has intensified. We encounter intense competition for qualified professionals from other companies in the financial services sector. Our Company invests significant time and money in training the professionals that are hired to perform the services provided to our customers. Our Company believes that there is also significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. The departure or other loss of our key professionals who manage substantial client relationships or who possess substantial experience and expertise could impair our ability to successfully carry out our operations. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including finance, internal controls, and information technology, or cannot adequately and timely replace them upon their departure. Moreover, we may be required to substantially increase the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the financial services industry for such personnel. Our failure to attract, hire, retain, or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among business institutions may also require us to increase compensation, which would increase operating costs and reduce our profitability.

40. ***We may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability.***

We are required to comply with applicable anti-money laundering ("AML") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes, and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including the imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report. If any party uses or attempts to use us for money laundering or any other illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable legal requirements, our reputation could suffer and could result in a material adverse effect on our business, financial condition and results of operations.

41. ***Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding, and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares, or convertible securities by our Company, including through the exercise of employee stock options or restricted stock units may lead to the dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

42. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, the Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events like force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the

Issue Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. The occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Issue Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholders will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

43. ***Investors will be subject to market risks until the Rights Issue Shares credited to their demat accounts are listed and permitted to trade.***

Investors can start trading the Rights Issue Shares allotted to them only after they are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Rights Issue Shares to the date when trading approval is granted for them. Further, we cannot assure you that the Rights Issue Shares allocated to an Investor will be credited to the Investor's demat account or that trading in the Equity Shares will commence in a timely manner.

44. ***Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation, and transfer restrictions set forth in this Draft Letter of Offer.***

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws, or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Draft Letter of Offer. For further information, please refer to the chapters entitled *'Notice to Investors'*, '*Other Regulatory and Statutory Disclosures'*, and '*Restrictions on Foreign Ownership of Indian Securities'* on pages 12, 123, and 166, respectively of this Draft Letter of Offer. You are required to inform yourself about and observe these restrictions. Our representatives, our agents, and we will not be obligated to recognize any acquisition, transfer, or resale of the Issue Shares made other than in compliance with applicable law.

45. ***Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements, and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

46. ***The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
b) changes in revenue or earnings estimates or publication of research reports by analysts;
c) speculation in the press or investment community;
d) general market conditions; and,
e) domestic and international economic, legal, and regulatory factors unrelated to our performance.

EXTERNAL RISKS

47. ***Political instability, economic or changes in the government or government policies could impact the liberalization of an Indian economy.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity, which could have an adverse effect on our business, financial condition, and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth, and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies.

The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices, and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates, and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and/or political changes. While the current government is expected to continue the liberalization of India’s economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India’s economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

48. *Changing laws, rules and regulations, and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by unfavorable changes in or interpretation of existing, or the promulgation of new laws, rules, and regulations applicable to us and our business. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation, and implementation of any amendment to, or change to governing laws, regulation, or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulation which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations, and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The application of various Indian tax laws, rules, and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules, and regulations are amended, new adverse laws, rules, or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

49. *Financial Instability, economic developments, and volatility in securities markets in other countries may also cause the price of Equity shares to decline.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have an adverse effect on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscals or trade deficits, or default on national trade, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Currently, the Russia-Ukraine conflict has resulted in a significant increase in a global oil price which could have a significant impact on inflation and cost of production. Additionally, essential raw material prices for the manufacture of various products could be affected globally due to the aforementioned European crisis which could have a cascading effect on the Indian economy and the trading price of our equity shares.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

50. ***Any downgrading of India's debt rating by an independent domestic or international rating agency could negatively impact our business and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which is outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our financial results and business prospects, ability to obtain financing for capital expenditures, and the price of our Equity Shares.

51. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows, and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions including wars amongst nations like the current Russia Ukraine conflict could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

52. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares that are sought to be transferred is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency, can be obtained on any particular terms or at all.

53. A slowdown in economic growth in India could cause business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India, and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

• any increase in Indian interest rates or inflation;
• any scarcity of credit or other financing in India;
• prevailing income conditions among Indian consumers and Indian corporations;
• changes in India's tax, trade, fiscal, or monetary policies;
• political instability, terrorism, or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
• prevailing regional or global economic conditions; and
• other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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SECTION III: INTRODUCTION

THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on June 05, 2024, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable laws. The terms and conditions of the Issue including the Issue price, Record Date, Rights Entitlement Ratio, and other related matters have been approved by the Rights Issue Committee of the Board of Directors at their meeting held on Saturday, September 07, 2024.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in *"Terms of the Issue"* beginning on page 127.

Rights Equity Shares being offered by our Company	Up to 17,80,20,400 Equity Shares
Rights Entitlement for the Rights Equity Shares	1 (One) Rights Equity Shares for every 3 (Three) fully paid-up Equity Shares held as on the Record Date.
Record Date	[●]
Issue Price per Rights Equity Share	Rs. 2.75/- (Rupees Two and Seventy Five Paisa Only)
Face Value per Rights Equity Share	Re. 1/- (Rupee One Only)
Issue Size	Up to Rs. 4,895.56/- Lakhs
Equity Shares outstanding prior to the Issue	53,40,61,200 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription and Allotment of the Rights Equity Shares)	71,20,81,600 Equity Shares
Security Codes for our Equity Shares, Rights Equity Shares, and Rights Entitlements#	**ISIN:** INE793G01035 **Scrip Code:** 534060 **ISIN for Rights Entitlement:** [●]
Terms of the Issue	See *"Terms of the Issue"* on page 127
Use of Issue Proceeds	See *"Objects of the Issue"* on page 56

For details in relation to fractional entitlements, see "Terms of the Issue – Basis for the Issue and Terms of the Issue – Fractional Entitlements" on page 127

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Day and Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*
*** Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

Terms of payment

The full amount of the Issue Price being Rs. 2.75/- per share (including the Premium of Rs. 1.75/-) will be payable on application.

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GENERAL INFORMATION

Our Company was incorporated on February 04, 1985 having CIN L27109UP1985PLC006998 with the name and style of Priti Mercantile Company Limited and certificate of incorporation was granted by Registrar of Companies, U.P., Kanpur. Subsequently, the name of the Company was changed from "Priti Mercantile Company Limited" to its present name i.e. "PMC Fincorp Limited" and fresh certificate of incorporation was granted by Registrar of Companies, Uttar Pradesh on March 20, 2014.

The Company is a Non-Systematically important Non-Deposit taking Company categorized as Investment and Credit Company i.e. ICC registered with Reserve Bank of India **("the RBI")** under Section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and investment related activities. The Company received the certificate of registration from RBI on November 14, 2014, enabling the Company to carry on business as a Non-Banking Financial Company.

Registered Office:

PMC Fincorp Limited
B-10, VIP Colony Civil Lines, Rampur, Uttar Pradesh – 244901, India
Telephone No.: 0595-2351375 | **Fax**: 0595-2351273
Email: contact@pmcfincorp.com **| Website:** www.pmcfincorp.com
Registration Number: 006998
CIN: L27109UP1985PLC006998

Details of Changes in the Registered Office:

Date of Change	From	To
December 06, 2012	10-B, VIP Colony, Civil Lines, Rampur, Uttar Pradesh – 244901, India	B-10, VIP Colony, Civil Lines, Rampur, Uttar Pradesh – 244901, India

Corporate Office:

Address: 201 & 202, Second Floor, Rattan Jyoti Building 18, Rajendra Place, New Delhi – 110008, India.
Contact No.: 011-47631025/26/27

Registrar of Companies:

Our Company is registered with the Registrar of Companies, Uttar Pradesh, Kanpur, situated at the following address:
Address: 37/17, Westcottt Building, The Mall, Kanpur – 208001, Uttar Pradesh, India
Telephone: 0512-2310443, 2310227, 2310323
E-mail: roc.kanpur@mca.gov.in
Website: www.mca.gov.in

Company Secretary and Compliance Officer:

Mr. Kailash
Address: 201 & 202, Second Floor, Rattan Jyoti Building 18, Rajendra Place, New Delhi – 110008, India.
Telephone: 011-47631025/26/27
Email: compliances@pmcfincorp.com;
Website: www.pmcfincorp.com

Chief Financial Officer:

Mr. Chandresh Kumar Sharma
Address: 201 & 202, Second Floor, Rattan Jyoti Building 18, Rajendra Place, New Delhi – 110008, India.
Telephone: 011-47631025/26/27
Email: accounts@pmcfincorp.com**;**
Website: www.pmcfincorp.com

Statutory Auditor

M/s. Pankaj Gupta & Co., Chartered Accountants
Address: 1, Anand Vihar, Basement Floor, Pitampura, Delhi -110034, India
Telephone: 011-46051500
Email: pankajgupta.pgc@gmail.com
Contact Person: Mr. Pankaj Gupta
Membership No.: 501398
Firm Registration No.: 019302N
Peer Review Certificate No.: 90448-5054872-1666

Registrar to the Issue

For the purpose of the proposed Rights Issue, the Company has appointed the following as the Registrar to the Issue:

Skyline Financial Services Private Limited
Address: D-153/A, 1st Floor, Okhla Industrial Area Phase – 1, New Delhi – 110020, India
Telephone: 011 – 40450193-97 | **Fax:** 011 - 26812682
E-mail: ipo@skylinerta.com
Investor grievance: grievances@skylinerta.com
Website: www.skylinerta.com
Contact Person: Mr. Anuj Rana
CIN: U74899DL1995PTC071324
SEBI Registration No: INR000003241

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of normal process). For details on the ASBA process see *"Terms of the Issue"* on page 127 of this Draft Letter of Offer.

Registrar of the Company

Indus Shareshree Private Limited (formerly known as Indus Portfolio Private Limited), , having SEBI Registration No: INR000003845 are the Registrar to the Company.

Bankers to the Issue

HDFC Bank Limited
Address: HDFC Bank Limited, FIG-OPS Department-Lodha, I Think Techno Campus O-3 Level, Kanjurmarg (East) (Near Kanjurmarg Railway Station) Mumbai – 400042, Maharashtra, India
Contact Person: Siddharth Jhadhav, Eric Bacha, Vikas Rahate, Tushar Gavankar
Telephone: 022-30752927/28/2914; **Fax no.:** 022-25799801
Email: siddharth.jadhav@hdfcbank.com, eric.bacha@hdfcbank.com, vikas.rahate@hdfcbank.com, tushar.gavankar@hdfcbank.com
Website: www.hdfcbank.com
CIN: L65920MH1994PLC080618
SEBI Registration No.: INBI00000063

Lead Manager

The Company has not appointed any Lead Manager as the Issue size is less than Rs. 5,000 Lakh.

Credit Rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As this Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company is not required to appoint a monitoring agency since the issue size is below Rs. 10,000/- Lakhs.

Filing

As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below Rs. 5,000 Lakh, therefore this Draft Letter of Offer has been filed with BSE. On receipt of the in-principle approval from BSE, the final Letter of Offer will be filed with the Stock Exchange and will be submitted to SEBI for information and dissemination purposes as per the provisions of the SEBI ICDR Regulations.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Experts

Except for the reports of the Auditors of our Company on the audited Financial Information and Statement of Tax Benefits, included in this Draft Letter of Offer, our Company has not obtained any expert opinions.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

Issue Schedule:

Last Date for credit of Rights Entitlements:	[●]
Issue Opening Date:	[●]
Last Date for On Market Renunciation#:	[●]
Issue Closing Date*:	[●]
Finalization of Basis of Allotment (on or about):	[●]
Date of Allotment (on or about):	[●]
Date of credit (on or about):	[●]
Date of listing (on or about):	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation to our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than [●], being two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts by [●] being one working day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application, see "Terms of the Issue" on page 127.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled "Terms of the Issue" beginning on page 127 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall be lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited with the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

Changes in Auditors during last three years

Financial Year	Name & Address	Date of Appointment/ Resignation	Date of Cessation	Remarks
2022-23	Sunil K. Gupta & Associates, Chartered Accountants	AGM held on September 23, 2017	March 31, 2022	End of term of appointment
2022-23	Pankaj Gupta & Co	April 01, 2022 and Approved in AGM held on September 17, 2022	-	Appointment

Minimum Subscription

As the object of the Company is other than capital expenditure for a project, thus, our Company would not be required to comply with the requirements of minimum subscription. However, the Promoter and Promoter Group, by way of their letters dated July 29, 2024 (the **"Subscription Letters"**) have informed that they will (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group; and (iii) Subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription.

The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

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CAPITAL STRUCTURE

The Share capital of our Company as on the date of this Draft Letter of Offer is as provided below:

(Amount in Rs. Lakh)

S. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
1.	**AUTHORISED SHARE CAPITAL**		
	90,00,00,000 Equity Shares of Re.1/- each	9,000.00	-
2.	**ISSUED, SUBSCRIBED & PAID-UP EQUITY SHARE CAPITAL BEFORE THIS ISSUE**		
	53,40,61,200 Equity Shares of Re. 1/- each	5,340.61	-
3.	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER (1)**		
	Up to 17,80,20,400 Rights Equity Shares, each at a premium of Rs. 1.75/- per Rights Equity Share, i.e., at a price of Rs. 2.75/-/- per Rights Equity Share.	1,780.20	4,895.56
4.	**ISSUED, SUBSCRIBED, AND PAID-UP EQUITY SHARE CAPITAL AFTER THIS ISSUE (2)**		
	71,20,81,600 fully paid-up Equity Shares of Re. 1/- each	7,120.82	N.A.
SECURITIES PREMIUM ACCOUNT			
Before this Issue			2,838.54
After the Rights Issue of Equity Shares			12,461.43(2)

Notes:

1. *This Issue has been authorized by a resolution of our Board passed at its meeting held on June 05, 2024. The terms of the rights issue including the Rights Entitlement, Issue Price, etc. have been approved by the Rights Issue Committee of the Board of Directors of our Company in its meeting held on September 07, 2024, .*
2. *Assuming full subscription for and Allotment of the Rights Equity Shares.*
3. *Subject to finalization of Basis of Allotment, Allotment, and deduction of Issue expenses.*
4. *The above figures are rounded off to two decimal places.*

NOTES TO CAPITAL STRUCTURE

I. Details of options and convertible securities outstanding as on the date of this Draft Letter of Offer.

There are no options and convertible securities outstanding, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of the Draft Letter of Offer.

II. Details of Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged, or encumbered as of the date of this Draft Letter of Offer.

There are no Equity Shares held by our Promoter & Promoter Group which have been locked, pledged or encumbered as on the date of this Draft Letter of Offer.

III. Except as disclosed below, no Equity Shares have been acquired by our Promoters or Promoter Group in the last one year immediately preceding the date of this Draft Letter of Offer:

Name of the Promoter/Promoter Group	Date of the Transaction	Number of Equity Shares acquired	Value (in Rs.)	Nature of Transaction
Prabhat Modi	December 27, 2023	10,47,587	30,48,479	Open Market Acquisition
	December 28, 2023	11,00,000	32,56,000	Open Market Acquisition
	December 29, 2023	10,79,601	32,49,600	Open Market Acquisition
	March 14, 2024	2,63,598	6,80,083	Open Market Acquisition
	March 21, 2024	2,25,000	5,76,000	Open Market Acquisition

IV. Subscription to this Issue by our Promoter and Promoter Group

Our Promoter and Promoter Group, by way of their letters dated July 29, 2024 (the "Subscription Letters") have informed the Company that they will (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group; and (iii) Subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

V. The ex-rights price of the Rights Equity Shares, as computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations, is Rs. [●]/- per Equity Share.

VI. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Draft Letter of Offer. For details on the terms of this Issue, see *"Terms of the Issue"* on page 127.

VII. At any given time, there shall be only one denomination of Equity Shares.

VIII. Shareholding pattern of our Company as per the latest quarterly filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:

i. The shareholding pattern of our Company as on June 30, 2024, can be accessed on the website of the BSE at: https://www.bseindia.com/stock-share-price/pmc-fincorp-limited/pmcfin/534060/shareholding-pattern/

ii. **Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital:**
The same can accessed at: https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=534060&qtrid=122.00&QtrName=June%202024

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OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds of the Rights Issue towards the following objects:

1. To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities; and
2. General Corporate Purpose.

(Collectively, referred to hereinafter as the **"Objects"**)

We intend to utilize the gross proceeds raised through the Issue (the **"Issue Proceeds"**) after deducting the Issue related expenses **("Net Proceeds")** for the abovementioned Objects.

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised by the Company through this Issue and the activities for which the borrowings proposed to be prepaid in full or part from the Net Proceeds.

Issue Proceeds:

The details of the Issue Proceeds are set forth in the table below:

(Rs. in Lakhs)

Particulars	**Amount**
Gross Proceeds from this Issue	4,895.56
Less: Estimated Issue related expenses	[●]
Total Net Proceeds*	[●]

** Assuming full subscription and Allotment with respect to the Rights Equity Shares.*
#Rounded off to two decimal places.

Requirement of funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds is set forth in the table below:

(Rs. in Lakhs)

Particulars	**Amount#**
To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities.	[●]
General corporate purposes*	[●]
Total Net Proceeds	[●]

**Subject to finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
#Rounded off to two decimal places

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed Objects of the Issue from the Net Proceeds. Accordingly, our Company confirms 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 from the Issue.

DETAILS OF THE OBJECTS OF THIS ISSUE

The details in relation to Objects of this Issue are set forth herein below:

1. *To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities.*

We are a RBI Registered NBFC involved in the business of equity and debt investments, trading in securities and providing unsecured financing to individuals and small businesses. The capital adequacy norms issued by the RBI, is not applicable to our company as we are a Non-systematically important non-Deposit Taking NBFC
categorized as Investment and Credit Company i.e. ICC. We propose to augment our capital base by Rs. [●] Lakhs through this Issue and utilize the funds raised to further increase the operational scale of its business of NBFC activities, Investments & Trading of Securities.

The amount raised will primarily be used to expand our business operations. Our company's purpose is to expand its investments portfolio and further align the company towards investments and capital market activities. This is expected to further boost the company's growth trajectory.

With the Issue Proceeds our Company envisages increasing its lending/ financing portfolio qualitatively and quantitatively to target eligible clients for secured and unsecured loans. The Company also seeks to utilize the amounts raised to increase its present investment & trading portfolio by making short term and long-term investments & trades in form of Equity of listed and unlisted companies, Strategic investments, Debt, Derivatives, and other instruments/ Securities. Our investment scope and strategy depend on the opportunities and market conditions; both long term and short term and we invest in variety of sectors. There are no prefixed criteria or predefined limitations to the Company's investments. Besides we aim to leverage the combined experience of our network of professionals and Board members to make strategic investments in areas of growth and transformation with a long-term perspective.

2. *General corporate purposes*

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, vendor payments and payment of taxes and duties; (c) meeting our working capital requirements including payment of interest on borrowings; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses; and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Deployment of funds

The following table provides for the proposed deployment of Net Proceeds and other funds, to be raised after deducting Issue related expenses.

Particulars	Amount proposed to be funded from Net Proceeds at Application#	Proposed schedule for deployment of the Net Proceeds at Application#
		Financial Year [●]
To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities.	[●]	[●]
General corporate purposes*	[●]	[●]
Issue Expenses	[●]	[●]
Total	[●]	[●]

#Rounded off to two decimal places.

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to and will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

Estimated Issue related expenses:

The total expenses of the Issue are estimated to be Rs. [●] Lakhs. The break-up of the Issue expenses is as follows:

(Unless otherwise specified, in Rs. lakhs)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee to the legal advisors, other	[●]	[●]	[●]

	professional service providers and Registrar to the Issue			
2.	Advertising, marketing expenses, shareholder outreach, etc.	[●]	[●]	[●]
3.	Fees payable to regulators, including depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
4.	Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
	Total estimated Issue related expenses	[●]	[●]	[●]

Note : Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company.

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STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
PMC Fincorp Limited
B-10, VIP Colony,
Civil Lines, Rampur,
Uttar Pradesh – 244901, India

Subject: Report on statement of possible special tax benefits ("the Statement") available to PMC Fincorp Limited ("Company"), subsidiary and its shareholders, prepared in accordance with the requirement under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations").

1. The accompanying Statement **(Refer annexure 1)** of Special Tax Benefits available to the Company, its subsidiary and its Shareholders (hereinafter referred to as **"the Statement"**) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as **" IT Act"**), and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as **"Indirect Tax Regulations")** as on the signing date, for inclusion in the Draft Letter of Offer and Letter of Offer ("Offer Document") prepared in connection with the Offer, has been prepared by the management of the Company in connection with the Offer, which we have initialed for identification purposes.

Management's Responsibility

2. The preparation of this Statement as on the date of our report which is to be included in the Offer Document is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on June 06, 2024, for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

3. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the **"ICAI"**). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by

the ICAI.

4. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "SEBI ICDR Regulations") and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders, in accordance with the Act as at the date of our report.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with
   the Act and the Regulations in connection with the Offer.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

   Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available, to the Company and its shareholders, in accordance with the Act as at the date of our report.

   Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company, its subsidiary or its shareholders will continue to obtain the benefits per the Statement in future; or

(ii) The conditions prescribed for availing the benefits as per the Statement have been/would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, and the concerned stock exchanges. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Pankaj Gupta & Co.
Chartered Accountants
Firm's Registration Number: 019302N
Sd/-
CA. Pankaj Gupta
(Partner)
Membership No. 501398
Delhi
August 27, 2024
UDIN: 24501398BKAHNQ6078
Certificate No: PGC/2024-25/183

Annexure 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PMC FINCORP LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Act applicable for the Financial Year 2023-24. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act.

I. **Under the Income tax Act, 1961 (the IT Act) (hereinafter referred to as "the Act") as amended from time to time, applicable for the Financial Year 2023-24 relevant to Assessment Year 2024-25.**

A. Special tax benefits available to the Company under the Act.

1. **Lower Corporate tax rate under section 115BAA**

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act 2019 (the Amendment Act, 2019) w.e.f. April 01, 2020 granting an option to domestic company to compute corporate tax at a reduced rate of 25.17% (22 % plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemption/ incentives (e.g. deduction under Section 10AA, 32 (1) (iia), 33ABA, 35(2AB), 80-IA etc)

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (MAT) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02,2019 clarifying that since the MAT provision under Section 115JB itself would not apply where domestic company exercises option of lower tax rate under Section 115BAA, MAT Credit would not be available; Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company is eligible to exercise the above option.

B. Special tax benefits available to the shareholders.

There are no special tax benefits available to the shareholders of the Company under the Act.

Notes:

1. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis of listing of all the potential tax consequences of the purchase, ownership and disposal of shares.

2. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

3. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment of 2023-24. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

4. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2023-24 and accordingly, the special direct tax benefits, available for Financial Year 2023-24, are captured to the extent the same are relevant to a Company exercising such option. In this regard, it may also be noted that such option for Financial Year 2023-24 is already exercised by the Company. The option once exercised cannot be subsequently withdrawn for the Same or any other Financial Year.

II. **Indirect tax (Indirect tax regulations)**

The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20 “FTP”) (collectively referred as "Indirect Tax Regulations")

There are no special tax benefits available to the Company under the above mentioned regulations.

A. Special tax benefits available to shareholders of the Company under indirect tax regulations in India

The shareholders of the Company are not eligible to any special tax benefits under Indirect Tax Regulations

Notes:

1. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

2. No assurance is given that the revenue authorities/courts will the view expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the Views consequent to such changes. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis of listing of all the potential tax consequences of the purchase, ownership and disposal of shares.

3. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

4. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

5. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

6. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
   - the Company or its shareholders will continue to obtain these benefits in future;
   - the conditions prescribed for availing the benefits have been/ would be met with; and
   - the revenue authorities/courts will concur with the view expressed herein.

7. The above views are based on the existing provisions of law and its interpretation, which are

subject to change from time to time.

8. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

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SECTION IV: DETAILS OF BUSINESS

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness, and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts, and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information, and investment decisions should not based on such information.

1) MACRO ECONOMIC OVERVIEW

(a) Global Economy

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater- than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross- border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers’ near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

On the global front, the US Federal Reserve (Fed) held policy rates steady in its September meeting, after a 25 basis points hike in July but remains on the edge as the economy continues to witness tight labour market conditions. S&P sees the policy rates remaining higher for longer and does not expect the first rate cut till June 2024. According to flash estimates released by Eurostat, inflation in the eurozone eased to 4.3% from 5.2% in August with prices easing in several major categories. Inflation moderated in food (6.6% vs 7.8%), non-energy industrial goods (4.2% vs. 4.7%) and services (4.7% vs. 5.5%). Prices of energy fell at a faster pace on-year in September compared with the previous month (-4.7% vs. -3.3%). Core inflation, excluding energy, food, alcohol, and tobacco, eased sharply to 4.5% compared with 5.3%.

While the risk of tight and volatile global financial conditions persists, India's vulnerability to these external shocks likely to be lower in Fiscal 2024-current account deficit -will likely be pared this Fiscal on the back of lower crude oil prices. This, coupled with the RBI s adequate forex reserves and the country's good growth prospects, should cushion the impact of a global spill over on Indian macroeconomic conditions. IMF has projected Indian economy to grow at 6.8% in FY 2024-2025
Source: International Monetary Fund Forecast https://www.imf.org/en/Publications/WEO; Last Updated on 16th July 2024

(b) Indian Economy

Global economic activity is rebalancing and is expected to grow at a stable pace in 2024. Inflation has been moderating unevenly, with services inflation staying elevated and slowing progress towards targets.

Uncertainty on the pace and timing of policy pivots by central banks is keeping financial markets volatile. Equity markets have touched new highs in both advanced and emerging market economies. Non-energy commodity prices have firmed up, while the US dollar and bond yields are exhibiting two-way movement with spillovers to emerging market currencies. Gold prices have surged to record highs on safe haven demand.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2024, real gross domestic product (GDP) growth in Q4:2023-24 stood at 7.8 per cent as against 8.6 per cent in Q3. Real GDP growth for 2023-24 was placed at 8.2 per cent. On the supply side, real gross value added (GVA) rose by 6.3 per cent in Q4:2023-24. Real GVA recorded a growth of 7.2 per cent in 2023- 24.

Going forward, high frequency indicators of domestic activity are showing resilience in 2024-25. The south-west monsoon is expected to be above normal, which augurs well for agriculture and rural demand. Coupled with sustained momentum in manufacturing and services activity, this should enable a revival in private consumption. Investment activity is likely to remain on track, with high-capacity utilisation, healthy balance sheets of banks and corporates, Government's continued thrust on infrastructure spending, and optimism in business sentiments. Improving world trade prospects could support external demand. Headwinds from geopolitical tensions, volatility in international commodity prices, and geoeconomic fragmentation, however, pose risks to the outlook. Taking all these factors into consideration, real GDP growth for 2024-25 is projected at 7.2 per cent with Q1 at 7.3 per cent; Q2 at 7.2 per cent; Q3 at 7.3 per cent; and Q4 at 7.2 per cent (Chart 1). The risks are evenly balanced.

Headline inflation has seen sequential moderation since February 2024, albeit in a narrow range from 5.1 per cent in February to 4.8 per cent in April 2024. Food inflation, however, remains elevated due to persistence of inflation pressures in vegetables, pulses, cereals, and spices. Deflation in fuel prices deepened during March-April, reflecting the cut in liquified petroleum gas (LPG) prices. Core (CPI excluding food and fuel) inflation eased further to 3.2 per cent in April, the lowest in the current CPI series, with core services inflation also falling to historic lows.

Looking ahead, overlapping shocks engendered by rising incidence of adverse climate events impart considerable uncertainty to the food inflation trajectory. Market arrivals of key rabi crops, particularly pulses and vegetables, need to be closely monitored in view of the recent sharp upturn in prices. Normal monsoon, however, could lead to softening of food inflation pressures over the course of the year. Pressure from input costs have started to edge up and early results from enterprises surveyed by the Reserve Bank expect selling prices to remain firm. Volatility in crude oil prices and financial markets along with firming up of non-energy commodity prices pose upside risks to inflation. Taking into account these factors, CPI inflation for 2024-25 is projected at 4.5 per cent with Q1 at 4.9 per cent; Q2 at 3.8 per cent; Q3 at 4.6 per cent; and Q4 at 4.5 per cent (Chart 2). The risks are evenly balanced.
Source: RBI Monetary Policy Statement dated 21st June 2024
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58136;

(c) Indian Economy Outlook

India to witness GDP growth of 6.0 per cent to 6.8 per cent in 2023-24, depending on the trajectory of economic and political developments globally.

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. Aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible and more importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7 times in the last seven years, from FY16 to FY23, reinvigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance. Global growth is forecasted to slow from 3.2 per cent in 2022 to 2.7 per cent in 2023 as per IMF's World Economic Outlook, October 2022. A slower growth in economic output coupled with increased uncertainty will dampen trade growth. This is seen in the lower forecast for growth in global trade by the World Trade Organisation, from 3.5 per cent in 2022 to 1.0 per cent in 2023. On the external front, risks to the current account balance stem from multiple sources. While commodity prices have retreated from record highs, they are still above pre-conflict levels. Strong domestic demand amidst high commodity prices will raise India's total import bill and contribute to unfavourable developments in the current account balance. These may be exacerbated by plateauing export growth on account of slackening global demand. Should the current account deficit widen further, the currency may come under depreciation pressure. Entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterised by low growth in FY24. However, the scenario of subdued global growth presents two silver linings – oil prices will stay low, and India's CAD will be better than currently projected. The overall external situation will remain manageable.

The growth story is inclusive when it creates jobs. The employment levels have risen in the current financial year, as the Periodic Labour Force Survey (PLFS) shows that the urban unemployment rate for people aged 15 years and above declined from 9.8 per cent in the quarter ending September 2021 to 7.2 per cent one year later (quarter ending September 2022). This is accompanied by an improvement in the labour force participation rate (LFPR) as well, confirming the emergence of the economy out of the pandemic-induced slowdown early in FY23.

In FY21, the Government announced the Emergency Credit Line Guarantee Scheme, which succeeded in shielding micro, small and medium enterprises from financial distress. A recent CIBIL report (ECLGS Insights, August 2022) showed that the scheme has supported MSMEs in facing the COVID shock, with 83 per cent of the borrowers that availed of the ECLGS being micro-enterprises. Among these micro units, more than half had an overall exposure of less than Rs10 lakh. Furthermore, the CIBIL data also shows that ECLGS borrowers had lower non-performing asset rates than enterprises that were eligible for ECLGS but did not avail of it.

Further, the GST paid by MSMEs after declining in FY21 has been rising since and now has crossed the pre-pandemic level of FY20, reflecting the financial resilience of small businesses and the effectiveness of the pre-emptive government intervention targeted towards MSMEs. Moreover, the scheme implemented by the government under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been rapidly creating more assets in respect of "Works on individual's land" than in any other category. In addition, schemes like PM-KISAN, which benefits households covering half the rural population, and PM Garib Kalyan Anna Yojana have significantly contributed to lessening impoverishment in the country. The UNDP Report of July 2022 stated that the recent inflationary episode in India would have a low poverty impact due to well-targeted support. In addition, the National Family Health Survey (NFHS) in India shows improved rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment. So far, India has reinforced the country's belief in its economic resilience as it has withstood the challenge of mitigating external imbalances caused by the Russian-Ukraine conflict without losing growth momentum in the process. India's stock markets had a positive return in CY22, unfazed by withdrawals by foreign portfolio investors. India's inflation rate did not creep too far above its tolerance range compared to several advanced nations and regions. India is the third-largest economy in the world in PPP terms and the fifth- largest in market exchange rates. As expected of a nation of this size, the Indian economy in FY23 has nearly "recouped" what was lost, "renewed" what had paused, and "re-energised" what had slowed during the pandemic and since the conflict in Europe.

The global economy battles through a unique set of challenges. There are six distinct challenges faced by the Global Economy. The three challenges like COVID-19 related disruptions in economies, Russian- Ukraine conflict, and its adverse impact along with disruption in supply chain, mainly of food, fuel and fertilizer and the Central Banks across economies led by Federal Reserve responding with synchronised policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies. The fourth challenge emerged as faced with the prospects of global stagflation, nations, feeling compelled to protect their respective economic space, thus slowing cross-border trade affecting overall growth. It adds that all along, the fifth challenge was festering as China experienced a considerable slowdown induced by its policies. The sixth medium-term challenge to growth was seen in the scarring from the pandemic brought in by the loss of education and income-earning opportunities.

Like the rest of the world, India, too, faced this extraordinary set of challenges but withstood them better than most economies. In the last eleven months, the world economy has faced almost as many disruptions as caused by the pandemic in two years. The conflict caused the prices of critical commodities such as crude oil, natural gas, fertilisers, and wheat to soar. This strengthened the inflationary pressures that the global economic recovery had triggered, backed by massive fiscal stimuli and ultra-accommodative monetary policies undertaken to limit the output contraction in 2020. Inflation in Advanced Economies (AEs), which accounted for most of the global fiscal expansion and monetary easing, breached historical highs. Rising commodity prices also led to higher inflation in the Emerging Market Economies (EMEs), which otherwise were in the lower inflation zone by virtue of their governments undertaking a calibrated fiscal stimulus to address output contraction in 2020. It is also seen that Inflation and monetary tightening led to a hardening of bond yields across economies and resulted in an outflow of equity capital from most of the economies around the world into the traditionally safe-haven market of the US. The capital flight subsequently led to the strengthening of the US Dollar against other currencies, the US Dollar index strengthened by 16.1 per cent between January and September 2022. The consequent depreciation of other currencies has been widening the CAD and increasing inflationary pressures in the net importing economies.

The Indian economy is well placed to grow faster in the coming decade once the global shocks of the pandemic and the spike in commodity prices in 2022 faded away. With improved and healthier balance sheets of the banking, non-banking and corporate sectors, a fresh credit cycle has already begun, evident from the double-digit growth in bank credit over the past months. Indian economy has also started benefiting from the efficiency gains resulting from greater formalisation, higher financial inclusion, and economic opportunities created by digital technology-based economic reforms. Hence the outlook of Indian economy is much better than many developing nations.

Source: Economic Survey 2022-23, Government of India; July 2024 released file:///C:/Users/Sabyasachi%20Rath/Downloads/Economic%20Survey%20Complete%20PDF.pdf

2) NBFC SECTOR OVERVIEW

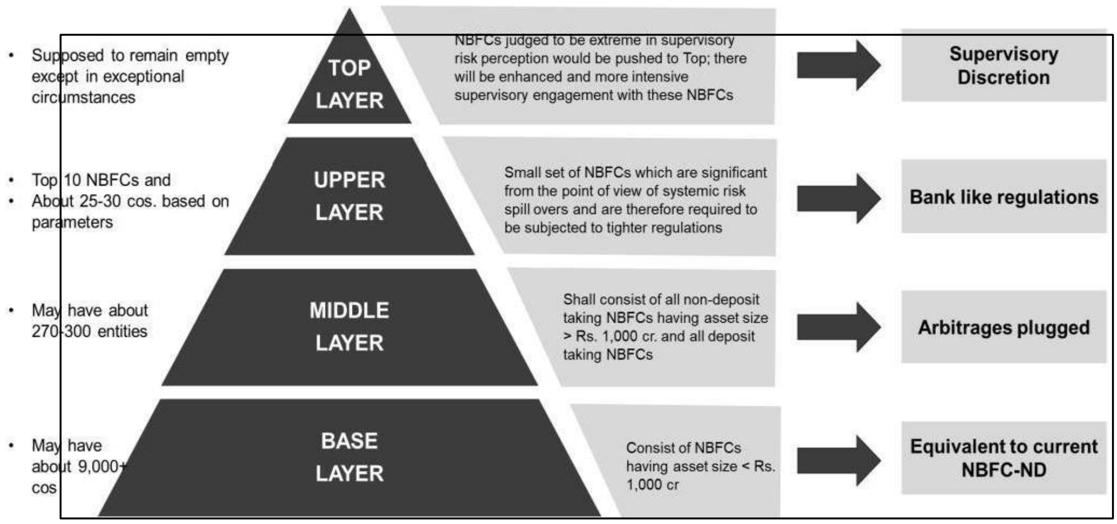
(a) Evolution in NBFC Categorisation

NBFCs have emerged as the crucial source of finance for a large segment of the population, including SMEs and economically unserved and underserved people. They have managed to cater to the diverse needs of the borrowers in the fastest and most efficient manner, considering their vast geographical scope, understanding of the various financial requirements of the people and extremely fast turnaround times. Non-bank money lenders have played an important role in the financial inclusion process by supporting the growth of millions of MSMEs and independently employing people. The sector has grown significantly, with a number of players with heterogeneous business models starting operations. The last few years have seen a transformation in the Indian financial services landscape. The increasing penetration of neo-banking, digital authentication, rise of UPI and mobile phone usage as well as mobile internet has resulted in the modularisation of financial services, particularly credit.

As of 30 September 2023, there were a total of 93561 NBFCs registered with the Reserve Bank of India (RBI). Based on liability structure, NBFCs have been traditionally categorised into deposit-taking NBFCs (NBFCs-D), which are allowed to raise term deposits and non-deposit-taking NBFCs (NBFCs- ND). In October 2021, the RBI introduced a scale-based regulation for NBFCs to align its regulatory framework and further classify these financial institutions based on their evolving risk profile, considering the evolution of NBFCs with regard to size, complexity and interconnection within the financial sector. This framework categorises:

a. NBFCs in the base layer (NBFC-BL) with assets less than INR 1,000 crore
b. Middle layer (NBFC-ML) with assets more than INR 1,000 crore
c. Upper layer (NBFC-UL) and top layer (NBFC-TL) which are specifically identified by the RBI based on a set of parameters and scoring methodology A list of 16 NBFCs-UL, identified as per the methodology specified in scale-based regulation for NBFCs, was released on 30 September 2022

Scale Based Approach Proposed for NBFCs



Source: RBI, CRISIL MI&A

Regulatory distinction between banks and NBFCs

	NBFC ND SI	NBFC D	Banks (Base l-III)

Minimum net owned funds	20 million	20 million	N.A.
Capital adequacy	15.0%	15.0%	11.5%
Tier I capital	10.0%	10.0%	9.5%
Stage III assets	90 days#	90 days#	90 days
Cash reserve ratio (CRR)	N.A.	N.A.	3.0%
Statutory liquidity ratio (SLR)	N.A.	15.0%	18.00%
Priority sector	N.A.	N.A.	40% of advances
SARFAESI eligibility	Yes*	Yes*	Yes
Exposure norms (% of NOF)	Single borrower: 15% (+10% for IFC)	Single borrower: 15%	Single borrower: 15% % for infrastructure projects)
	Group of borrowers: 25% (+15% for IFC)	Group of borrowers: 25%	Group of borrowers: 30% (+10% for infrastructure projects)

Note: NA - Not applicable
**The Ministry of Finance, in its union budget for 2021, proposed that the SARFAESI threshold be reduced from Rs. 5 million to Rs. 2 million.*
 # Discretion with the audit committee of NBFCs to defer stage 3 classification beyond 90+dpd Source: CRISIL MI&A

The RBI has taken a balanced view, and instead of going for a one-size-fits-all approach, it has opted for differential regulations based on the size and systemic importance of an NBFC. Furthermore, the importance of NBFCs in providing credit to underserved customers has been recognized. The RBI has not proposed imposition of CRR and SLR on NBFCs, which would come as a relief to NBFCs.

(b)Growth of NBFCs

As per CRISIL projection NBFC credit to grow at 12%-14% between Fiscal 2023 and Fiscal 2025. The credit growth will be driven by the retail vertical, including housing, auto, MSME and microfinance segments. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2024, leading to healthy growth for NBFCs. Moreover, organic consolidation is underway with larger NBFCs gaining share with some of the merger and acquisition in the NBFC space.

NBFC credit to grow at CAGR 12-14% between Fiscals 2023 and 2025

The NBFC sector has, over the years, evolved considerably in terms of size, operations, technological sophistication, and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly, with several players with heterogeneous business models starting operations.

After a moderation in growth post pandemic, NBFCs are back on track with an estimated credit growth of 12- 13% during Fiscal 2023. Going ahead it is expected the growth trend to continue with credit growth at 13-14% during Fiscal 2024. The industry will continue to witness the emergence of newer NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits as well as increasing availability of data for credit decision-making has made it possible to build an NBFC lending business without investing large sums to have brick-and-mortar presence on the ground. Overall, between Fiscal 2023 to Fiscal 2025, it is forecasted that overall NBFC credit to grow at a CAGR of 12%-14%. Further, retail credit given out by NBFCs is forecast to grow at a pace of 13%-15% CAGR over the same time.

b) Rising Middle India population to help sustain growth

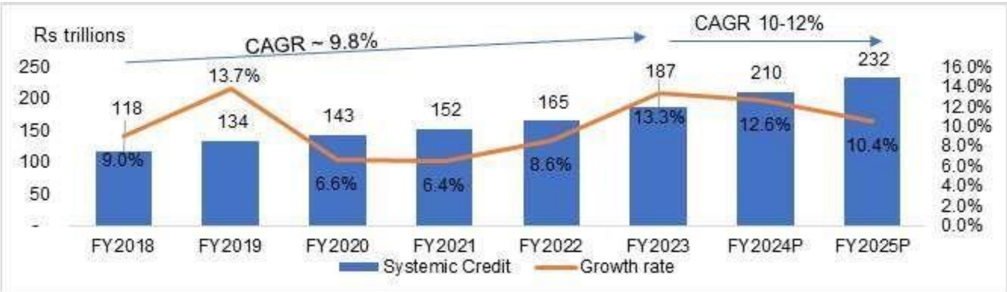
Proportion of Middle India (defined as annual household income between Rs 0.2 Mn to Rs 1 Mn) is on a rise over the last decade and is expected to grow further with continuous increase in GDP and household incomes. It is estimated that there were 41 million households in India in this category as at the end of Fiscal 2012, and by the end of Fiscal 2030, it is projected this figure will increase to 181 million households translating into a compound annual growth rate (CAGR) of 9% over this time period. This growth in the number of middle-income households is expected to lead to enhanced opportunities for retail and MSME financiers as well as consumer goods marketers. A large number of these households, which have entered the middle-income bracket in the last few years, are likely to be from semi-urban and rural areas. The rise in incomes in these areas is also evident when one observes the trend in share of deposits coming into banks.

It is estimated that the improvement in the literacy levels, increasing access to information and awareness, increases in the availability of necessities, such as electricity, cooking gas, and toilets, and the improvement in road infrastructure has led to an increase in aspirations of Middle India, which is likely to translate into increased opportunities for financial service providers. In fact, some of these trends are already visible. Smart phone ownership, internet users and the proportion of users accessing social media is increasing rapidly. Smaller cities and towns (with population less than 1 million) account for a significant portion of sales of e Retailers.

Middle India households to witness high growth from Fiscal 2012 to Fiscal 2030

(c) Credit Penetration in India

Systemic credit to grow by 10-12% between Fiscals 2023 and 2025



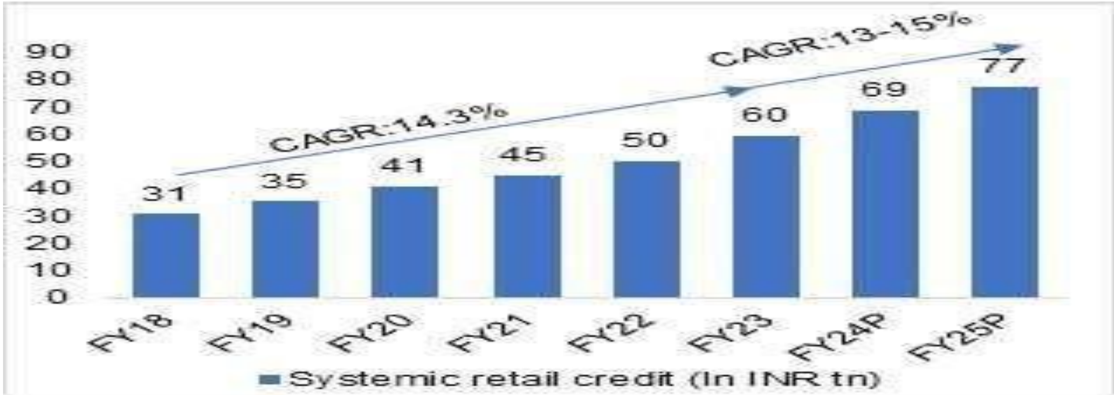
– *Share of NBFC credit in overall systemic credit remained 18% in Fiscal 2023*

(d) Retail Credit in India

The retail credit market in India stood at Rs 60 trillion as of fiscal 2023 and is rapidly growing at a CAGR of 14.3% during Fiscals 2018 and 2023. Retail credit growth in Fiscal 2020 was around approximately 16.3% which came down to approximately 9.5% in Fiscal 2021. However, post-pandemic, retail credit growth revived back to reach approximately 11.3% in Fiscal 2022. In Fiscal 2023, retail credit has grown at approximately 19-20% year on year basis. The Indian retail credit market has grown at a strong pace over the last few years and is expected to further grow at a CAGR of 13-15% between fiscal 2023 to fiscal 2025 and reach a size of Rs 77 trillion by FY 2025. Moreover, the increasing demand and positive sentiments in the Indian retail credit market, presents an opportunity for both banks and NBFCs to broaden their investor base. Share of NBFC

credit in the overall systemic credit remained @ 18% in Fiscal 2023.
Retail Credit accounts for 32% of overall systemic credit for Fiscal 2023.

Retail Credit Growth to continue a strong footing in Fiscal 2024



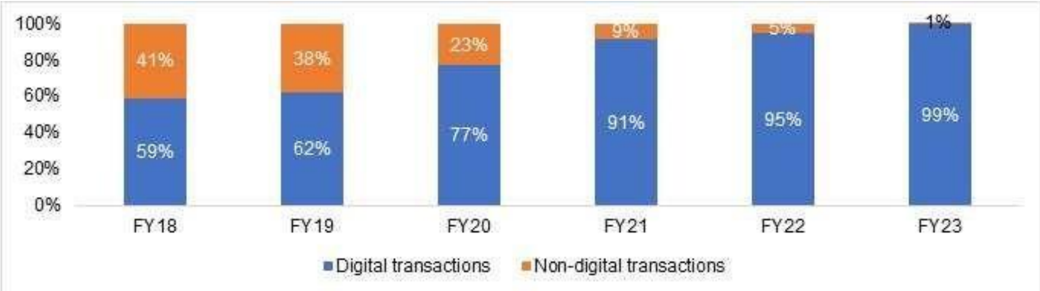
Systemic non retail credit to grow with lower growth

(e) Digital Payments to revolutionises NBFC lending

Digital payments have witnessed substantial growth. The share of different channels in domestic money transfer has changed significantly over the past five years. Banks, for example, are witnessing a change in customer behavior with fewer customers visiting bank branches for transactions. This change in behavior was led by demonetisation when cash transactions slowed down, many new accounts were opened, and digital banking witnessed a surge in use and continued its growth trajectory. Post- COVID- 19, with consumers preferring to transact digitally rather than engage in physical exchange of any paper or face-to-face contact, digital transactions have received another shot in the arm.

Between Fiscal 2018 and 2023, the volume of digital payments transactions has increased from Rs14.6 billion to Rs 113.9 billion, causing its share in overall payment ₹transactions to increase from 59% in Fiscal 2018 to 99% in Fiscal 2023. During the same period, value of digital transactions has increased from Rs 1,371 trillion in Fiscal 2018 to 2,087 trillion in Fiscal 2023.

Trend in volume of digital payments



Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments

– *Trend in value of digital payments*

Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments Source: RBI, CRISIL MI&A

Consumers are increasingly finding transacting through mobile convenient. It is expected that the share of mobile banking and prepaid payment instruments to increase dramatically over the coming years. In addition, it is estimated that improved data connectivity, low digital payment penetration and proactive government measures to drive digitalisation in the country, transforming it into a cashless economy.

The value of digital transactions as a proportion of private consumption expenditure in between Fiscal 2016 and Fiscal 2023 also rose from 1,132% to 1,265%, which shows that the usage of digital transactions for consumption has been on the rise over the past few years.

Digital Transaction Value as a % of Private Final Consumption Expenditure (PFCE)

Note: PFCE is based on current prices; Source: RBI, CRISIL MI&A

(f) Adoption of Digital Lending Practices by NBFCs

The NBFC sector in India stands at a juncture of significant transformation, driven by robust economic growth, a conducive policy environment and an increasing emphasis on financial inclusion. As these financial institutions continue to diversify their portfolio and adapt to the changing market dynamics, they will be prolonged to play a crucial role. Digital will drive the NBFC growth story, with use cases adopted across the value chain from sourcing to loan closure/cross-sell and upsell. Hyper-personalisation of services, adoption of regional languages, product innovation and partnerships will drive growth. The evolving customer persona in terms of a mobile-first approach, rise of influencers in the digital space and demand for seamless and instant service will drive the NBFC growth story. Partnerships and platforms will be crucial for NBFCs for sourcing and India Stack will be crucial for underwriting, KYC and portfolio monitoring. The digital age will necessitate stronger cyber and data protection practices to ensure sustainable operations. The digital story will drive NBFCs from the perspective of experience, increased sourcing avenues, operational efficiency and risk management.

(g) Lead Generation and Customer On Boarding

Most of the NBFCs have implemented multiple applications that work together to provide an integrated customer experience. These applications include customer-facing mobile apps, customer relationship management (CRM) systems for lead generation, lead management solutions, digital onboarding solutions, loan origination systems and even elements of core banking solutions to cover significant parts of the customer journey. To generate leads, NBFCs have formed partnerships with multiple sourcing platforms, allowing them to reach a larger number of potential customers. One of the leading NBFCs in the home loan segments has 93 per cent of the customers registered on mobile applications. For customer onboarding, NBFCs are leveraging paperless processes by utilising eKYC, C-KYC, video KYC, e- documentation, DigiLocker, account aggregators, credit bureaus and geo tagging services. For some of these services, NBFCs are riding on the wave of open banking technology by partnering with the fintechs that are operating in this space. NBFCs are utilising conversational AI in chatbots to address customer inquiries, offer personalised products, provide product recommendations and identify opportunities for cross-selling and up-selling. This strategic implementation enables NBFCs to enhance customer service, streamline operations by reducing the size of customer service teams and improve overall efficiency by automating routine tasks. This approach represents a true extension of omnichannel capabilities.

(h)Credit Underwriting

To enhance credit underwriting processes, NBFCs have established partnerships with fintech companies for fraud risk management, income assessments, GST validations, MCA validations and video PD. Additionally, NBFCs have collaborated with fintech firms that provide access to alternative data, which aids in the creation of underwriting models and digital scorecards. The implementation of GenAI enables AI-driven predictive analytics for better risk assessment by analysing a broader range of data points. By adopting these approaches, NBFCs can achieve a more precise and holistic assessment of an applicant's creditworthiness, thereby mitigating the risks associated with bad loans.

(i) Loan Documentation

NBFCs are leveraging technology to generate digital loan documents and facilitate e-Stamping and e- Signing of these documents. The e-Signing process utilises Aadhaar-linked mobile numbers, resulting in enhanced customer experience and improved operational efficiency. Notably, a prominent NBFC in the home loan segment has successfully executed 60 per cent of loan agreements through e-Stamping, with 46 per cent of agreements being digitally signed

(j) Loan Disbursements

NBFCs can directly disburse funds to required accounts using various digital payment methods. This enables seamless and real-time fund transfers to the intended accounts. These advancements significantly contribute to expediting the loan disbursement process and facilitating seamless customer interactions.

(k)Customer Servicing

The process of customer service has undergone significant changes with the introduction of WhatsApp banking and advanced chatbots. With the help of emerging technologies such as GenAI, several customer queries can be resolved by conversational bots. These chatbots offer more engaging and personalised experiences, provide round-the-clock support and reduce the workload of human customer service representatives. One of the leading NBFCs has reported that 75 per cent of its customer transactions are taking place through digital platforms. Customers now can interact through various channels, including web, mobile applications, WhatsApp, chatbots and voice bots. The NBFC has observed a significant increase in the usage of chat-based servicing, with over 800,000 interactions occurring per month on voice and chat-based platforms.

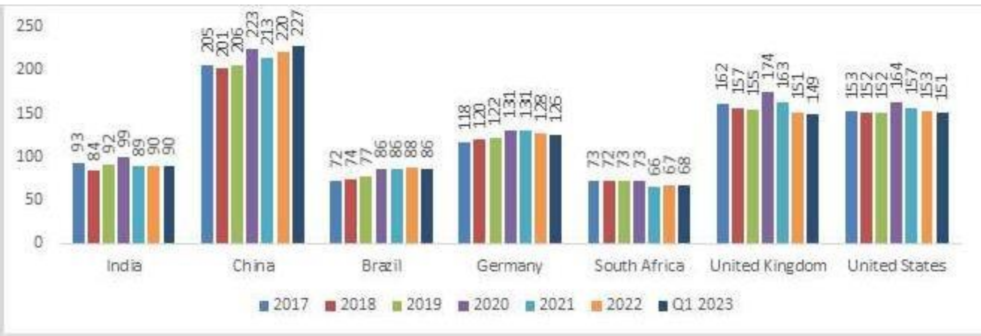
(l) Digital Collections

NBFCs are actively investing in expanding their digital presence in the collections process, which traditionally relied heavily on physical branches and manual procedures. Nowadays, technology and process innovation allow mainstream retail customers to have the option of making EMI payments by accessing digital payment channels such as UPI, cards, net banking and e-NACH. One of the leading NBFCs has reported that more than 90 per cent of its collections are now conducted through digital channels

(m) Financial Inclusion and Rural Penetration have increased for NBFCs

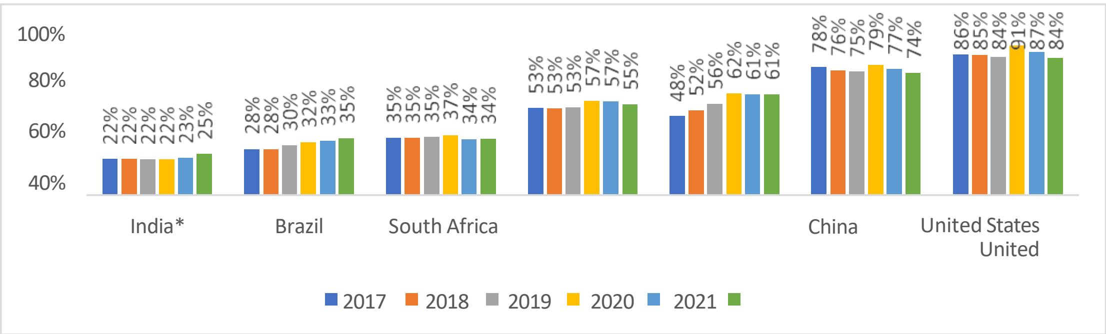
The significance of financial inclusion has deepened, particularly in the post-pandemic era, as vulnerable households and businesses strive to navigate the crises and achieve recovery. In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as, China, indicating a significant untapped potential. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023.

Credit to GDP ratio (%) (CY 2022)



Note: Data is represented for calendar years for all countries except India; For India, numbers are for Fiscal year; Source: Bank of International Settlements, CRISIL MI&A

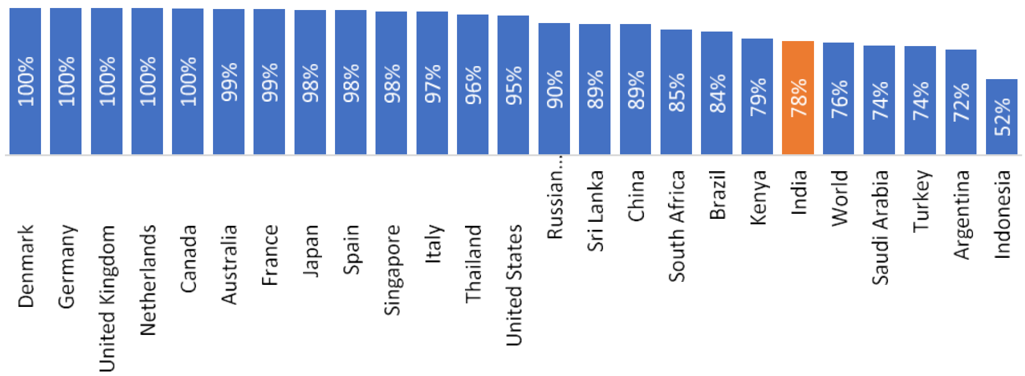
<u>Household Credit to GDP ratio</u>



Note: For countries except India, data is represented for calendar years;
**For India, data represented is for Fiscal 2018, Fiscal 2019, Fiscal 2020, Fiscal 2021, Fiscal 2022 and Fiscal 2023; Source:*
Bank of International Settlements, CRISIL MI&A

– *India̓'s focus on financial inclusion is increasing; however, a large section of the population is still unbanked*

Adult population with a bank account (%): India vis-à-vis other countries

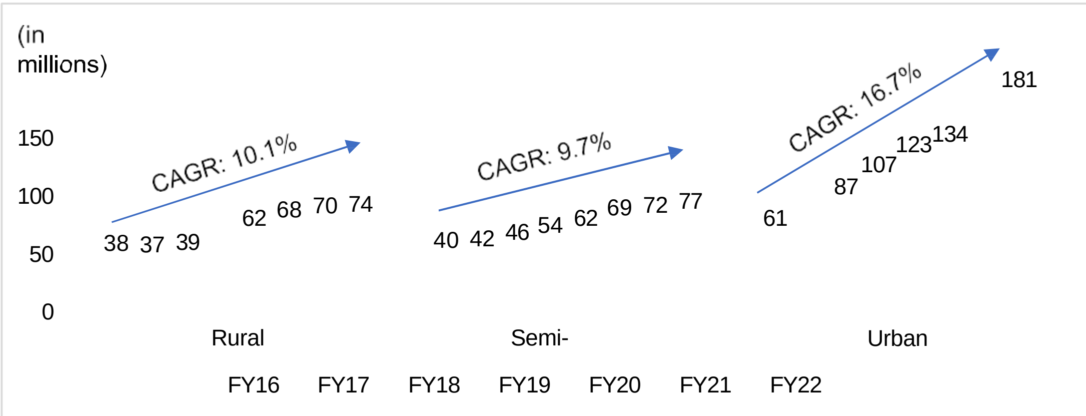


Note: Global Findex data for India excludes northeast states, remote islands and selected districts. Account penetration is for the population within the age group of 15+; Source: World Bank - The Global Findex Database 2021, CRISIL MI&A.

Further, according to the World Bank's Global Findex Database 2021, 230 million unbanked adults live in India.

(n)Rural India Penetration

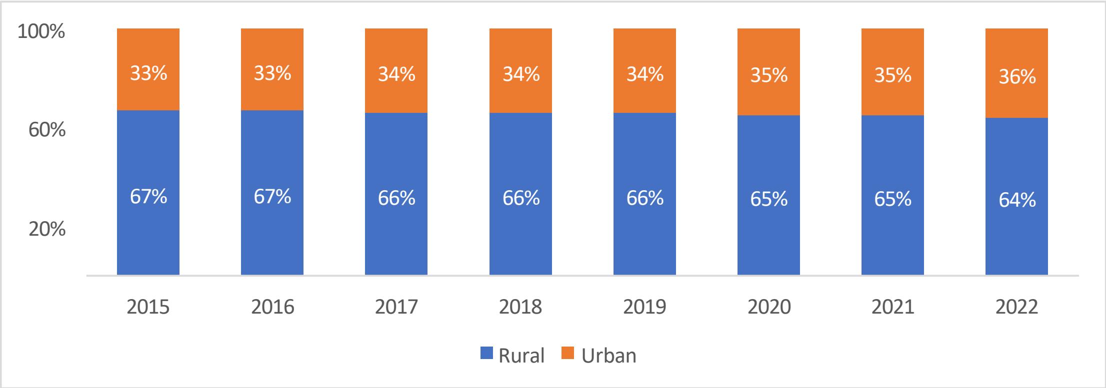
Rural–India accounts for about half of GDP, but only about 8% of total credit and 9% of total deposits. Rural India under penetration and untapped market presents a huge opportunity for growth. Credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as at March 31, 2018 to 62% as at June 30, 2023. Between the same period, credit share has witnessed a marginal rise in rural and urban areas. For semi-urban areas, credit share has gone up from 12% as of March 31, 2018, to 13% as of June 30, 2023.



Note: Urban includes data for Urban and Metropolitan areas Data represents only bank credit accounts Source: RBI; CRISIL MI&A

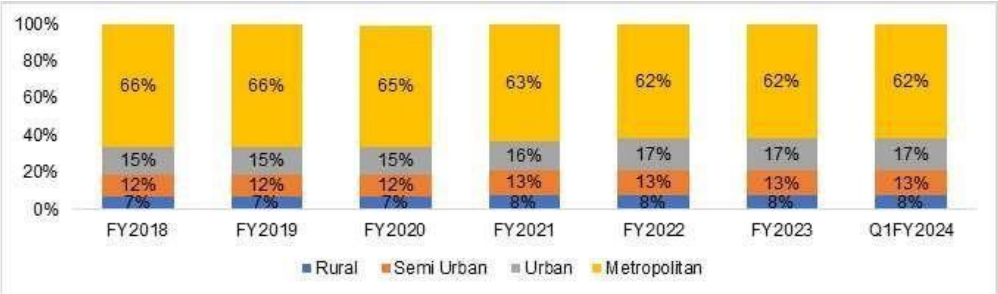
Rural areas, which accounted for 47% of GDP, received only 8% of the overall banking credit, as at March 31, 2023, which also shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, it is expected that delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers will also help the financiers to assess customers and cater to the informal sections of the society in these regions.

Two thirds of total household is in rural area



Source: World Bank; Census; CRISIL MI&A

Share of rural and semi-urban credit has increased marginally between March 31, 2018, and June 30, 2023



Note: As at the end of each Fiscal and as of June 2023 for Q1 Fiscal 2024 Source: RBI, MOSPI, CRISIL MI&A

(o) NBFCs have a reasonable market share across segments

Under-served households and business represent a significant portion of India's population challenges in obtaining credit due to reasons such as a lack of credit history and the inability to provide collateral. Government initiatives such as Pradhan Mantri Jan-Dhan Yojana (PMJDY), Aadhaar, and widespread digitization (referred collectively as "JAM" trinity) have expanded the formal financial inclusion to underserved Indian population. Additionally, the widespread availability of affordable data and digital disruption has transformed the financing landscape in India. NBFCs have generally been able to address this opportunity on account of their strong origination skills, extensive reach, and better customer service, faster processing, streamlined documentation requirements, digitization of customer on-boarding process, customized product offerings, local knowledge, and differentiated credit appraisal methodology. The rapid evolution of Fintech's over the last few years has added another dimension to the market served by NBFCs and has fuelled rapid growth across the landscape.

NBFCs have consistently gained or maintained market share across most asset classes over the last few years. Though, in certain segments such as housing finance to prime customers, they have lost market share to banks due to the decline in market interest rates. In the gold loans market, NBFCs slightly lost market share in Fiscal 2022 due to increasing focus of banks (both public and private) towards gold loans as well as RBI permitting banks to offer gold loans at a higher loan-to-value amidst the COVID-19 pandemic. Nevertheless, NBFCs continue to have a healthy market share across other segments.

(p)NBFC's share in various products and projections of AUM

The NBFC sector has, over the years, evolved considerably in terms of size, operations, technological sophistication and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly, with a number of players with heterogeneous business models starting operations.

The retail credit has driven the NBFC sector off late

Share of retail credit in total NBFC credit to continue to grow

Note: P - Projected
Retail credit includes housing finance, auto finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans
Source: Company reports, CRISIL MI&A

Set forth are details of the NBFCs loan outstanding size in terms of assets under management (**AUM**) and growth along with key growth drivers of each of the focused sectors:

Parameter	Sub-Parameter	AUM Billions (Fiscal 2023)	Loan outstanding (CAGR Fiscal 2023-Fiscal	Key Growth Drivers

			2025)	
Overall NBFCs growth	Loan outstanding growth	34,000	12-14%	
Selected asset class wise NBFCs loan outstanding growth	MSME loans^	5,231	13-15%	Low credit penetration for MSMEs, increased data availability and transparency, and Government initiatives including credit guarantee fund scheme, emergency credit line guarantee scheme
	Micro finance loans$	1,383	23-25%	Government's continued focus on strengthening rural financial ecosystem, strong credit demand and increasing ticket sizes of loans
	Consumer finance#	4,009	18-20%	Strong macro tailwinds, increased consumer spending and digitization driving consumer durables demand
	Vehicle loans*	3,277	14-15%	Improving rural productivity, Government income support, improving industrial activity, Government's focus on infrastructure development and return to office
	Affordable housing loan	6,902	14-16%	Higher data availability, increasing affordability, urbanization, and supportive government policies
	Agri loans	32	9-11%	Increasing demand for high-value commodities, shift to tech-intensive supply chain solutions and increase in finance penetration across agriculture value chain

Note: Note: (^) MSME loans include small business loans and mid-corporate loans (#) Consumer finance include personal loans, gold loans and consumer durable loans (*) Vehicle loans include two-wheeler disbursement and new commercial vehicle loans ($) MFI loans data is for NBFC-MFIs

Source: Company reports, RBI, CRISIL MI&A estimates.

Parameter	Sub-Parameter	oan outstanding (CAGR scal2018-Fiscal 2023)	Loan outstanding (CAGR Fiscal2023-Fiscal 2025)
Size-wise loan outstanding growth	Small NBFCs	6%	15-18%
	Medium NBFCs	21%	15-18%
	Large NBFCs	12%	13-15%

Note - Classification of players into large, medium and small is done basis below criteria:-
For MFIs - Large players have GLP> ₹ 20,000 million, medium players have GLP between ₹ 5,000 and ₹ 20,000 million, Small players have ₹ GLP upto ₹ 5,000 million.
For other players - Large players have AUM> ₹ 50 billion, Medium players have AUM> ₹ 10 billion, Small players have AUM upto ₹ 10 billion
Source: CRISIL MI&A estimates

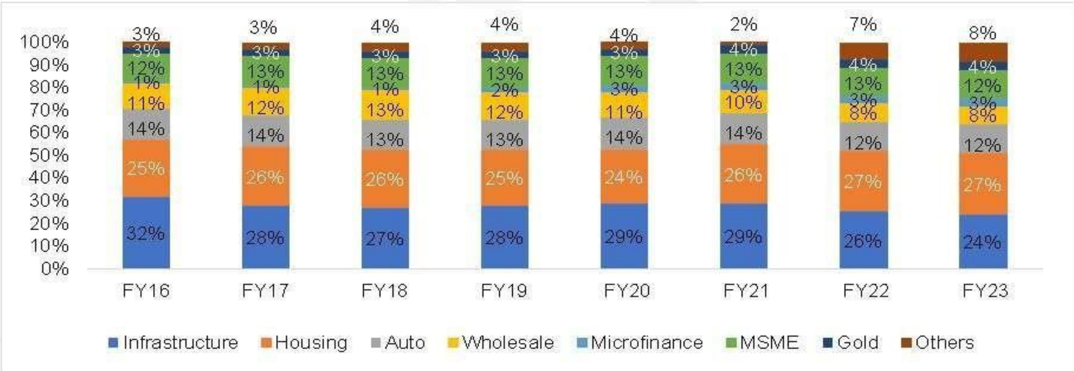
Set out below are certain details of the MSME, MFI and consumer finance sectors in India:

Particulars	As of and for the period ended March 31, 2023
MSME	
NBFC MSME industry AUM (Rs. In billion)**	5,231
NBFC MSME industry GNPA (%)	**5.30%***
MFI	

Particulars	As of and for the period ended March 31, 2023
NBFC MFI industry AUM (₹ billion) ##	1,383
NBFC MFI industry GNPA (%)	**7.70%#**
Consumer Finance	
NBFC Consumer finance industry AUM (Rs in billion) ^^	4,009
NBFC Consumer finance industry GNPA (%)	**7.46%^**

Note: (*) Simple average of GNPA ratio in small business loans and mid-corporate loans (^) Simple average of GNPA ratio in personal loans, gold loans and consumer durable loans
(#) GNPA ratio for NBFC-MFIs
(**) MSME loans include small business loans and mid-corporate loans
(^^) Consumer finance includes personal loans, gold loans and consumer durable loans (##) MFI loans data is for NBFC-MFIs Source: Company reports, RBI, CRISIL MI&A estimates

Distribution of NBFC credit across asset classes



Note: Others include education loan, consumer durable loans and construction equipment finance Source: RBI, Company reports, CRISIL MI&A

Share of loans and advances from secured products remains high for NBFCs

(q)Asset Quality for NBFCs

Asset quality for NBFCs is influenced by various factors such as economic cycle, target customer segment, geographical exposure, and local events. Within the NBFC universe itself, it is observed that various asset classes tend to exhibit heterogeneous behaviour. For example, the asset quality in small business loans and personal loans tends to be highly correlated with the macroeconomic environment. On the other hand, microfinance loans have shown lower historic correlation with macroeconomic cycles. This is because asset quality is more influenced by local factors, events that have wide ranging repercussions such as demonetisation and COVID-19 and relative leverage levels amongst borrowers.

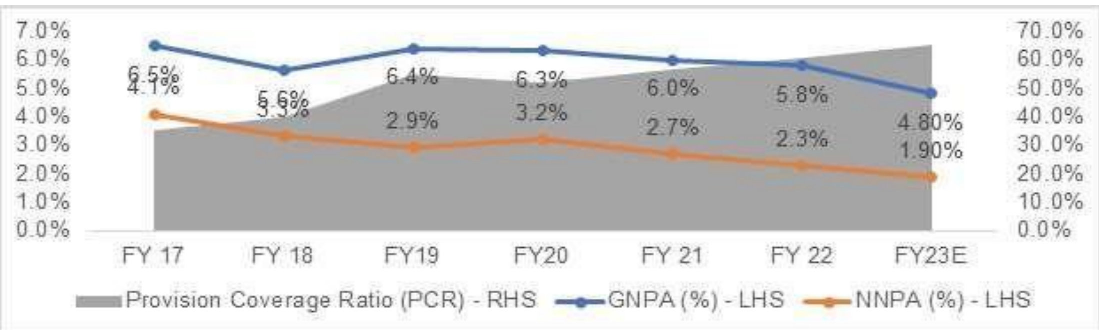
Prior to Fiscal 2018, smaller NBFCs were aggressively expanding in terms of both market penetration and lending across asset classes, which led to rising asset quality concerns. The proportion of standard assets declined, as slippages to sub-standard category increased. After the NBFC crisis in Fiscal 2019, smaller NBFCs slowed down their lending activity and focused on improving their asset quality and shifting to retail segments that are less risky. In Fiscal 2020, doubtful assets for NBFCs registered a marginal uptick due to funding challenges and slower credit growth. However, efforts were made by NBFCs to clean up their balance sheets, as reflected in their write off and recovery ratios, which caused the NNPA (Net NPA) to remain stable, and the PCR (Provision Coverage Ratio) to improve.

In Fiscal 2021, proportion of doubtful and loss assets increased, largely driven by infrastructure and wholesale finance. In addition to funding challenges faced by the sector along-with slower credit growth, COVID-19 escalated asset quality deterioration further owing to restricted movement, which affected collections. Moratorium and restructuring schemes announced by the Government came as an interim relief for the sector and delayed the asset quality concerns for some time. However, with the NPA standstill provision lifted in August 2020, gross NPAs in sector such as Auto, Microfiannce and MSME lending spiked as of March 2021.

Further, the second wave of COVID-19 adversely affected the fragile recovery witnessed in the fourth quarter of Fiscal 2021 and affected collection efficiencies across asset classes in the first quarter of Fiscal 2022. However, the impact was not as severe as in the first wave, and players across segments reported improvement in GNPAs (Gross NPAs) from the second quarter.

Typically, the NBFCs ramp up their collection activity between due-date and month-end, leading to lower dues by end of month. This flexibility will no longer be available to the NBFCs because of RBI circular is 2021 harmonizing the rules with banks which could cause some proportion of loans in the 60 to 90-day period category to slip into >90 days period category. In addition to the end_of the day recognition, the RBI has also clarified that upgradation of an account from NPA to standard category can only be done after all over-dues are cleared (principal along with interest), resulting in a borrower slipping into the NPA category to remain in the same category for longer time compared to the past. Hence, NBFC GNPAs increased in third quarter of Fiscal 2022 due to adherence to the said RBI clarifications. But with NBFCs bolstering their collection efforts and processes, and improvement in economic activity, it is estimated that the GNPAs for NBFCs to have reduced significantly at the end of Fiscal 2023. The gross NPAs for NBFCs have reduced from FY17 to 5.8% in FY 22 and expected to be around 4.8% in FY 23. It is expected the same will further reduce by at least 50 bps in FY 24.

NBFCs Gross Non Performing Assets (GNPA) improved significantly by the end of Fiscal 2023



Note: E Estimated; GNPA - Gross Non-Performing Assets as per cent of Gross Advances;

NNPA Net Non-Performing Assets as per cent of Net Advances; Provisioning Coverage Ratio (PCR) is the ratio of provisioning to gross non-performing assets Source: RBI, CRISIL MI&A

Emerging Lending Models for NBFCs

NBFCs in India have navigated a transformative path in their lending methodologies, adapting to the ever- evolving financial landscape. Two noteworthy approaches that have garnered attention and reshaped the lending landscape are the First Loss Default Guidelines (FLDG) model and the Co Lending model.

Co Lending Models

Complementing the FLDG model, which promotes collaboration among NBFCs and banks, the co- lending model further inculcates confidence in collaborative partnerships. In this model, NBFCs join forces with traditional banks to co-finance loans, leveraging the strengths of both entities. The collaborative nature of co- lending enables NBFCs to tap into the extensive reach and resources of banks while banks benefit from the agility and specialised knowledge of NBFCs in catering to specific market segments. Alternative funding opportunities like the ones mentioned are great opportunities for small fintechs, NBFCs and can also be extended to unrated NBFCs or funded by organised lenders. These collaborative models will boost the digital lending space and provide safeguards towards regulatory capital and maintaining quality growth in portfolio

(r) Funding Sources for NBFCs

NBFCs in India, vital contributors to the financial ecosystem, face evolving challenges in securing funds.

Sources of Borrowing for NBFCs in India

Items	At the endof March 2022	At the endof March 2023	At the end of September 2023	Percentage variation	
				FY21–22	FY22–23
Debenture	10,14,611 (39.3)	11,10,234 (37.0)	11,45,536 (36.1)	3.3	9.4

Items	At the endof March 2022	At the endof March 2023	At the end of September 2023	Percentage variation	
				FY21–22	FY22–23
Bank borrowings	9,20,555 (35.6)	11,33,221 (37.7)	11,97,626 (37.8)	18.8	23.1
Borrowing from FIs	69,078 (2.7)	89,982 (3.0)	99,844 (3.1)	21.3	30.3
Inter-corporate borrowings	89,896 (3.5)	1,05,184 (3.5)	1,04,148 (3.3)	15.5	17.0
Commercial paper	70,266 (2.7)	84,366 (2.8)	1,14,109 (3.6)	-3.2	20.1
Borrowing from government	18,562 (0.7)	18,750 (0.6)	18,758 (0.6)	-3.0	1.0
Subordinated debts	72,349 (2.8)	72,510 (2.4)	68.285 (2.2)	4.5	0.2
Other borrowings	3,29,182 (12.7)	3,87,991 (12.9)	4,21,653 (13.3)	10.6	17.9
Total borrowings	**25,84,500**	**30,02,239**	**31,69,959**	**9.9**	**16.2**

Emerging sources of funds in addition to the traditional sources of funds are 1) Private Equity Funds and Venture Capital 2) Securitisation and Asset Reconstruction Companies 3) Public Market 4) Public Deposits 5) Foreign Direct Investment and External Commercial Borrowings 6) Fintech Partnership 7) Green Bonds and Sustainable Financing

NBFCs in India face a challenging yet transformative landscape. By exploring alternative funding sources and aligning strategies with regulatory measures, these financial entities can secure their future growth and resilience.

(s) Competition from Banking Industry

NBFC over the last two decades has evolved into mature lending enterprises contributing meaningfully to India's credit aspirations. The RBI, as the regulator, envisioned a regulated environment that strikes a balance between supervision and freedom for NBFCs to focus on credit growth and inclusion. This environment fostered NBFC's into being agile and dynamic enterprises by nature.

NBFCs offer two distinct advantages compared to their larger counterparts, the banks. Firstly, their field-heavy operating model which allowed them to underwrite customers with non-traditional income sources and their geographically dispersed reach across the hinterlands of India, which allowed them access to credit underpenetrated regions untouched by banks.

For NBFCs, the lack of deposit acceptance capabilities meant banks had a cost of fund advantage and would thus out-bid NBFCs when it came to acquiring highly rated, high-income and easily accessible retail and wholesale customers. This resulted in NBFCs inherently catering to the residual credit demand of the country. Despite this, NBFCs today have established meaningful share across products and continue to penetrate deeper in the landscape.

NBFCs core strategic advantage comes from their years of building know-how of borrower industries and behaviour, gathering regional insights and developing well-oiled distribution mechanisms iteratively over decades. Leveraging their agility, NBFCs also moved fast to adopt alternate data to better understand their customers and develop efficiencies in underwriting which has further enabled growth.

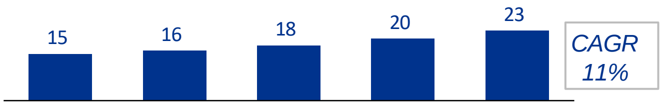
Banks exploring previously uncharted territory.

As traditional customer pools start to dry up, both public and private banks are expanding their nets to capture previously overlooked customer cohorts. Evidence of this can be seen in the sourcing distribution of banks across select retail products. The share of prime, below prime customers in sourcing shows an upward trend over a five-year period.

Another indicator of the shift in focus is the rising bank credit flow to previously underserved sectors such as MSME and microfinance and the growth in Tier 2 and beyond regions, both of which have been NBFC's home ground. This signifies increased competition by banks with their non-bank counterparts.

Another growing phenomenon among banks is acquiring NBFC customers who have built their credit profiles over a period, by offering competitive pricing. Thus, customer retention is a vital area of competition.

Bank Credit to MSME (Lakh Crore)



Report on Trend and Progress of Banking in India 2022-2023, RBI, accessed on 24 January 2024
Scheduled commercial banks growing faster in rural and semi-urban regions

CAGR % (FY18–23)	**Rural**	**Semiurban**	**Urban**
# of accounts	9.5 %	9.6%	8.7%
Credit limits sanctioned	9.7%	9.8%	9.4%

Source: RBI Database on Indian Economy

Conclusion

With the extensive adoption of technology and integration with the fintech ecosystem, disbursements across products have been very strong for NBFCs which is likely to continue in the coming years. Unsecured business loans with ticket size <5 lakh and secured MSME LAP with ticket size between 5–25 lakh will drive growth in the MSME credit space. Vehicle finance is expected to register strong growth along with affordable housing where the average ticket size is between 9 lakh to 12 lakh for NBFCs. Gold loans with average ticket size up to 1.25 lakh have emerged as a popular and alternative route for financing and has seen participation from various fintechs due to the secured nature of the product and same day disbursals. As a result, the AUM for NBFCs is projected to grow by 12–14 per cent until FY25, reaching INR42 trillion.

As at the end of September 2023, the asset quality of the sector showed further improvement as the GNPA and NNPA ratios fell to 4.6 per cent and 1.5 per cent, respectively. This trend is expected to sustain only if the delinquencies and asset quality are maintained within acceptable limits, composition of unsecured loans in NBFC portfolio is in check and collections are optimised with use of technology and analytics.

Regarding Cost of Funds NBFCs need to keep a vigilant eye on the cost of raising funds for their operational expenses and lending. During the pandemic period, NBFCs became cautious in lending to preserve the asset quality, which restricted AUM growth. The restricted demand drove AUM growth, especially across higher-yielding segments, which impacted profitability positively. The low-interest environment translated into lower cost of funds, resulting in higher spreads, which further impacted profitability positively. This in turn has helped the NBFCs to increase their spreads and decrease their debt levels in FY23 which is expected to remain consistent for the next ~2 years with a marginal increase in the cost of funds only due to the rate hikes.

For Liquidity Management, NBFCs must ensure the resilience of their operations by monitoring several liquidity indicators. These include the liquidity coverage ratio, net stable funds ratio, high-quality liquid assets (HQLA) and expected cash inflows and outflows for the next 30 days. In addition to this, it is crucial to prepare profile and monitor the liquidity at a granular maturity level.
NBFCs have consisted reported to be adequately capitalized till FY23, with capital to risk weighted assets ratios (CRARs) well above the regulatory requirement (not less than 15 per cent of aggregate risk-weighted assets, including both on and off-balance sheet items). The regulatory support in exploring funding alternatives and advancement in digital lending may also impact capital adequacy of NBFCs positively in coming years. However, it can only be sustained if NBFCs proactive strive to advance their operation and upgrade to sophisticated practices for risk management before scaling up.

NBFCs are expected to play a crucial role in the India growth story fuelling formalised credit penetration among the underserved. Policy push, regulatory oversight and digital across the value chain are expected to define the growth of this sector.

Source: 1) CII-KPMG Report for NBFC, 2) NBFC Report by CRISIL & ASSOCHAM 3) Market Intelligence and Analytics for NBFCs by CRISIL and Northern Arc.

MSME Lending (LAP Market) Opportunity

Purple Finance Limited is into secured MSME lending which is otherwise called LAP product.

Recently there has been significant interest from all stakeholders including regulators, industry participants, banks, NBFCs and fintech in the loan against property product. The government's focus on upliftment of the MSME sector is clear, with a host of recent initiatives to boost this section of the industry. Although NBFCs have fared well, it has only 3 per cent market share on an overall LAP product level between FY19 and FY23, the evaluation of competitive intensity for NBFCs reveals contrasting results when divided between low-ticket size and high-ticket size lending segments. While NBFCs have protected their position in the smaller ticket segment, private banks are aggressively expanding across all other ticket sizes posing significant threats to both NBFCs as well as public banks.

Market shares changes in LAP portfolio

Ticket segment		HFC + NBFC	Pub Bank	Pvt Bank
<50L	FY19	49%	21%	24%
	FY23	55%	16%	23%
		6%	-4%	-1%
0.5-2 Cr	FY19	41%	10%	40%
	FY23	39%	9%	46%
		-3%	-1%	6%
2-5 Cr	FY19	43%	7%	38%
	FY23	34%	6%	49%
		-9%	-1%	11%
>5 Cr	FY19	60%	6%	24%
	FY23	39%	4%	43%
		-21%	-2%	18%

Source: Experian Credit Bureau Data

The share of disbursements for NBFCs in unsecured loans and MSME finance, the non-traditional segments, has increased over the past 1.5 years. In the first half of this fiscal, ~35% of incremental disbursements were for unsecured loans. MSME finance has also posted strong growth. The traditional segments, too, have seen improvement in volumes, but remain range bound compared with previous years. The LAP portfolio NPAs have reduced from 4.7% in March 21 to 4.3% in March 22.

Small business loans grew at a fast pace, registering a CAGR of 15% over Fiscal 2018 and 2023. Over the years, more data availability and government initiatives like GST has led to increasing focus of lenders, especially the NBFCs, on the underserved segment of MSME customers as lending to this segment has become easier compared to the past. It is estimated that outstanding small business loans given out by banks and NBFCs to be around Rs 11.7 trillion as of March 2023.

Over past few years, players offering MSME loans have expanded their branch network with the intent to serve a larger customer base. In the future also, it is expected that lenders with a strong focus on MSME lending and healthy competitive positioning to continue to invest in branch expansion. With increasing branch network, customer acquisition and credit penetration, share of MSME loans is also expected to increase. Number of branches have grown at 16% CAGR over Fiscals 2017 and 2023 and is around 6638 branches.

Source: 1) CII-KPMG Report for NBFC, 2) NBFC Report by CRISIL & ASSOCHAM 3) Market Intelligence and Analytics for NBFCs by CRISIL and Northern Arc

OUR BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 23, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 103 and 106], respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Brief of the Company

Our Company was incorporated on February 04, 1985 having CIN L27109UP1985PLC006998 with the name and style of Priti Mercantile Company Limited and certificate of incorporation was granted by Registrar of Companies, U.P., Kanpur. Subsequently, the name of the Company was changed from "Priti Mercantile Company Limited" to its present name i.e. "PMC Fincorp Limited" and fresh certificate of incorporation was granted by Registrar of Companies, Uttar Pradesh on March 20, 2014.

The Company is a Non-Systemically Important Non-Systematically important Non-Deposit taking Company categorized as Investment and Credit Company i.e. ICC registered with Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and investment related activities. The Company received the certificate of registration from RBI on November 14, 2014, enabling the Company to carry on business as a Non-Banking Financial Company.

Our Company is a Non-Systematically important Non-Deposit taking Company categorized as Investment and Credit Company i.e. ICC registered with the RBI. PMC Fincorp Limited is primarily engaged in the business of trading in shares, financing (Corporate and Personal Finance), and investing in the securities of Listed and Unlisted Companies.

Financial Summary of the Company

(Amount in Rs. Lakhs)

Particulars	For the Quarter ended on June 30, 2024	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Revenue	804.98	1,566.34	849.73	738.19
EBDITA	752.66	1,423.41	(474.91)	327.85
PAT	586.21	1,134.68	(636.39)	255.02

Revenue Details:

(Amount in Rs. Lakhs)

Particulars	For the Quarter ended on June 30, 2024 (Limited Reviewed)		Financial Year 2023-24 (Audited)		Financial Year 2022-23 (Audited)		Financial Year 2021-22 (Audited)	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Profit/Loss on Sale of investment	463.74	57.61%	406.11	25.93%	53.44	6.29%	-	-
Interest Income	261.81	32.52%	953.16	60.85%	844.59	99.40%	689.55	93.41%
Income from the sale of Investment	-	-	-	-	-	-	11.59	1.57%
Income from trading in Future & Option	74.78	9.29%	189.57	12.10%	(55.31)	(6.51%)	10.78	1.46%
Miscellaneous Income	4.52	0.56%	10.36	0.66%	4.09	0.48%	26.27	3.56%
Dividend Income	0.13	0.02%	7.14	0.46%	2.91	0.34%	-	-
Total	**804.98**	**100.00%**	**1,566.34**	**100.00%**	**849.73**	**100.00%**	**738.19**	**100.00%**

Our Competitive Strengths

We believe that the following are our key strengths:

Long-standing relationship with our client.

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over a period. Our Company believes that a long-term relationship with clients fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the clients. It helps understanding the basic approach of our Company, its products and its market. It also forms the basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

Elevate corporate excellence through robust governance standards.

To build a lasting institution, we emphasize robust corporate governance standards, backed by clear policies and processes outlined in our Articles of Association, RBI regulations, and the Companies Act. Our focus extends to key areas such as credit evaluation, risk management, technology enhancement, and business growth strategies. Additionally, we uphold fair trade practices and maintain high governance standards in all aspects of our operations.

Internal Control and Risk Management

The Company believes that it has internal controls and risk management systems to assess and monitor risks. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

Experienced and Qualified Management

We have a qualified and professional management team with significant experience in all operational aspects of our business. We believe that the industry experience of our management team and their ability to deliver consistent results are our significant strengths. Our management comprise of professionals who possess the requisite academic background and relevant experience in various financial services related to our business. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. For further details of our management, team and our Key Managerial Personnel please refer the chapter titled *"Our Management"* beginning on page 98 of this Draft Letter of Offer.

We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is professionally qualified and experienced in the relevant industry and has been responsible for the growth of our business. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets.

Our Business Strategy

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Strengthening our business through product innovation and new product launches

Our customers' demand for top quality products is growing. In response to this, we place a strong emphasis on developing high quality products through product innovation and new product launches. We intend to continue to leverage on our in-depth market research to enable us to introduce a wider range of products under our existing brands based on consumer preferences and demand and to distinguish ourselves from our competitors. By providing innovative products, we believe that we will be able to become a preferred brand to our customers, thus giving us the opportunity to consolidate our position with our target market and increase our market-share. We further believe that it will provide us with early-mover advantages and higher profit margins and will present us with opportunities to capture shifts in customer preferences.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product- mix offered to the customers as well as striving to understand and anticipate any change in the expectation of our clients towards our products.

Strengthen our Investment Portfolio

Our investment portfolio was one of the key profitability drivers in FY 2023-24. We intent to further strengthen our investment portfolio and capital market activities. We also intend to develop our products and services in line with our expansion in our capital market activities.

Strengthen our Loan Book

Our loan portfolio in FY 2023-24 and FY 2022-23, was Rs. 11,088 Lakhs and Rs. 11,566 Lakhs. We intend to remain diversified in our loan book by strategically focusing on adjacent high growth and profitable lending businesses. We intend to continue to focus on developing a diversified funding model to achieve optimal cost of funds while balancing liquidity and concentration risks. We intend to further diversify and strengthen our profile, strategically adding additional funding resources.

Address growing financial needs in underserved markets.

With a significant portion of the population still being outside the reach of the formal credit system, our Company believes in contributing to bridging the credit gap in the country. We aim to efficiently and effectively provide credit to the underserved segment of customers and our diversified offerings have been built on a sound understanding of customer needs. With our widespread branch network, retail focus and a product suite catering to all classes of customers, we aim to contribute to financial inclusion in the country.

Achieve greater performance by strengthening our operating processes and risk management system.

We are focused on building a process driven organization with a culture of compliance, audit and risk management. Operations excellence and risk management form an integral part of our business. Our processes have been standardized with the objective of providing high levels of service quality and we have implemented high levels of digitization in our operational processes which contribute to faster turnaround times with lesser incidence and occurrence of errors.

Our risk management procedures are integrated seamlessly across our business operations and ensure constant measurement and monitoring of various risks we are subject to. The risk management model involves initial management control at business entity level, risk control and compliance oversight functions and overall independent audit and assurance functions. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business.

Utilities and Infrastructure Facilities

Our registered office is well equipped with computer systems, internet connectivity, other communication equipment, security, and other facilities, which are required for our business operations to function smoothly.

Plant and Machinery

Since we are a service sector company, we do not own any major plant and machinery.

Collaborations

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Draft Letter of Offer.

Marketing

Our sales and marketing network and relationship with the customers is critical for the success of our Company. Our services are sold to the newer customers through word of mouth and through referrals. We provide our customers tailor made solutions. Our relationship with the clients is strong and established. To retain our customers, our company regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by regularly approaching new customers and developing and maintaining our existing business relationship.

Human Resources/Manpower

We understand that our organization's key differentiation is derived from the collective strength of its human capital. A healthy and safe environment is a pre-requisite for a company's people's capital to thrive. It offers various health schemes, camps and voluntary movements to its employees and their families. The company has laid down foundations for a quality-centric work culture by involving its employees and ensuring a decent work environment.

We encourage open collaboration, engagement and involvement. The Company believes in providing equal opportunity and ensures a fair and diverse work environment. Diversity and Inclusion are important aspects of sustainable business growth, and we call this the 'winning balance'.

We believe our employees are one of our most important assets and critical to maintaining our competitive position in the markets and in our industry. As of March 31, 2024, we had 9 full time employees.

The following table sets forth a bifurcation of the number of our employees as on the date of this Draft Letter of Offer:

Sr. No.	Description	No. of Employees
1	Executive Directors and KMPs	4
2	Others	5
	Total	**9**

Competition

We face competition from organized as well as unorganized players in the domestic market. The financial services industry is highly competitive, and we expect competition to intensify in the future. We face competition in the lending business from domestic and international banks as well as other NBFCs, fintech lending platforms and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks will continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans. Many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalizing related operational costs.

Our Industry in India is highly competitive. There are several well entrenched brands which have built their brand equity over several decades. Many of our competitors, specifically the multi-national brands, have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships, greater brand recognition and greater financial strength, research and development, marketing, and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand our product portfolio and presence. They may also have the ability to spend more aggressively on marketing and may have more flexibility to respond to changing business and economic conditions than we do. Our competitors may also be able to respond more quickly and effectively than we can to new or changing opportunities, standards or consumer preferences, which could result in a decline in our revenues and market share.

Intellectual Property

As on the date of Draft Letter of Offer, our Company does not have any Intellectual Property.

Insurance

As on the date of Draft Letter of Offer, our Company does not have any Insurance.

Property

We carry out business operations from the following properties:

1. **Freehold Property: NIL**
2. **Leasehold Property:**

Sr. No.	Details of the Deed/Agreement	Particulars of the Property, Description and Area	Consideration/License Fee/Rent	Tenure/ Term	Usage
1.	Deed of Lease dated April 06, 2024 between Mr. Vijay Vardhan Sharma and PMC Fincorp Limited	B-10, VIP Colony, Civil Lines, Rampur, Uttar Pradesh - 244901, India	Monthly rent of Rs. 14,520/-. Interest free refundable Security deposit of Rs. 25,000/-	2 Years	Registered Office
2.	Lease Agreement dated April 08, 2022 between Parveen International Private Limited through Mr. Parveen Kumar Gupta and PMC Fincorp Limited	Flat No. 201 & 202, 2nd Floor, Rattan Jyoti Building, 18, Rajendra Place, New Delhi-110008, India	Monthly rent of Rs. 93,713/- (exclusive of GST). Security deposit of Rs. 2,55,000/-	3 Years	Corporate Office

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association and subject to the provisions of the Companies Act, 2013, our Company is required to have not less than 3 Directors and not more than 12 Directors, unless otherwise determined by a special resolution. As on the date of this Draft Letter of Offer, our Board comprises of 6 Directors, which includes, two (2) Executive Directors out of which One (1) being Managing Director, and one (1) being Whole Time Director and four (4) Non-executive Directors, three of whom are independent directors and one is non-independent director. Our Company also has one Non-Executive - Independent Woman Director and one Non-Executive - Non- Independent Woman Director on its Board. The present composition of our Board and its committees is in accordance with the provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of this Draft Letter of Offer:

S. No.	Name, designation, date of birth, term, period of directorship, DIN, occupation	Age (in years)	Address	Other directorships
1.	Mr. Raj Kumar Modi **Designation**: Managing Director **Date of birth**: November 13, 1967 **DIN**: 01274171 **Term**: 5 years **Occupation**: Business	56	E-380, First Floor, Block E, Part-1, Greater Kailash, New Delhi – 110048, India	1. Amarendra Financial Private Limited 2. Prabhat Management Services Private Limited 3. Anantjit Dealers Limited 4. Dinkar Commercials Private Limited 5. RRP Management Services Private Limited 6. Anekmurti Enterprises Limited
2.	Mr. Mahavir Prasad Garg **Designation**: Non-Executive Independent Director **Date of Birth**: March 10, 1967 **DIN**: 00081692 **Term**: 5 years **Occupation**: Service	57	WZ-17A, Gali No-8, Krishna Puri, Tilak Nagar, Block E, Part-1, Greater Kailash, New Delhi – 110018, India	1. Progressflow Business Solutions Private Limited 2. RG Data Product Private Limited 3. Lexaya Healthcare Private Limited 4. Healo Medicine Private Limited
3.	Mr. Yogesh Kumar Garg **Designation**: Non-Executive Independent Director	57	1145, Majestic Tower, Mahagun	None

S. No.	Name, designation, date of birth, term, period of directorship, DIN, occupation	Age (in years)	Address	Other directorships
	Date of Birth: February 04, 1967 **DIN**: 02144584 **Term**: 5 years **Occupation**: Service		Mascot, Crossing Republic, Dundhera, Ghaziabad Uttar Pradesh – 201016, India	
4.	Mr. Prabhat Modi **Designation**: Whole Time Director **Date of Birth**: October 22, 1995 **DIN**: 08193181 **Term**: 3 Years **Occupation**: Business	28	E-380, First Floor, Greater Kailash 1, South Delhi – 110048, India	1. Anekmurti Enterprises Limited
5.	Ms. Rekha Modi **Designation**: Non-Executive - Non-Independent (Woman) Director **Date of birth**: February 07, 1970 **DIN**: 01274200 **Term**: Not Applicable **Occupation**: Business	54	E-380, First Floor, Block-E, Part-I, Greater Kailash, South Delhi – 110048, India	1. Prabhat Management Services Private Limited 2. RRP Management Services Private Limited 3. Anekmurti Enterprises Limited 4. Dinkar Commercials Private Limited 5. Anantjit Dealers Limited
6.	Ms. Deepali Sehgal Kulshrestha **Designation:** Non-Executive Independent (Woman) Director **Date of Birth:** November 29, 1990 **DIN:** 10192105 **Term:** 5 years	33	R-161, Vani Vihar Uttam Nagar, Block E, Part-1, Greater Kailash, New Delhi – 110059, India	None

S. No.	Name, designation, date of birth, term, period of directorship, DIN, occupation	Age (in years)	Address	Other directorships
	Occupation: Service			

Brief Profile of Directors:

Mr. Raj Kumar Modi
(Managing Director)

Mr. Raj Kumar Modi, aged about 56 years, is an Executive Director of the Company. He is bachelor's in commerce by qualification and has vast experience of over 28 years in the field of Capital Market and Finance.

Mr. Mahavir Prasad Garg
(Non-Executive- Independent Director)

Mr. Mahavir Prasad Garg, aged about 57 years, is a Company Secretary and Bachelor of Law by qualification and holds more than 30 years of experience in the field of Corporate Secretarial and Legal. He has vast experience & knowledge in CS Secretarial, Stock Exchange Compliances and Legal work. He is currently holding the position of Non-executive Independent Director on the board of the Company.

Mr. Yogesh Kumar Garg
(Non-Executive Independent Director)

Mr. Yogesh Kumar Garg is a dynamic professional aged 57 years and is a Bachelor's in Commerce and Law. He is also a member of Institute of Company Secretaries of India, The Institute of Cost Accountants of India. He has about 28 years of work experience in the field of accounts, taxation, secretarial compliances under the Companies Act and various other laws. He is currently holding the position of Non-executive Independent Director on the board of the Company.

Mr. Prabhat Modi
(Whole time Director)

Mr. Prabhat Modi, aged about 28 years, He is B. Sc (Accounting & Finance) from University of Essex, United Kingdom and PGDM (SM) from National Institute of Securities Market (NISM) by qualification. He has vast experience in the field of corporate finance, Capital market operations, & Financial Restructuring. He is on the Board as Executive Director.

Ms. Rekha Modi
(Non-Executive - Non-Independent Women Director)

Ms. Rekha Modi, aged 54 years, is B.Sc and Bachelor's in Law. She is having a vast experience in Legal Matter, Company Law & finance. She is on the Board as Non- Executive Non-Independent Women Director.

Ms. Deepali Sehgal
(Non-Executive Independent Women Director)

Ms. Deepali Sehgal, aged about 33 years, is a Company Secretary and Bachelor of Law by qualification. She has experience of more than 5 years in the field of Corporate Secretarial and legal matters. She has vast experience and knowledge in CS Secretarial, Stock Exchange compliances and Legal work. She is on the Board as Non-Executive Independent Director of the Company.

Directorships of Directors in listed companies

i. None of our Directors are, or for the five years prior to the date of this Draft Letter of Offer, have been on the board of directors of any listed company whose shares have been/ were suspended from being traded on any of the stock exchange, during his/ her tenure.

ii. None of our Directors has been or is a director on the board of directors of any listed company which has been/ was delisted from any stock exchange(s), during his/ her tenure in the past ten years.

Details of Senior Management and KMP

S. No.	Name	Designation	Date of Appointment	Date of Cessation	Reason
1.	Mr. Raj Kumar Modi	Managing Director	January 27, 2003	-	NA
2.	Mr. Prabhat Modi	Whole time Director	November 24, 2021	-	NA
3.	Mr. Chandresh Kumar Sharma	Chief Financial Officer	August 09, 2019	-	NA
4.	Mr. Kailash	Company Secretary & Compliance Officer	February 16, 2022	-	NA

Brief Profiles of KMP

Mr. Chandresh Kumar Sharma
(Chief Financial Officer)
Mr. Chandresh Sharma has over 15 years of experience in finance and accounting and has been instrumental in managing the books of accounts, banking disbursals and transactions, taxation compliance including GST, TDS and income tax for the company.

Mr. Kailash
(Company Secretary & Compliance Officer)
CS Kailash is an Associate member of the Institute of Company Secretaries of India and is also Commerce & Law Graduate. He possesses over 7.5 years of experience in the field of compliances under various Corporate Laws, listing agreement and RBI Compliances.

Arrangement or understanding with major shareholders, customers, suppliers or others.

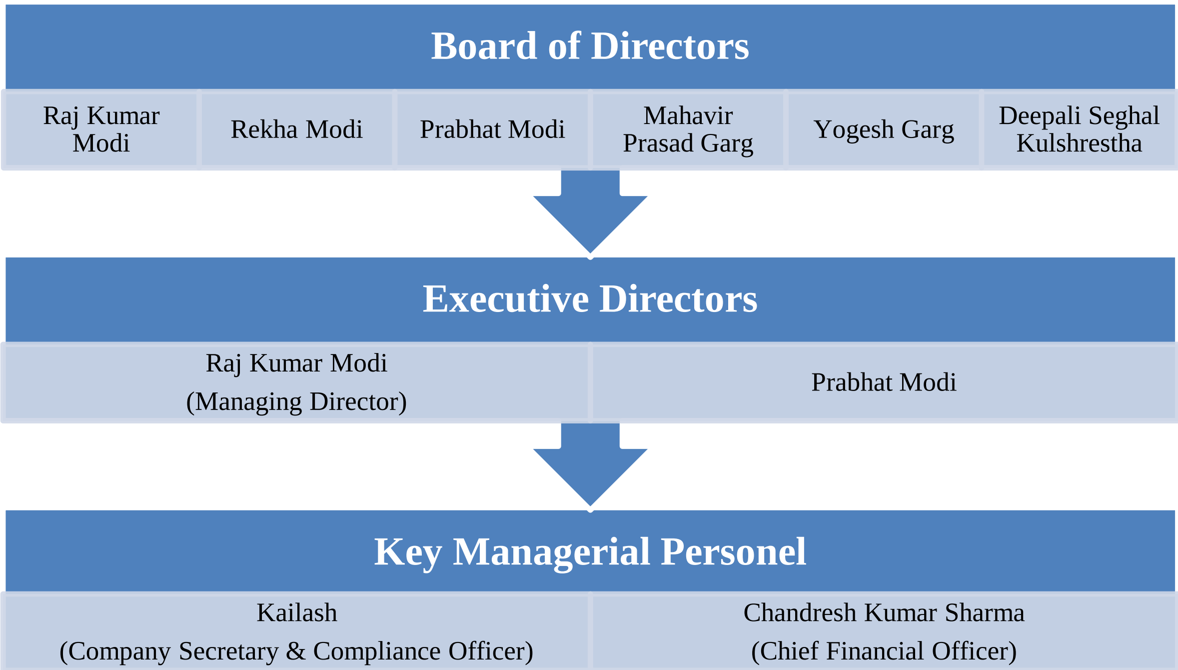
There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a senior management as on the date of this Draft Letter of Offer.

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

None of the key managerial personnel are related to each other or to the Promoters or to any of our Directors except that Mr. Raj Kumar Modi (Promoter), is the Managing Director of the Company and is the husband of Mrs. Rekha Modi and Father of Mr. Prabhat Modi, both are also Directors and Promoters of the Company.

Management Organizational Structure

Set forth is the organization structure of the Company:



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SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of
PMC Fincorp Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have Audited the accompanying Standalone Financial Statements of **PMC FINCORP LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive income), changes in equity and its cash out flows for the year ended on that date.

Basis for Opinion

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note no. 28(i) and (ii) which describes the effect of the contingent liabilities and commitments on the company operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the year under report. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

PANKAJ GUPTA & CO. DELHI Chartered Accountants

Regd. Office: 1, Anand Vihar, Basement Floor, Pitampura, Delhi 110034
Phone: 91-11-46051500, Mobile: +91-9999781500 Email: pankajgupta.pgc@gmail.com

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The boards of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements for the year ended March 31, 2024

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Chartered Accountants

- Obtain sufficient appropriate audit evidence regarding the Financial Statements of the company to express an opinion on the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
      i. The Company does not have any pending litigations (except the litigation as disclosed in Note 28 of the Financial Statements) which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. An amount of Rs.3.83 Lacs of unclaimed dividend amount transferred to Investor Education and Protection Fund on July 15, 2023.

PANKAJ GUPTA & CO. DELHI Chartered Accountants

iv. a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes forming part of standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes forming part of standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except: (a) for modification, if any, made by certain users having specific access; and (b) that the audit trail, which was enabled at database level in the last month of the financial year, contains only the modified values. During the course of performing our procedures, we did not notice any instance of audit trail feature being tampered with for the period the audit trail was enabled.

As proviso to Rule 3(1) of Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is applicable for the financial year ended March 31, 2024.

For Pankaj Gupta & Co.
Chartered Accountants
Firm Registration No.019302N

PANKAJ GUPTA & CO. DELHI Chartered Accountants

(CA Pankaj Gupta)
Partner
Membership No. 501398
UDIN: 24501398BKAHIP5093

Place : New Delhi
Dated : 27.05.2024

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of **PMC Fincorp Limited** on the accounts of the company for the year ended March 31, 2024]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) As explained to us, Property, plant and equipment have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the Property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations received by us, as the company owns no immovable properties, the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable. In respect of immovable properties of land and building that have been taken on lease and disclosed in the financial statements, the lease agreements are in the name of the Company.

d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of its inventory:

a) The Company is in the business of providing loans and investments. The investments which form part of stock are held by the company in the Dematerialised account maintained with the National Securities Depository Limited (NSDL) and Central Securities Depository Limited (CSDL), hence the company does not have physical inventory. The balance of stock lying with the depository is verified by the management. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of verification of stock lying in Dematerialised account followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on verification of the inventories.

(iii) As the principal business of company is to give loans & advances, so definitely during the year company has granted loans or advances to various parties that are in the nature of unsecured loans and also company has made investments too.

a) As the principal business of company is to give loans & advances, therefore, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

b) Based on our audit procedures and according to the information and explanations provided by the management, in our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

PANKAJ GUPTA & CO. DELHI Chartered Accountants

c) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, we are of the opinion that in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated and the repayments or receipts are regular except some loans.

d) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, subject to point no. c) above, as there is no stipulation of schedule of repayment of principal and payment of interest, overdue amount cannot be ascertained

e) As the principal business of the company is to give loans and advances, therefore, the reporting under clause 3(iii)(e) of the order is not applicable to the Company.

f) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, the company has granted loans and advances in the nature of loans either repayable on demand or without specifying any terms and conditions. The amount is not ascertainable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security as applicable

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, this clause of the Order is not applicable.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

(vii) In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there were following disputed amounts payable:

Status	Period	Description	Amount (Net Dues)	Forum where dispute is pending
Income Tax Act 1961	AY 2013-14	Order U/s 143(3)	66,48,452/-	The Company has filed appeal before the Commissioner of Income Tax (Appeals), Kanpur
Income Tax Act 1961	AY 2014-15	Order U/s 143(3)	62,27,868/-	
Income Tax Act 1961	AY 2015-16	Order U/s 143(3)	1,51,95,181/-	
Income Tax Act 1961	AY 2016-17	Order U/s 143(3)	4,59,70,190/-	
Income Tax Act 1961	AY 2017-18	Order U/s 143(3)	4,07,91,893/-	
Income Tax Act 1961	AY 2018-19	Order U/s 143(3)	12,37,51,849/-	
Income Tax Act 1961	AY 2019-20	Order U/s 143(3)	2,36,12,609/-	

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) In respect to repayment and usage of borrowings:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions or any other lender during the year.

PANKAJ GUPTA & CO.
DELHI
Chartered Accountants

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) In our opinion and according to the information and explanations given to us by the management, no term loans were obtained during the year. Accordingly, this clause is not applicable.

d) The Company has not raised funds on short term basis during the year and hence, reporting under clause (ix)(d) of the Order is not applicable.

e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2024. Accordingly, this clause is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) In relation to use of money raised through issue of own shares:

a) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised any monies by way of further public offer or issue of fresh shares, including debt instruments, during the year and hence reporting under this clause is not applicable.

b) The Company has not made preferential allotment of equity shares during the year hence the reporting requirements under the clause are not applicable.

(xi) In respect of reporting on fraud:

a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) According to the information and explanations given to us, during the year there are no whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company and hence this clause is not applicable.

(xiii) In our opinion, and according to the information and the explanation given to us, all transactions with the related parties are in accordance with section 177 and 188 of the Companies Act, 2013, and the details of the same has been disclosed in the financial statements as required by the accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) In relation to Reporting on Registration u/s 45-IA of RBI Act:

a) According to the information and explanations given to us, we report that the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

PANKAJ GUPTA & CO. DELHI Chartered Accountants

b) As the company has already obtained the registration (as referred in clause (a)), so there is no question that during the year company would conduct any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India,

d) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, this clause of the Order is not applicable

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, this clause is not applicable.

For Pankaj Gupta & Co.
Chartered Accountants
Firm Registration No.019302N

PANKAJ GUPTA & CO. DELHI Chartered Accountants

(CA Pankaj Gupta)
Partner
Membership No. 501398
UDIN: 24501398BKAHIP5093

Place : New Delhi
Dated : 27.05.2024

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PMC Fincorp Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

PANKAJ GUPTA & CO. DELHI Chartered Accountants

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2024, subject to notes mentioned in audit report and Annexure 'A' to the audit report, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the company has not maintained detailed documentation on Internal Financial Controls or Standard Operating Procedures as recommended by the Guidance note issued by ICAI.

For Pankaj Gupta & Co.
Chartered Accountants
Firm Registration No.019302N

PANKAJ GUPTA & CO. DELHI Chartered Accountants

(CA Pankaj Gupta)
Partner
Membership No. 501398
UDIN: 24501398BKAHIP5093

Place : New Delhi
Dated : 27.05.2024

PMC Fincorp Limited

CIN: L27109UP1985PLC006998

Regd. Office: B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)
Corp. Office: 201 & 202, Second Floor, Rattan Jyoti Building, 18, Rajendra Place, New Delhi-110008
Tel. No. : 011-47631025, 26, 27, E-mail Id: compliances@pmcfincorp.com, Website : www.pmcfincorp.com

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Note No.	As At 31.03.2024	As At 31.03.2023
ASSESTS			
1 Financial Assets			
(a) Cash and Cash Equivalents	2	4.37	3.10
(b) Bank Balances other than above	3	89.57	46.96
(c) Receivables			
(i) Trade Receivables	4	—	40.14
(ii) Other Receivables		—	—
(d) Loans	5	11,088.45	11,566.59
(e) Investments	6	2,113.60	1,595.53
(f) Other Financial Assets	7	105.46	—
Total Financial Assets		**13,401.44**	**13,252.33**
2 Non-Financial Assets			
(a) Inventories	8	10.76	8.54
(b) Income Tax Assets (Net)	9	155.70	80.34
(c) Other Non-Financial Assets	10	33.14	18.58
(d) Property, Plant and Equipment	11	22.10	31.75
(e) Intangible Assets		—	—
(f) Deferred Tax Asset (Net)	12	3.87	2.91
Total Non-Financial Assets		**225.58**	**142.11**
Total Assets		**13,627.02**	**13,394.44**
LIABILITIES AND EQUITY LIABILITIES			
1 Financial Liabilities			
(a) Payables			
Trade Payables			
(i) Total Outstanding dues to Micro Enterprises and Small Enterprises		—	—
(ii) Total Outstanding dues to other than Micro Enterprises and Small Enterprises	13	56.50	4.67
Other Payables			
(i) Total Outstanding dues to Micro Enterprises and Small Enterprises		—	—
(ii) Total Outstanding dues to other than Micro Enterprises and Small Enterprises	13	10.04	241.73
(b) Borrowings other than Debt Securities	14	1,854.96	2,746.76
Total Financial Liabilities		**1,921.50**	**2,993.17**
2 Non-Financial Liabilities			
(a) Long Term Provisions	15	44.35	46.27
(b) Short Term Provisions	16	125.59	0.48
(c) Other Non-Financial Liabilities (Statutory dues payable)	17	17.75	17.56
Total Non-Financial Liabilities		**187.69**	**64.32**
3 Equity			
(a) Equity Share Capital	18	5,340.61	5,340.61
(b) Other Equity	19	6,177.22	4,996.34
Total Equity		**11,517.83**	**10,336.96**
Total Liabilities and Equity		**13,627.02**	**13,394.44**
Summary of Significant Accounting Policies	1		

Notes referred to above and attached there to form an integral part of Balance Sheet
The accompanying notes form an integral part of these financial statements.

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

CA. Pankaj Gupta
Partner
Membership No. : 501398

For and on behalf of the Board of Directors of
PMC FINCORP LIMITED

Prabhat Modi

Raj Kumar Modi
Managing Director
DIN : 01274171

Prabhat Modi
Whole Time Director
DIN : 08193181

Chandresh Kumar Sharma
Chief Financial Officer
PAN: ATHPS2613M

Kailash
Company Secretary
Membership No: ACS51199

Place : New Delhi
Date : 27.05.2024

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Note No.	As At 31.03.2024	As At 31.03.2023
INCOME			
Revenue from Operations	20	1,149.87	847.61
Profit on Purchase/Sale of Investment		406.11	—
Other Income	21	10.36	2.12
Total Revenue		**1,566.34**	**849.73**
EXPENSES			
Purchase of Stocks & Shares		—	—
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	-2.23	17.74
Employee Benefits Expenses	23	70.37	65.78
Loss on Purchase/Sale of Investments		—	966.44
Finance Costs	24	154.95	156.76
Depreciation and Amortisation Expenses	25	9.64	4.80
Other Administrative Expenses	26	75.13	274.62
Total Expenses		**307.51**	**1,486.12**
Profit Before Exceptional Items and Tax		**1,258.82**	**-636.39**
Exceptional Items		—	—
Profit Before Tax		**1,258.82**	**-636.39**
Tax Expense			
Current Tax		125.10	—
Adjustment for prior years		—	—
Deferred Tax Asset		-0.96	0.08
Total Tax Expense		**124.14**	**0.08**
Profit After Tax		**1,134.68**	**-636.31**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		—	—
- Changes in fair value of financial instruments		44.30	8.50
Income Tax relating to items that will not be reclassified to Profit or Loss			
- Tax on remeasurement of defined benefit plans		—	—
- Tax on changes in fair value of financial instruments		—	—
Other Comprehensive Income for the year		**44.30**	**8.50**
Total Comprehensive Income		**1,178.98**	**-627.81**
Earnings Per Equity Share (in Rs.) :			
Nominal value of Rs. 1 each (Previous year Rs. 1 each)			
- Basic & Diluted Earning Per Share		0.21	-0.12
Summary of Significant Accounting Policies	1		

Notes referred to above and attached there to form an integral part of Profit & Loss

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

For and on behalf of the Board of Directors of
PMC FINCORP LIMITED

Prabhat Modi

PANKAJ GUPTA & CO. DELHI Chartered Accountants

CA. Pankaj Gupta
Partner
Membership No. : 501398

Raj Kumar Modi
Managing Director
DIN : 01274171

Prabhat Modi
Whole Time Director
DIN : 08193181

PMC FINCORP LIMITED NEW DELHI

Chandresh Kumar Sharma
Chief Financial Officer
PAN: ATHPS2613M

Kailash
Company Secretary
Membership No: ACS51199

Place : New Delhi
Date : 27.05.2024

PMC Fincorp Limited

CIN: L27109UP1985PLC006998
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Tel. No. : 011-47631025, 26, 27, E-mail Id: compliances@pmcfincorp.com, Website : www.pmcfincorp.com

Statement of Changes in Equity for the year ended 31 March 2024

A. Equity Share Capital

(₹ in lakhs)

Particular	No. of Shares	Amount of Shares
Balance As at March 31, 2023	534061200	5,340.61
Change in equity share capital during the year	—	—
Balance As at March 31, 2024	534061200	5,340.61

B. Other Equity

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus						Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operations	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Share Premium Reserve	Statutory Reserve	Warrant Reserve	Retained Earnings	Other Comprehensive Income							
Balance As at March 31, 2023	-	-	-	2838.54	315.68	-	622.42	105.96	-	-	-	-	-	1113.75	4996.34
Add/Less during the year	-	-	-	-	226.94	1113.75	-	-	-	-	-	-	-	-1113.75	226.94
Profit for the year	-	-	-	-	-	-	909.66	-	-	-	-	-	-	-	909.66
Total Comprehensive Income for the year	-	-	-	-	-	-		44.30	-	-	-	-	-	-	44.30
Transfer to retained earnings	-	-	-	-	-	-		-	-	-	-	-	-	-	-
Balance As at March 31, 2024	-	-	-	2838.54	542.62	1113.75	1532.07	150.26	-	-	-	-	-	-	6177.22

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

CA. Pankaj Gupta
Partner
Membership No. : 501398

For and on behalf of the Board of Directors of
PMC FINCORP LIMITED

Raj Kumar Modi
Managing Director
DIN : 01274171

Prabhat Modi
Whole Time Director
DIN : 08193181

Chandresh Kumar Sharma
Chief Financial Officer
PAN: ATHPS2613M

Kailash
Company Secretary
Membership No: ACS51199

Place : New Delhi
Date : 27.05.2024

PMC Fincorp Limited
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Tel. No. : 011-47631025, 26, 27, E-mail Id: compliances@pmcfincorp.com, Website : www.pmcfincorp.com

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2024

(₹ in lakhs)

	Year Ended 31-03-2024	Year Ended 31-03-2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,258.82	-636.39
Adjustment for:		
Depriciation/Amortisation	9.64	4.80
Add Profit/Loss on Sale if investment	406.11	-966.44
Less: Fair value Gain on Stock	2.23	—
Operating Profit Before Working Capital Changes	860.14	334.85
Adjustment for Working Capital:		
Increase /(Decrease) in Inventories	—	17.73
(Increase)/ Decrease in Trade Receivables	40.14	-18.13
Decrease/(increase) in Short Term Loans & Advances	372.68	-920.05
Increase/ (Decrease) in Income Tax Assets	-75.36	-5.69
(Increase) /Decrease in Other Non Financial assets	-14.56	—
Increase/ (Decrease) in Trade Payables	51.83	3.16
Increase/ (Decrease) in Other Payables	-231.69	241.73
Increase/ (Decrease) in Other Current Liabilities	0.19	3.04
Cash Generated from Operations	1,003.36	-343.36
Income Taxes Paid	—	-72.28
Net Cash Outflow from Operating Activities	**1,003.36**	**-415.65**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	3,704.95	1,860.25
Purchase of Investments	-3,772.64	-3,947.63
Purchase of Fixed Assets	—	-32.28
Net Cash Used in Investing Activities	**-67.69**	**-2,119.66**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-891.81	—
Proceeds from Long Term Borrowings	—	286.58
Share Capital	—	250.00
Share Premium	—	2,225.00
Proceeds from Issue of Warrant (Share Capital)	—	-618.75
Net Cash from/ (used in) Financing Activities	**-891.81**	**2,142.83**
Net Increase / (Decrease) in Cash and Cash Equivalents	43.87	-392.44
Cash & Cash Equivalents at the beginning of the period	50.07	442.51
Cash & Cash Equivalents at the end of the period	**93.94**	**50.07**

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

PANKAJ GUPTA & CO. DELHI Chartered Accountants

CA. Pankaj Gupta
Partner
Membership No. : 501398

For and on behalf of the Board of Directors of
PMC FINCORP LIMITED

Prabhat Modi

Raj Kumar Modi
Managing Director
DIN : 01274171

Prabhat Modi
Whole Time Director
DIN : 08193181

Chandresh

Place : New Delhi
Date : 27.05.2024

Chandresh Kumar Sharma
Chief Financial Officer
PAN: ATHPS2613M

Kailash
Company Secretary
Membership No: ACS51199

PMC FINCORP LIMITED NEW DELHI

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Company Information

PMC Fincorp Limited is a Public Limited Company (The Company) having Registered Office at B-10 VIP Colony, Civil Lines, Rampur UP-244901. The Company is listed on the BSE (Bombay Stock Exchange). The Company is a Non Systemically Important Non-Banking Financial Company Not Accepting Public Deposits ("NBFC-ND-NSI") registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and investment related activities. The Company had received the certificate of registration from RBI on November 14, 2014, enabling the Company to carry on business as a Non-Banking Financial Company.

The Audited Financial Statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 27, 2024, Board of Directors of the Company approved and recommended the Audited Financial Statements for consideration and adoption by the shareholders in its Annual General Meeting.

(ii) Basis for preparation of Accounts:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements. The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors 27th May, 2024.

(iii) The Figure of Previous year have been regrouped/reclassified wherever necessary.

(iv) Current - Non Current classification

All assets and liabilities are classified into current and non-current as per company normal accounting cycle.

(a) Assets

An asset is classified as current when it satisfies any of the following criteria:

1) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
2) it is held primarily for the purpose of being traded;
3) it is expected to be realised within 12 months after the reporting date; or
4) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

PANKAJ GUPTA & CO. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

(b) Liabilities

A liability is classified as current when it satisfies any of the following criteria:

1) it is expected to be settled in the company's normal operating cycle;
2) it is held primarily for the purpose of being traded;
3) it is due to be settled within 12 months after the reporting date; or
4) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity Instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets and their realisation in cash or cash equivalents

(v) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

(vi) Key Accounting Estimates and Judgements

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reposting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

(vii) Tangible fixed assets

Tangible fixed assets (except freehold land which is carried at cost) are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition includes freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition.

(viii) Depreciation and amortisation

The company has followed the written down value method for the depreciation and amortization of all tangible and intangible assets. There is no change in the method of depreciation during previous year.

(ix) Investments:

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(x) Inventories:

Stock in Trade including shares & securities is valued at market price.

Cost is determined on First-In-First-Out (FIFO) basis.

(xi) Impairment:

The carrying amount of asset is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

(xii) Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(xiii) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(xiv) Revenue Recognition:

a. **Interest income on loans**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonably certain that the ultimate collection will be made.

b. **Dividend income**

Dividend income is recognised at the time when the dividend is received by the reporting date.

c. **Income from Investments/Trading in shares/Derivatives**

Income from investments/ trading in shares and derivatives is recognised on actual basis, as and when realised.

d. **Other Income**

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

e. No income is recognized in respect of Non- performing assets, if any, as per the prudential norms for income recognition introduced for Non-Banking Financial Corporation by Reserve Bank of India vide its notification No.DFC.NO.119/DG/ (SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/ DG (VL)-2007 dated 22-02-2007.

(xv) Borrowing Costs

Borrowing cots consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All costs related to borrowing are charged to the Statement of Profit and Loss on accrual basis at the effective interest rate incurred.

(xvi) Expenditure:

Expenses are accounted on accrual basis.

(xvii) Provisions of Assets

The company makes provisions for standard and Non-performing Assets as per the Non-Banking Financial (Non-Deposit Accepting of Holding Companies prudential Norms Reserve Bank) Directions, 2007, as amended from time to time.

Loan assets which as per the management are not likely to be recovered are considered as bad debts and written off.

Provisions on standards assets are made as per the notification DNBS.PD.CC.No. 002/03.10.001/2014-15 dated Nov 10, 2014 issued by Reserve Bank of India.

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

(xviii)Provisions, contingents Liabilities and contingent Assets

(a) A Provision is recognized when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(b) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the managements of the facts and legal aspects of the matter involved in case of:

(i) A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

(ii) A possible obligation, unless the probability of outflow of resources is remote.

(c) Contingent Assets are neither recognized, nor disclosed in the financial statements.

(xix) Income Taxes:

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

(xx) Employee Benefits

No provision of retirement benefits of employees such as leave encashment, gratuity has been made during the year by the company. The same shall be accounted for as and when arises.

Employee Benefits includes salaries/wages and bonus and other welfare expenses.

PANKAJ GUPTA & CO. Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024

(₹ in lakhs)

FINANCIAL ASSETS		As At 31.03.2024	As At 31.03.2023
2.	**Cash and Cash Equivalents**		
	Cash in Hand	4.37	3.10
		4.37	**3.10**
3.	**Bank Balances other than Cash and Cash Equivalents**		
	Balances with Banks		
	- On current accounts	89.18	42.30
	- Dividend Accounts	—	4.67
	Term deposits with remaining maturity more than 3 months and less than 12 months	0.39	—
	Term deposits with remaining maturity more than 12 months	—	—
		89.57	**46.96**
4.	**Receivables**		
	Trade Receivables Considered Good – Unsecured	—	40.14
		—	**40.14**

Trade Receivables Ageing Schedule

Particulars	As at March 31, 2024					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

Particulars	As at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	29.71	0.31	10.12	-	-	40.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	**29.71**	**0.31**	**10.12**	-	-	**40.14**

PANKAJ GUPTA & CO. Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024

(₹in lakhs)

FINANCIAL ASSETS	As At 31.03.2024	As At 31.03.2023
5. Loans		
Unsecured, Considered Good		
Loans at agreement values less instalment		
Standard Assets	11,088.45	11,566.59
Doubltful Assets (NPA)	—	—
	11,097.73	**11,566.59**

6. Investments

(A) Investment in Quoted Equity Instruments (At fair value through OCI)

	Qty 31.03.24	Value 31.03.24	Qty 31.03.23	Value 31.03.23
Action Construction Equipment Ltd.	—	—	2,000	8.14
Anupam Rasayan India Ltd.	—	—	1,000	8.64
Apar Industries Ltd.	—	—	1,000	25.03
Bank of Maharashtra Ltd.	—	—	50,000	12.39
BF Utilities Limited	1,000	7.71	—	—
Bharat Dynamics Limited	1,500	26.27	—	—
BLS International Services Ltd.	5,000	15.71	—	—
Central Depository Services (India) Limited	4,000	68.48	1,000	9.09
Cochin Shipyard Limited	10,000	87.18	—	—
Engineers India Ltd.	5,000	10.10	—	—
Fruition Venture Ltd.	52,000	31.67	—	—
Dhampur Bio Organics Ltd.	—	—	5,000	7.17
Dynamic Cables Ltd.	—	—	5,000	8.38
Esab India Ltd.	—	—	1,127	39.85
Finolex Cables Ltd.	—	—	500	4.06
Garden Reach Shipbuilders & Engineers Ltd.	7,000	53.56	3,000	13.64
General Insurance Corporation of India Ltd.	1,000	3.30	—	—
Golkonda Aluminium Extrusions Ltd.	2,40,769	34.53	—	—
Gujarat Mineral Development Corporation Ltd.	14,000	48.15	—	—
Gensol Engineering Limited	—	—	1,064	11.83
GHCL Limited	—	—	1,000	5.04
Godawari Power & Ispat Ltd.	—	—	2,000	6.97
Hindware Home Innovation Ltd.	—	—	5,000	17.72
IIFL Finance Limited	—	—	1,000	4.88
Indian Railway Finance Corporation Ltd.	10,000	14.24	25,000	6.65
Indian Renewable Energy Development Agency Limited	5,000	6.80	—	—
Ircon International Ltd.	25000	54.73	—	—

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PANKAJ GUPTA & CO. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024 ***(₹ in lakhs)***

FINANCIAL ASSETS	As At 31.03.2024	As At 31.03.2023

6. Investments *(Contd..........)*

	Qty 31.03.24	Value 31.03.24	Qty 31.03.23	Value 31.03.23
Indo Count Industries Ltd.	2000	7.06	66507#	74.42
IRB Infrastructure Developers Ltd.	—	—	2,000	0.50
J & K Bank Ltd.	—	—	50000	24.58
JBM Auto Limited	—	—	1500	9.67
Jindal Stainless (H) Ltd.	2000	13.89	3000	8.69
JIO Financial Services Ltd.	5000	17.69	—	—
Kalyani Steels Limited	1000	8.54	—	—
Kanoria Energy & Infrastructure Ltd. (A Infrastructure Ltd.)	—	—	15022	2.68
Kolte-Patil Developers Ltd.	—	—	2000	4.97
KIOCL Limited	1000	3.89	—	—
Lemon Tree Hotels Ltd.	—	—	10,000	7.73
Maharashtra Corporation Ltd.	31000000	353.40	31000000	418.50
Mazagon Dock Shipbuilders Limited	3000	55.83	1500	9.95
Mishra Dhatu Nigam Limited	7000	27.57	—	—
MOIL Limited	5000	13.91	—	—
Mirza International Limited	—	—	1000	0.35
Moongipa Capital Finance Ltd	91843	26.96	25100	4.30
Olectra Greentech Limited	1000	18.89	—	—
National Fertilizers Ltd.	—	—	45100	32.67
Paramount Communications Ltd.	200000	133.96	190000	59.26
Paras Defence and Space Technologies Limited	—	—	4000	18.81
PC Jeweller Limited	175000	93.92	—	—
Praj Industries Ltd.	—	—	1000	3.41
Prestige Estate Ltd.	—	—	3100	12.49
Rachana Infrastructure Ltd.	18000	7.26	18000	78.19
RailTel Corporation of India Ltd.	25000	90.93	—	—
Rail Vikas Nigam Limited	20000	50.59	—	—
RITES Ltd.	1000	6.64	—	—
Rashtriya Chemicals & Fertilizers Ltd.	—	—	2000	1.91
Reliance Industrial Infrastructure Ltd.	—	—	1000	7.82
Schneider Electric Infrastructure Limited	3000	22.23	—	—
Salasar Exteriors & Contour Ltd.	1500000*	276.00	150000	378.68
Shyam Metalics & Energy Ltd.	7000	41.35	—	—
The New India Assurance Co. Ltd.	2000	4.55	—	—

Pranavaditya Spinning Mills Ltd. amalgamated with Indo Count Industries Ltd. and 66507 shares are alloted agaist 498800 shares.

*Face value split (Sub-Division) - From Rs 10/- per share to Re 1/- per share

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PANKAJ GUPTA & CO. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

PMC Fincorp Limited

CIN: L27109UP1985PLC006998

Regd. Office: B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

Corp. Office: 201 & 202, Second Floor, Rattan Jyoti Building, 18, Rajendra Place, New Delhi-110008

Tel. No. : 011-47631025, 26, 27, E-mail Id: compliances@pmcfincorp.com, Website : www.pmcfincorp.com

Notes to Financial Statements for the year ended March 31, 2024

FINANCIAL ASSETS	As At 31.03.2024	As At 31.03.2023

6. **Investments** ***(Contd..........)***

	Qty 31.03.24	Value 31.03.24	Qty 31.03.23	Value 31.03.23
Tourism Finance Corporation of India Limited	5000	8.72	—	—
Zen Technologies Ltd.	20040	191.39	—	—
Zomato Limited	20000	36.47	—	—
Shree Renuka Sugars Ltd.	—	—	75000	33.08
SJVN Ltd.	—	—	19334	6.43
Sona BLW Precision Forgings Ltd.	—	—	2000	8.26
Tejas Networks Limited	—	—	3000	17.43
TGV SRAAC Ltd.	—	—	10000	9.76
Timex Group India Ltd.	—	—	2000	2.42
Triveni Enterprises Ltd.	—	—	900000	20.34
Venus Pipes & Tubes Limited	—	—	1000	7.49
Vinyl Chemicals (I) Ltd.	—	—	500	1.67
Visagar Financial Services Ltd.	—	—	1000	0.01
Total (Quoted)		**1974.03**		**1455.96**
(B) Investment in Un-Quoted Equity Instruments				
BSB Marketing Pvt. Ltd.	1315575	14.57	1315575	14.57
Catamaran Corp. Ltd.	1250000	125.00	1250000	150.00
(Redeemable Non-Cumulative Preference Shares)				
Total (Un-Quoted)		**139.57**		**139.57**
Total Value of Investments (Quoted and Un-Quoted)		**2113.60**		**139.57**

7. **Other Financial Assets**

Margin with Stock Broker	105.46	—
	105.46	**—**

PANKAJ GUPTA & CO. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024 ***(₹ in lakhs)***

NON-FINANCIAL ASSETS	As At 31.03.2024	As At 31.03.2023
8. Inventories		
Stock of Shares & Securities	10.76	8.54
	10.76	**8.54**
9. Income Tax Assets (Net)		
Income Tax Assets	155.70	80.34
	155.70	**80.34**
10. Other Non-Financial Assets		
GST Input	17.04	13.42
Security Deposit to Landlord	2.80	2.80
Short Term Loan & Advance	11.00	—
Prepaid Expenses	0.47	2.36
Advance to Staff	1.83	—
	33.14	**18.58**

11. Property, Plant and Equipment

Current Year	Gross Block (at cost)				Accumulated Depreciation				Net Block
Description	As at April 1, 2023	Additions during the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2023	For the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2024
Furniture and fixtures	44.00	-	-	44.00	17.24	7.37	-	24.61	19.39
Office equipments	16.88	-	-	16.88	13.48	2.27	-	15.75	1.13
Vehicles	17.56	-	-	17.56	16.69	-	-	16.69	0.88
Computer Software	2.11	-	-	2.11	1.41	-	-	1.41	0.70
Total	**80.56**	**-**	**-**	**80.56**	**48.81**	**9.64**	**-**	**58.45**	**22.10**

Previous year	Gross Block (at cost)				Accumulated Depreciation				Net Block
Description	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2022	For the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2023
Furniture and fixtures	16.72	27.28	-	44.00	15.69	1.55	-	17.24	26.78
Office equipments	13.62	3.26	-	16.88	11.66	1.83	-	13.49	3.41
Vehicles	17.56	-	-	17.56	16.42	0.28	-	16.70	0.86
Computer software	0.37	1.74	-	2.11	0.27	1.14	-	1.41	0.70
Total	**48.27**	**32.28**	**-**	**80.55**	**44.04**	**4.80**	**-**	**48.84**	**31.75**

Footnotes:

(i) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition, for details refer note 35(x).

(ii) The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2024 and March 31, 2023.

(iii) There are no impairment losses recognised during the year.

(iv) There are no exchange differences adjusted in Property, Plant & Equipment.

NON-FINANCIAL ASSETS	As At 31.03.2024	As At 31.03.2023
12. Deferred Tax Asset (Net)		
Opening Balance	2.91	2.83
Deferred Tax Asset	0.96	0.09
	3.87	**2.91**

PANKAJ GUPTA & CO. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024 *(₹ in lakhs)*

FINANCIAL LIABILITIES	As At 31.03.2024	As At 31.03.2023
13. (I) Trade Payables		
- to Micro and Small Enterprises (Refer Note 29)	—	—
- to Others	56.50	4.67
	56.50	**4.67**
(II) Other Payables		
(i) Expenses Payable	10.04	4.56
(ii) Unclaimed Dividend :-		
2010-2011	—	0.36
2011-2012	—	1.37
2012-2013	—	2.94
(iii) Call Money Payable	—	232.50
	10.04	**241.73**

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2024	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	56.50	-	-	-	56.50
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
TOTAL	**56.50**	**-**	**-**	**-**	**56.50**

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	4.67	-	-	-	4.67
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
TOTAL	**4.67**	**-**	**-**	**-**	**4.67**

FINANCIAL LIABILITIES	As At 31.03.2024	As At 31.03.2023
14. Borrowings other than Debt Securities		
Short Term Borrowings		
(a) Secured Loans	—	—
(b) Unsecured Loans		
Loans Repayable on Demand		
From Body Corporates (From Related Parties)	1,854.96	2,746.76
From Other	—	—
	1,854.96	**2,746.76**

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024 *(₹ in lakhs)*

NON-FINANCIAL LIABILITIES	As At 31.03.2024	As At 31.03.2023
15. Long Term Provisions		
Provision for Employee Benefits (Refer Note 30)		
Provision for Gratuity	—	—
Other Provisions		
Contingent Provision for Standard Assets	44.35	46.27
	44.35	**46.27**
16. Short Term Provisions		
Provision for Taxation	125.59	0.48
	125.59	**0.48**
17. Other Non-Financial Liabilities		
Statutory Dues Payable		
Duties & Taxes Payable	17.75	17.56
	17.75	**17.56**
18. Equity Share Capital		
Equity Shares		
i) Authorised Share Capital		
Equity Shares of Rs. 1 each (P.Y. 1/- each)	6,000.00	6,000.00
	6,000.00	**6,000.00**
Issued, subscribed and fully paid-up		
Equity Shares of Rs. 1 each (P.Y. 1/- each)	5,340.61	5,340.61
	5,340.61	**5,340.61**

1. **Terms and rights attached to equity shares**

a) **Voting**

Each holder of equity shares is entitled to one vote per share held.

b) **Dividends**

During the year ended March 31, 2024, the company has recorded per share dividend of Rs. Nil (previous year Nil) to its equity holders.

c) **Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any.

Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

d) **Bonus**

No Bonus shares have been issued by the company during the period of five years immediately preceding the reporting date.

ii) Reconciliation of number of Shares Outstanding at the beginning and end of the Year

Particulars	At the End of 31.03.2024 No.	At the End of 31.03.2024 Amount	At the End of 31.03.2023 No.	At the End of 31.03.2023 Amount
Equity Shares				
At the beginning of the Year	**534,061,200**	**5,340.61**	**509,061,200**	**5,090.61**
Add : Share issued during the year	—	—	25,000,000	250.00
Outstanding at the end of the year	**534,061,200**	**5,340.61**	**534,061,200**	**5,340.61**

PANKAJ ... DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024 ***(₹in lakhs)***

NON-FINANCIAL LIABILITIES	As At 31.03.2024	As At 31.03.2023

iii) Details of Shareholders Holding more than 5% of the Company

Particulars	At the End of 31.03.2024 No.	At the End of 31.03.2024 %	At the End of 31.03.2023 No.	At the End of 31.03.2023 %
RRP Management Services Pvt. Ltd.	4,48,81,000	8.40	4,48,81,000	8.82
Prabhat Management Services Pvt. Ltd.	4,37,56,000	8.19	4,37,56,000	8.60
Total	**8,86,37,000**	**16.59**	**8,86,37,000**	**17.41**

iv) Shareholding of Promoters

Shares held by Promoters at the end of the year		As at March 31, 2024		
S. No.	Promoter Name	No. of Shares	% of Total Shares	% Change During the Year
1	Raj Kumar Modi HUF	5,40,000	0.10	-
2	Rekha Modi	86,40,000	1.62	-
3	Raj Kumar Modi	54,48,600	1.03	0.72**
4	Pushpa Devi Modi	Nil	Nil	-0.72*
5	Prabhat Modi	37,15,786	0.70	0.70***
6	Prabhat Management Services Private Limited	4,37,56,000	8.19	-
7	RRP Management Service Private Limited	4,48,81,000	8.40	-
	Total	**10,69,81,386**	**20.04**	**0.70**

* The percentage change in the shareholding of Smt. Puspa Devi Modi due to her death.

** The percentage change in the shareholding of Mr Raj Kumar Modi through transmission of share due to death of his mother Smt. Puspa Devi Modi.

***The percentage change in Mr. Prabhat Modi shareholding is due to acquisition of shares from open market.

Shares held by Promoters at the end of the year		As at March 31, 2023		
S. No.	Promoter Name	No. of Shares	% of Total Shares	% Change During the Year
1	Raj Kumar Modi HUF	5,40,000	0.10	-
2	Rekha Modi	86,40,000	1.62	-
3	Raj Kumar Modi	16,20,000	0.31	-
4	Pushpa Devi Modi	38,28,600	0.72	-
5	Prabhat Management Services Private Limited	4,37,56,000	8.19	-
6	RRP Management Service Private Limited	4,48,81,000	8.40	-
	Total	**10,32,65,600**	**19.34**	**-**

v) There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

vi) No class of shares have been bought back by the Company during the period of five years immediately preceding the reporting date.

PANKAJ GUPTA & ... DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024

(₹ in lakhs)

NON-FINANCIAL LIABILITIES	As At 31.03.2024	As At 31.03.2023
19. OTHER EQUITY		
a) Statutory Reserve u/s 45IC		
Balance at beginning of the year	315.68	315.68
Additions during the year	226.94	—
Balance at end of the year	**542.62**	**315.68**
b) Share Premium Account		
Balance at beginning of the year	2,838.54	613.54
Additions during the year	—	2,225.00
Balance at end of the year	**2,838.54**	**2,838.54**
c) Warrant Reserve		
Balance at beginning of the year	—	—
Additions during the year	1,113.75	—
Balance at end of the year	**1,113.75**	**—**
d) Issue of Convertible Warrants		
Balance at beginning of the year	1,113.75	1,732.50
Add/Less: Issue during the year	-1,113.75	-618.75
Balance at end of the year	**1,113.75**	**1,113.75**
e) Retained earnings		
Balance at beginning of the year	622.42	1,262.82
Add: Profit/(Loss) for the year	1,134.68	-636.29
Less: Transfer to Statutory Reserve	226.94	—
Less: Provision for Standard Assets	-1.91	4.11
Balance at end of the year	**1,532.05**	**622.42**
f) Other Comprehensive Income		
Balance at beginning of the year	105.96	97.46
Add: Other comprehensive income for the year	44.30	8.50
Balance at end of the year	**150.26**	**105.96**
Total Other Equity	**6,177.22**	**4,996.34**

Description of nature and purpose of each reserve:

(a) Statutory Reserve u/s 45IC

Statutory Reserve is the reserve created by transferring the sum not less than 20% of its net profit after tax in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

(b) Share Premium

Created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) Warrant Reserve

During the year 4,50,00,000 Fully Convertible Warrants lapsed on September 15, 2023, due to non-conversion of the warrants into fully paid equity shares of the company within the stipulated time period of eighteen-months from the date of allotment. Further, the upfront amount of 25% of the issue price paid by the allottees w.r.t. 4,50,00,000 Warrants have been forfeited by the company and amount transferred to warrant reserve in other equity.

DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

PMC Fincorp Limited

CIN: L27109UP1985PLC006998

Regd. Office: B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

Corp. Office: 201 & 202, Second Floor, Rattan Jyoti Building, 18, Rajendra Place, New Delhi-110008

Tel. No. : 011-47631025, 26, 27, E-mail Id: compliances@pmcfincorp.com, Website : www.pmcfincorp.com

Notes to Financial Statements for the year ended March 31, 2024

(d) Issue of Convertible Warrants

The company allotted 7,00,00,000 convertible warrants to the promoter and non-promoter group in pursuance to the approval given by the share holders in the Extra Ordinary General meeting held on 24/02/2022. Each warrant was entitled to convert into equal number of equity shares within a period of 18 months from the date of allotment of warrant at the rate of 9.90. A warrant option @25% of application and balance 75% on conversion of warrant into equity shares within the stipulated time period. The company has received 25% application money of Rs. 17,32,50,000 on 15/03/2022 for 7,00,00,000 convertible warrants and balance 75% of Rs. 18,56,25,000 for conversation of 2,50,00,000 warrant into equity shares on 23/05/2022 which had reflected in Schedule 19 of the Balance Sheet 2022-23.The promoter and non-promoter group did not exercisefor 4,50,00,000 fully convertible warrants hence the Board forfeited the option warrant in their Board Meeting held on 15/09/2023 and transferred a sum of Rs. 11,13,75,000 into warrant Reserve Account which has reflected in Schedule 19 of the Balance Sheet 2023-24.

(e) Retained Earnings

Retained Earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, special reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

(f) Other Comprehensive Income

The company recognises change on account of remeasurement as part of other comprehensive income which comprises of actuarial gains and losses on the investments held by the company.

The Company has elected to recognise changes in the fair value of certain investments in equity securities and debt instrument in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised or sold. Any impairment loss on such instruments is reclassified to Profit or Loss.

(₹in lakhs)

	Particulars	As At 31.03.2024	As At 31.03.2023
20.	**Revenue from Operations**		
	Sale of Shares	—	53.44
	Interest income	953.16	844.59
	Miscellaneous Income	—	1.97
	Dividend Income	7.14	2.91
	Other Income (Income from Future & Options and Trading in Shares (Intra Day))	189.57	-55.31
		1,149.87	**847.61**
21	**Other Income**		
	Income from Exp. W/Back	10.15	2.12
	Bad Debt recovery	0.21	—
		10.36	**2.12**
22.	**Change in Inventories**		
	Opening Stock of Shares	8.54	24.82
	Closing Stock of Shares	10.76	7.09
		-2.23	17.74

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

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Notes to Financial Statements for the year ended March 31, 2024

(₹ in lakhs)

Particulars	As At 31.03.2024	As At 31.03.2023
23. Employee Benefits Expenses		
Salaries, Wages and Bonus	67.54	62.51
Staff Welfare Expense	2.48	3.27
	70.01	**65.78**
24. Finance Costs		
Interest Expense	154.95	156.76
	154.95	**156.76**
25. Depreciation and Amortisation Expenses		
Depreciation on Property, Plant and Equipment (Refer Note 11)	9.64	4.80
Amortisation of Intangible Assets (Refer Note 11)	—	—
	9.64	**4.80**
26. Other Expenses		
Advertisement Expenses	0.53	0.47
Bad Debt Written Off	—	183.26
Board Meeting Fee	3.43	1.85
Books Paper & Periodicals	0.18	0.87
Computer Maintenance	0.45	0.33
Conveyance Expenses	1.87	3.87
Custodian Charges-CDSL/NSDL	17.48	11.97
Donation Expenses	0.63	4.43
Interest Paid on Taxes	0.03	0.07
Internet Expenses	0.43	0.11
Legal and Professional Expenses	1.64	8.53
Office Expenses	4.00	6.29
Postage Expenses	0.33	1.82
Printing and Stationery	0.30	1.77
Registrar and Rransfere Agent Fee	0.98	0.76
Rent Rates & Water, Electricity Charges	14.53	17.73
ROC Filling Fee	0.41	0.31
Share Trading Expenses	12.55	8.58
Stock Exchange Expenses	3.54	3.27
Stock Exchange penalties	—	2.94
Subscription Expenses	2.36	2.36
Telephone Expenses	0.52	0.57
Training Expenses	—	0.13
Travelling Expenses	1.24	1.92
Vehicle Running & Maintences Expenses	3.12	6.36
	70.55	**270.58**
Payment of Remuneration to Auditors		
Statutory Audit	2.18	1.64
Internal Audit	2.40	2.40
	4.58	**4.04**
	75.13	**274.62**

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

Notes to Financial Statements for the year ended March 31, 2024

(₹in lakhs)

Particulars	As At 31.03.2024	As At 31.03.2023
27. Earnings per Share		
Basic and Diluted Earnings per share (refer footnote)	0.21	-0.12
Nominal value per share (in Rs.)	1.00	1.00
Footnotes:		
(a) Profit attributable to equity shareholders		
Profit for the year	1,134.68	-627.81
Profit attributable to equity holders of the company for Basic and Diluted EPS	**1,134.68**	**-627.81**
(b) Weighted average number of shares used as the denominator		
Opening balance of issued equity shares	5,340.61	5,340.61
Effect of shares issued during the year, if any	—	—
Weighted average number of equity shares for Basic and Diluted EPS	**5,340.61**	**5,340.61**

(c) At present, the Company does not have any dilutive potential equity share.

28. Contingent liabilities and commitments

i. A demand of Rs. 2621.98 Lacs has been imposed on the Comapny by Income Tax Department as at March 31, 2024 (March 31, 2023 Rs. 2667.15 Lacs). The Company has filed appeal before Commissioner of Income Tax (Appeals), Kanpur, against the said demands raised by the Income Tax Department.

ii. Penalty by SEBI

SEBI initiated adjudication proceedings under Section 15HA OF SEBI Act, 1992 for vioations of Sections 12A(a), (b), (c) of SEBI Act r/w Regulations 3(a), (b), (c), (d) and Regulations 4(1) of SEBI (PFUTP) Regulations, 2003. After consideration, the adjudicating officer under Section 15-I of SEBI ACT r/w Rule 5 of the Adjudication Rules, imposed a penalty of Rs. 10,00,000 on the company through order dated May 31, 2021. In response to this, the company filed an Appeal in Securities Appellate Tribunal (SAT). Consequently, SAT quashed the SEBI Adjudication order along with the penalty imposed through order dated September 12, 2023.

29. Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

	As At 31.03.2024	As At 31.03.2023
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:		
Principal amount due to Micro and Small Enterprises Interest due on above	—	—
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	—	—
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under Section 23 of the MSMED Act 2006.	—	—

PANKAJ GUPTA Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

30. Employee benefits

Defined contribution plans:

There are no Contribution to Provident Fund as at March 31, 2024 Rs. Nil (March 31, 2023 Rs. Nil).

31. Maturity Analysis of Assets and Liabilities

(₹in lakhs)

Particulars	As at 31 March, 2024			As at 31 March, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSESTS						
Financial Assets						
Cash and Cash Equivalents	4.37	—	4.37	3.10	—	3.10
Bank Balances other than above	89.57	—	89.57	46.96	—	46.96
Receivables	—	—	—	30.02	10.12	40.14
Loans	3137.50	7950.95	11088.45	5125.09	6441.49	11566.58
Investments	1974.03	139.57	2113.60	1455.96	139.57	1595.53
Other Financial Assets	105.46	—	105.46	—	—	—
Non-Financial Assets						
Inventories	—	10.76	10.76	—	8.54	8.54
Income Tax Assets (Net)	122.69	33.01	155.70	52.60	27.74	80.34
Other Non-Financial Assets	16.91	16.22	33.13	8.29	10.30	18.59
Property, Plant and Equipment	—	22.10	22.10	27.49	4.26	31.75
Intangible Assets	—	—	—	—	—	—
Deferred Tax Asset (Net)	0.96	2.91	3.87	2.83	0.09	2.92
Total Assets	**5451.49**	**8175.52**	**13627.01**	**6752.34**	**6642.11**	**13394.45**
LIABILITIES						
Financial Liabilities						
Trade Payables	56.5	—	56.5	4.67	—	4.67
Other Payables	10.04	—	10.04	241.73	—	241.73
Borrowings other than Debt Securities	308.58	1546.38	1854.96	1281.76	1465	2746.76
Non-Financial Liabilities						
Long Term Provisions	(1.92)	46.27	44.35	4.12	42.15	46.27
Short-Term Provisions	125.59	—	125.59	0.48	—	0.48
Deferred Tax Liabilities (Net)	—	—	—	—	—	—
Other Non-Financial Liabilities	17.75	—	17.75	17.56	—	17.56
Total Liabilities	**516.54**	**1592.65**	**2109.19**	**1550.32**	**1507.15**	**3057.47**
Net Amount	**4934.95**	**6582.87**	**11517.82**	**5202.02**	**5134.96**	**10336.98**

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PMC FINCORP LIMITED NEW DELHI

32. Fair Value measurement and Financial Instruments

a) Financial Instruments — by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2024

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial Assets							
Other financial Assets	—	—	105.46	105.46	105.46	—	—
Investments	—	2113.60	—	2113.60	1974.03	139.57	—
Trade & Other Receivables	—	—	—	—	—	—	—
Cash and Cash Equivalents	—	—	4.37	4.37	4.37	—	—
Balances other than Cash and Cash Equivalents	—	—	89.57	89.57	89.57	—	—
Total	**—**	**2113.60**	**199.40**	**2313.00**	**2173.43**	**139.57**	**—**
Financial Liabilities							
Trade Payables	—	—	56.50	56.50	56.50	—	—
Total	**—**	**—**	**56.50**	**56.50**	**56.50**	**—**	**—**

As at March 31, 2023

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial Assets							
Other Financial Assets	—	—	—	—	—	—	—
Investments	—	1595.53	—	1595.53	1455.96	139.57	—
Trade & Other Receivables	—	—	40.14	40.14	30.02	10.12	—
Cash and Cash Equivalents	—	—	3.10	3.10	3.10	—	—
Balances other than Cash and Cash Equivalents	—	—	46.96	46.96	46.96	—	—
Total	—	**1595.53**	**90.20**	**1685.73**	**1536.04**	**149.69**	**—**
Financial Liabilities							
Trade Payables	—	—	4.67	4.67	4.67	—	—
Total	**—**	**—**	**4.67**	**4.67**	**4.67**	**—**	**—**

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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PMC FINCORP LIMITED NEW DELHI

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

b). Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Market/Systematic Risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables	—	40.14
Cash and Cash Equivalents	4.37	3.10
Bank Balances other than Cash and Cash Equivalents	89.57	46.96
Investments	2,113.60	1,595.53
Loans	11,088.45	11,566.59
Other Financial Assets	105.46	—

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customer. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable more than 180 days past due. However, the Company based upon historical experience determines an impairment allowance for loss on receivables.

The Company's exposure to credit risk for trade receivables are as follows:

Particulars	**Gross carrying amount**	
	As at March 31, 2024	**As at March 31, 2023**
0-90 days past due	—	40.14
91 to 180 days past due	—	—
More than 180 days past due #	—	—
Total	—	**40.14**

This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Company does not anticipate any material credit risk of any of its other receivables.

The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

There was no movement in the allowance for impairment in respect of trade receivables.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of ₹ 93.94 lacs as at March 31, 2024 (March 31, 2023: ₹ 50.06 lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

PANKAJ GUPTA & Co. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at March 31, 2024	Carrying Amount	Contractual Cash Flows		
		Less than one year	More than one year	Total
Borrowings	1,854.96	308.58	1546.38	1,854.96
Trade Payables	66.54	66.54	—	66.54
Total	**1,921.50**	**375.12**	**1546.38**	**1,921.50**

As at March 31, 2023	Carrying Amount	Contractual Cash Flows		
		Less than one year	More than one year	Total
Borrowings	2,746.76	1281.76	1465.00	2,746.76
Trade Payables	246.40	246.40	—	246.40
Total	**2,993.17**	**1528.17**	**1465.00**	**2,993.17**

The above amounts reflects the contractual undiscounted cash flows which may differ from the carrying value of the liabilities at the reporting date.

iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to one type of market risk, interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. During the year ended March 31, 2023 & March 31, 2024 the Company does not have any variable rate borrowings hence no exposure of interest rate risk.

33. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	1,854.96	2,746.76
Less: Cash and Cash Equivalents	(4.37)	(3.10)
Adjusted Net Debt (A)	**1850.59**	**2,743.66**
Total Equity (B)	**5,340.61**	**5,340.61**
Adjusted Net Debt to Adjusted Equity Ratio (A/B)	**0.35%**	**0.51%**

34. Segment Reporting

The Company is engaged in a single segment i.e. Financial / Investment Activities, hence there is no separate reportable segment as per Ind AS 108.

35. ADDITIONAL DISCLOSURE REQUIREMENTS

(i) Relationship With Struck off Companies

The Company has not entererd into any transactions with struck off companies.

(ii) Registration of Charges or Satisfaction With Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance With Number of Layers of Companies:

The Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

(iv) Utilization of Borrowed Funds and Share Premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed Income

The Company has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings

The Company does not have any borrowings from banks and financial institutions during the year and as at March 31, 2024.

(ix) Wilful Defaulter

The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds of Immovable Properties held in Name of the Company

Title deeds of immovable properties (including properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(xi) Revaluation of Property, Plant and Equipment

No Property, Plant and Equipment is revalued by company during the year.

(xii) Revaluation of Intangible Asset

No Intangible asset is revalued by company during the year.

(xiv) Investment in property

No investment property is held by the company as at Balance sheet date.

(xv) Disclosure on Loans and Advances

The Company provided advance to Filmcity Media Limited during the year, which will be repaid as per the terms and conditions agreed upon. Necessary board approvals were taken for providing the adavnce to Filmcity Media Limited. The Company has not granted any other loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and other related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

(xvi) Financial Ratio

	As At 31.03.2024	As At 31.03.2023
Capital to Risk-weighted Assets Ratio (CRAR)	85.32%	68.65%
Tier I CRAR	85.00%	68.30%
Tier II CRAR	0.33%	0.35%
Liquidity Coverage Ratio for the quarter ended March 31	0.51%	-1.05%

36. Related Party Disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

Details of Related Party Transactions for the year ended March 31, 2024

A) Enterprises in which Directors are interested

Amarendra Financial Pvt. Ltd.

Dinkar Commercials Pvt. Ltd.

B) Key Managerial Personnel

a. Mr. Raj Kumar Modi - Managing Director
b. Mr. Prabhat Modi - Whole Time Director
c. Mr. Chandresh Kumar Sharma - Chief Financial Officer
d. Mr. Kailash - Company Secretary/Compliance Officer

C) Non-Executive/Independent Directors

a. Mrs. Rekha Modi - Non-Executive Non-Independent Director
b. Mr. Mahavir Prasad Garg - Independent Directors
c. Mr. Yogesh Kumar Garg - Independent Directors
d. Mr. Satyam Jaiswal - Independent Directors (from 31-03-2023 to 20-06-2023)
e. Ms. Deepali Sehgal Kulshrestha - Independent Directors (Appointed w.e.f. 19-06-2023)

D) Other Related Party

Filmcity Media Limited

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

E) Transactions during the year ended March 31, 2024 *(₹in lakhs)*

Sr. No.	Particulars	Year Ended 31-03-2024
1.	**Enterprises in which directors are interested**	
	- Amarendra Financial Pvt. Ltd.	1450.92
	- Dinkar Commercials Pvt. Ltd.	404.04
3.	**Managerial Remuneration**	
	- ***Key Management Personnel***	
	Salaries, Wages, Bonus, Commission and others Benefits	45.17
	Vehicle Running Expenses	2.07
	- ***Non - Executive Directors***	
	Director Sitting Fees	3.15
4.	**Other Related Party**	
	- Filmcity Media Limited	11.00

Terms and conditions of transactions with the related parties:

i) The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

ii) All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash/bank. None of the balances are secured.

37. Public Deposits

The Company has not accepted any deposits from public during the year ended on 31st March, 2024 & previous year ended on 31st March, 2023.

38. Income taxes

A. Amounts recognised in Profit or Loss

	As at March 31, 2024	As at March 31, 2023
Current Tax Expense		
Current year	125.10	—
Adjustment for prior years	—	—
	125.10	—
Deferred tax expense		
Change in recognised temporary differences	-0.96	0.08
	-0.96	**0.08**
Total Tax Expense	**124.14**	**0.08**

B. Amounts recognised in Other Comprehensive Income

	As at March 31, 2024			As at March 31, 2023		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	—	—	—	—	—	—
Changes in fair value of financial instruments	44.30	—	44.30	8.50	—	8.50
	44.30	**—**	**44.30**	**8.50**	**—**	**8.50**

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

Note : Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company intends to exercise the option permitted u/s 115BAA of the Income Tax Act,1961 to compute Income Tax at the rate (i.e. 25.17%) from the current Financial Year. The Tax expense for the quarter and year ended March 31, 2024 is after considering the impact of Revised Tax Rates and accordingly by revising the annual effective Interest tax rates, deferred tax assets/liabilities have been re-measured.

39. There are no borrowing costs that have been capitalised during the year ended March 31, 2024 and March 31, 2023.

40. There have been no events after the reporting date that require adjustment/disclosure in these Financial Statements.

41. Provision for Tax is made for both Current and Deferred Taxes. Provision for current Income Tax is made on the Current Tax Rates based on assessable Income.

42. Balance due to / from some of the parties are subject to confirmation.

43. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

44. Quantative information pursuant to the provisions of paragraphs 3, 4C, 4D of Part II of Schedule VI of the Companies Act.

Shares, Securities, Bonds & Commodities		Qty.	Amount
Opening Stock	Current Year	**1384145**	**8,53,568**
	(Previous Year)	2871952	24,82,324
Purchases	Current Year	—	—
	(Previous Year)	—	—
Sales	Current Year	—	—
	(Previous Year)	—	—
Closing Stock	Current Year	**1384145**	**10,76,293**
	(Previous Year)	1384145	8,53,568

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019802N

For and on behalf of the Board of Directors of
PMC FINCORP LIMITED

Prabhat Modi

CA. Pankaj Gupta
Partner
Membership No. : 501398

Raj Kumar Modi
Managing Director
DIN : 01274171

Prabhat Modi
Whole Time Director
DIN : 08193181

Chandresh Kumar Sharma
Chief Financial Officer
PAN: ATHPS2613M

Kailash
Company Secretary
Membership No: ACS51199

Place : New Delhi
Date : 27.05.2024

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

PMC Fincorp Limited

CIN: L27109UP1985PLC006998

Regd. Office: B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

Corp. Office: 201 & 202, Second Floor, Rattan Jyoti Building, 18, Rajendra Place, New Delhi-110008

Tel. No. : 011-47631025, 26, 27, E-mail Id: compliances@pmcfincorp.com, Website : www.pmcfincorp.com

Schedule to the Balance Sheet
of a Non-Deposit taking Non-Banking Financial Company
(as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

(₹in lakhs)

Sr. No	Particulars		
	Liabilities side		
(1)	**Loans and advances availed by Non-Banking Financial Company inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter -Corporate Loans and Borrowing	1854.96	-
	(e) Commercial Paper	-	-
	(f) Other Loans	-	-

(₹in lakhs)

	Assets side	
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below:**	**Amount Outstanding**
	(a) Secured	-
	(b) Unsecured	11088.45
(3)	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

PANKAJ GUPTA & CO. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

(₹ in lakhs)

(4)	**Break-up of Investments:**	**Amount Outstanding**
	Investments:	
	(1) Quoted:	
	(i) Shares : (a) Equity	1974.03
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	(2) Unquoted:	
	(i) Shares : (a) Equity	139.57
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	Investment in Immovable Property	-
	Total	**2113.60**

(5)	**Borrower group-wise classification of assets financed as in (2) and (3) above:**			
	Category	**Amount net of provisions**		
	(1) Related Parties**	**Secured**	**Unsecured**	**Total**
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other Related Parties	-	-	-
	(2) Other than related parties	-	11088.45	11088.45
	Total	-	**11088.45**	**11088.45**

(6)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		
	Category	**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	(1) Related Parties**		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other Related Parties	-	-
	(2) Other than related parties	1974.03	139.57
	Total	**1974.03**	**139.57**

** As per Accounting Standard of ICAI

PANKAJ GUPTA & CO. Chartered Accountants DELHI

PMC FINCORP LIMITED NEW DELHI

(₹ in lakhs)

(7)	Other information	
	Particulars	**Amount**
	(i) Gross Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than Related Parties	-
	(ii) Net Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than Related Parties	-
	(iii) Assets acquired in satisfaction of debt	-

(8) Exposure

1) Exposure to Real Estate Sector

(Amount in ₹ crore)

Category	Current Year	Previous Year
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	Nil	Nil
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	Nil	Nil
ii. Commercial Real Estate	Nil	Nil
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	Nil	Nil
Total Exposure to Real Estate Sector	Nil	Nil

PANKAJ GUPTA & Co. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

2) *Exposure to Capital Market*

(Amount in ₹crore)

Particulars	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	19.85	16.04
Total Exposure to Capital Market	19.85	16.04

3) *Sectoral exposure*

(Amount in ₹crore)

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	—	—	—	—	—	—
2. Industry	—	—	—	—	—	—
3. Corporate	49.07	—	—	68.30	—	—
4. Services	—	—	—	—	—	—
5. Personal Loans	—	—	—	—	—	—
6. Others, if any	61.87	—	—	47.37	—	—

4) *Intra-group Exposures*

Particulars	As at March 31, 2024	As at March 31, 2023
i) Total amount of intra-group exposures	Nil	Nil
ii) Total amount of top 20 intra-group exposures	Nil	Nil
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Nil	Nil

5) ***Unhedged foreign currency exposure:*** *March 31, 2023 - Nil (March 31, 2023 - Nil)*

PMC Fincorp Limited

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(9) Disclosure of Complaints

Sr. No.	Particulars	Current Year	Previous Year
1.	Number of complaints pending at beginning of the year	Nil	Nil
2.	Number of complaints received during the year	Nil	Nil
3.	Number of complaints disposed during the year	Nil	Nil
4.	Number of complaints pending at end of the year	Nil	Nil

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

CA. Pankaj Gupta
Partner
Membership No. : 501398

For and on behalf of the Board of Directors of
PMC FINCORP LIMITED

Raj Kumar Modi
Managing Director
DIN : 01274171

Prabhat Modi

Prabhat Modi
Whole Time Director
DIN : 08193181

Chandresh Kumar Sharma
Chief Financial Officer
PAN: ATHPS2613M

Kailash
Company Secretary
Membership No: ACS51199

Place : New Delhi
Date : 27.05.2024

PANKAJ GUPTA & CO. DELHI Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

PANKAJ GUPTA & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Limited Review Report on the Unaudited Standalone Financial Results of 'PMC Fincorp Limited' for the quarter ended on June 30, 2024 pursuant to requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors
PMC Fincorp Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results ("the Statement") of **PMC Fincorp Limited** ("the Company"), for the quarter ended June 30, 2024 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "the Listing Regulations")
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company's personnel responsible and applying analytical and other review procedure to financial data and thus provide less assurance than an audit. We have not performed the audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.: 019302N

PANKAJ GUPTA & CO. DELHI Chartered Accountants

CA. Pankaj Gupta
Partner
Membership No. 501398
UDIN: 24501398BKAHJK2806

Date: July 11, 2024
Place: Delhi

Regd. Office: 1, Anand Vihar, Pitampura, Delhi 110034
Phone: 91-11-46051500, Mobile: +91-9999781500 Email: pankajgupta.pgc@gmail.com

PMC FINCORP LIMITED

CIN : L27109UP1985PLC006998
Regd Office :- B-10 VIP Colony, Civil Lines Rampur UP-244901
Corp Office :- 201 & 202, Second Floor, Rattan Jyoti Building,18, Rajendra Place, New Delhi-110008
Ph. : 011-47631025/26/27 Email :- compliances@pmcfincorp.com website : www.pmcfincorp.com

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(Rs. In Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		3 Months Ended 30-06-2024	Preceding 3 Months Ended 31-03-2024	Corresponding 3 Months Ended 30-06-2023	Financial Year Ended 31-03-2024
		Unaudited	Audited	Unaudited	Audited
I	**Revenue from Operations**				
	(a) Interest Income	261.81	308.74	210.56	953.15
	(b) Sale of Shares	-	-	-	-
	(c) Profit on Sale of Investments	463.74	229.18	59.89	406.11
	(d) Dividend Income	0.13	1.86	0.73	7.14
	(e) Net gain on fair value changes	4.52	1.45	-	2.23
	(f) Other income	74.78	38.33	-	189.57
	Total Revenue from Operation	804.98	579.56	271.18	1558.20
II	**Other Income**	-	0.36	6.97	10.36
III	**Total Income (I+II)**	804.98	579.92	278.15	1568.56
IV	**Expenses**				
	(a) Finance Cost	17.36	35.95	42.16	154.95
	(b) Employee benefits expense	16.23	16.53	16.35	70.01
	(c) Depreciation and amortization expense	1.49	2.41	2.41	9.64
	(d) Purchases of stock-in-trade	-	-	-	-
	(e) Changes in inventories of finished goods, work-in-progress and stock-in trade	-	-	-	-
	(f) Loss on Sale of Investments	-	-	-	-
	(g) Other expenses	36.09	16.14	33.13	75.13
	Total Expenses	71.17	71.02	94.06	309.73
V	**Profit / (Loss) before exceptional items and tax (III-IV)**	733.81	508.90	184.09	1,258.83
VI	Exceptional Items	-	-	-	-
VII	**Profit / (Loss) before tax (IV-VI)**	733.81	508.90	184.09	1,258.83
	Tax Expenses				
	a) Current Tax	147.60	125.10	-	125.10
	b) Adjustment Tax on Earlier Years	-	-	-	-
	c) Deferred Tax	-	-0.96	-	-0.96
VIII	**Total Tax Expenses**	147.60	124.14	-	124.14
IX	**Profit/(loss) for the period/year (VII-VIII)**	586.21	384.75	184.09	1,134.69
X	**Other Comprehensive Income**				
	Item that will not be reclassified to profit or loss				
	Re-mesurement of defined benefit obligation	-	-	-	-
	Fair value changes of equity instruments through other comprehensive income	-261.45	-468.71	78.76	44.30
	Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-
XI	**Other comprehensive Income / (Loss) for the period / year**	-261.45	-468.71	78.76	44.30
XII	**Total Comprehensive Income for the period [Comprising of Profit/loss and other Comprehensive Income (IX+X)**	324.76	-83.95	262.85	1,178.98
XIII	**Paid Up Equity Share Capital (Face value Rs.1/-)**	5,340.61	5,340.61	5,340.61	5,340.61
XIV	**Other Equity**				6,177.22
XV	**Earnings Per Share :-**				
	Basic (in Rs.) (Not Annualised)	0.11	0.07	0.03	0.21
	Diluted (in Rs.) (Not Annualised)	0.11	0.07	0.03	0.21

INITIALED FOR IDENTIFICATION PURPOSE BY
PANKAJ GUPTA & CO.
Chartered Accountants

PMC FINCORP LIMITED
NEW DELHI

Notes :

1	The above standalone results for the quarter ended June 30, 2024 along with restated comparative quarter have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on July 11, 2024. The Statutory Auditors of the Company have carried out a Limited Review of these Results, and have expressed an unmodified opinion.
2	PMC Fincorp Limited ("the Company") is a Non-Deposit taking Non-Banking Financial Company ("NBFC-ND") registered with the Reserve Bank of India ("the RBI") and classified as NBFC - Base Layer under the Master Direction - Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 dated October 19, 2023 read with the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021 issued by RBI.
3	The Financial Results of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013.
4	As the company is engaged in a single segment i.e., Financial / Investment Activities, hence there is no separate reportable segment as per Ind AS 108.
5	Provision for taxation includes provision for current tax for the quarter ended June 30, 2024, comparatively, the provision for current tax for quarter ended March 31, 2024 includes taxation for the full year ended March 31, 2024
6	There were no investor complaints known to the Company outstanding at the beginning and at the end of quarter ended June 30, 2024.
7	Additional informations for the year ended June 30, 2024.

	Particulars	Quarter ended			Year ended	
		Junr 30, 2024 (Un-Audited)	March 31, 2024 (Audited)	Junr 30, 2023 (Un-Audited)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
i	Debi-Equity Ratio [Debt securities + Borrowing (other than debt securities) + Deposits + other debts] / Total Equity	0.08	0.16	0.28	0.16	0.27
ii	Net Worth (in lakhs) [Total Equity]	11842.60	11520.06	10599.78	11520.06	10336.95
iii	Net Profit after tax (in lakhs)	586.22	387.02	184.09	1136.96	-636.31
iv	Earning per share [not annualised]	0.11	0.07	0.03	0.21	-0.12
v	Total debts of total assets ratio [Debt securities + Borrowings (other than debt securities) + Deposits + Other debts] / Total Asset	0.07	0.14	0.22	0.14	0.21
vi	Net profit margin [Profit after tax/Total Income]	72.89%	66.39%	66.18%	72.34%	-68.18%

8	These financial result will be made available on the companies web site viz www.pmcfincorp.com and on the website of BSE Ltd. viz www.bseindia.com respectively.
9	The figure of previous quarters/year have been regrouped/reclassified, wherever necessary.
10	Earnings Per Share (basic and diluted) for the period ended June 30, 2024 have not been annualised.

For PMC FINCORP LIMITED

INITIALED FOR IDENTIFICATION PURPOSE BY
PANKAJ GUPTA & CO.
Chartered Accountants

PMC FINCORP LIMITED NEW DELHI

Place : New Delhi
Date : 11/07/2024

RAJ KUMAR MODI
Managing Director
DIN : 01274171

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Standalone Financial Statements for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 and for the quarter ending at June 30, 2024, included in "***Financial Statements***" on page 103:

1) Calculation of Basic and Diluted Earnings Per Share (EPS)

(₹ Lacs, except per share data)

Particulars	Quarter ended at June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Basic EPS *(₹)*	0.11	0.21	(0.12)	0.04
Diluted EPS *(₹)*	0.11	0.21	(0.12)	0.04
Return on Net Worth *(%)*	4.84%	9.85%	(6.15%)	1.99%
Net Asset Value per Equity Share *(₹)*	2.27	2.16	1.93	1.79
EBITDA *(₹ Lacs)*	752.66	1,423.41	(474.91)	327.85

2) Calculation of Return on Net Worth

(₹ Lacs, except per share data)

Particulars	Quarter ended at June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Net Profit/(loss) (A)	586.21	1,134.68	(636.31)	181.26
Equity Share Capital (B)	5,340.61	5,340.61	5,340.61	5,090.61
Other equity (including non-controlling interest) (C)	6,763.43	6,177.22	4,996.34	4,022
Net Worth (D)= (B + C)	12,104.04	11,517.83	10,336.96	9,112.61
Return on Net Worth (A / D) * 100 (%)	**4.84%**	**9.85%**	**(6.15%)**	**1.99%**

3) Calculation of Net Worth and Net Asset Value per Equity Share

(₹ Lacs, except per share data)

Particulars	Quarter ended at June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Equity Share capital (A)	5,340.61	5,340.61	5,340.61	5,090.61
Other equity (including non-controlling interest) (B)	6,763.43	6,177.22	4,996.34	4,022
Net Worth (C) = (A + B)	**12,104.04**	**11,517.83**	**10,336.96**	**9,112.61**
No. of Equity shares subscribed and fully paid outstanding (D)	**5,340.61**	**5,340.61**	**5,340.61**	**5,090.61**
Net Asset Value per Equity Share {C / (D/10^5)} (₹)	**2.27**	**2.16**	**1.93**	**1.79**

4) Details of EBITDA

(₹ Lacs, except per share data)

Particulars	Quarter ended at June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Profit/ (Loss) after tax (A)	586.21	1,134.68	(636.39)	181.26
Income tax expense (B)	147.6	124.14	(0.08)	73.76
Finance costs (C)	17.36	154.95	156.76	71.34
Depreciation and amortisation expense (D)	1.49	9.64	4.80	1.49
Exceptional items **(E)**	-	-	-	-
EBITDA (F)= (A+B+C+D+E)	752.66	1,423.41	(474.91)	327.85

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period
Diluted EPS	Profit and loss attributable to Equity shareholders of Company after exceptional item, as applicable / Weighted average number of Equity shares outstanding at the end of the period (including convertible Securities)
Return on Net Worth	Profit/(loss) after tax for the period as presented in the standalone statement of profit and loss in the Financial Statements / Net Worth
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
Net Asset Value per Equity Share	Net Worth / Number of Equity Shares subscribed and fully paid outstanding
EBITDA	Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, depreciation and amortisation expense, exceptional items, as presented in the standalone Financial Statements

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey management's perspective on our financial condition and results of operations together with our Financial Statements for the year ended March 31, 2024, March 31, 2023, and March 31, 2022, and our Limited Reviewed Unaudited Financial Results for the quarter ended June 30, 2024, and corresponding quarter ended June 30, 2023. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "**Financial Statements**" and the chapter titled "**Financial Information**" on page 103 of the Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "**Risk Factors**" on page 23 of this Draft Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and, for further details regarding forward-looking statements, kindly refer to the chapter titled "Forward-Looking Statements" on page 18 of this Draft Letter of Offer. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to PMC Fincorp Limited, our Company. Unless otherwise indicated, financial information included herein is based on our Financial Statements for the year ended March 31, 2024, March 31, 2023, and March 31, 2022, and our Limited Reviewed Unaudited Financial Results for the quarter ended June 30, 2024, and corresponding quarter ended June 30, 2023, included in this Draft Letter of Offer beginning on page 103.

BUSINESS OVERVIEW

Our Company is a non-systematically important Non-Banking Financial Company Non-accepting public deposits ("NBFC-ND-NSI) registered with the RBI. Our Company is primarily engaged in the business of trading in shares, financing (Corporate and Personal Finance), and investing in the securities of Listed and Unlisted Companies.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled '***Risk Factors***' on page 23 of this Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- adverse effect of competition on our market share and profits;
- our ability to:
    - manage our growth effectively;
    - manage our credit risk;
    - manage our quality of services;
    - hire and retain senior management personnel and other skilled manpower;
    - manage the cost of compliance with labor laws or other regulatory developments;
    - manage our operating costs;
    - successfully implement our business strategies and expansion plans;
    - maintain effective internal controls;

- changes in general, political, social, and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises, or instability in India.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled *"Financial Statements"* on page 103.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the section *"Financial Information"* on page 103, there has been no change in accounting policies in the last 3 years.

DISCUSSION ON RESULTS OF OPERATION

Total Income

Our revenue comprises of Revenue from operations, Profit on Purchase/Sale of Investments, and other incomes.

Revenue from operations

Our revenue from operations arises from the Sale of shares, Interest income, Dividend income, Miscellaneous Income, and other income (Income from Future & Options and Trading in Shares (Intra Day)).

Other Incomes

Our other income is from Exp. W/Back, Bad Debt recovery.

Expenditure

Our total expenditure primarily consists of Purchase of Stocks & Shares, Change in Inventories of finished goods, work in progress and stock in trade, Employee Benefits Expenses, Loss on purchase/sale of Investments, Finance Costs, Depreciation & Amortization Expenses, and Other Administrative Expenses.

Employee benefits expenses

Employee benefit expenses consist of Salaries, Wages, & Bonus, and Staff Welfare Expense.

Finance costs

Our finance costs comprise interest.

Depreciation and amortization expenses

Depreciation and amortization expenses consist of Tangible and intangible assets which are depreciated and amortized over periods corresponding to their estimated useful lives.

Other Administrative expenses

Our other expenses primarily include Advertisement Expenses, Bad Debt Written Off, Board Meeting Fee, *Books Paper & Periodicals, Computer Maintenance, Conveyance Expenses, Custodian Charges-CDSL/NSDL, Donation Expenses, Interest Paid on Taxes, Internet Expenses, Legal and Professional Expenses, Office Expenses, Postage Expenses, Printing and Stationery, Registrar and Transfer Agent Fee, Rent Rates & Water, Electricity Charges, ROC Filling Fee, Share Trading Expenses, Stock Exchange Expenses, Stock Exchange penalties, Subscription Expenses, Telephone Expenses, Training Expenses, Travelling Expenses, Vehicle Running & Maintenance Expenses, Payment of Remuneration to Auditors (Statutory Audit and Internal Audit)*

RESULTS OF OPERATIONS

The table below sets forth a summary of our **financial Statement** containing significant items of our income and expenses for the year ended March 31, 2024, March 31, 2023, and March 31, 2022, included in the section titled *"**Financial Information**"* on page 103.

(₹ in Lakhs)

Particulars	**Standalone Financial Statement for the year ended**						
	March 31, 2024	**Increase/Decrease**	**% of increase/ Decrease**	**March 31, 2023**	**Increase/ Decrease**	**% of increase/ Decrease**	**March 31, 2022**
INCOMES:							
Revenue from Operations	1149.87	302.26	35.66	847.61	109.42	14.82	738.19
Profit on Purchase/sale of Investments	406.11	406.11	0.00	-	-	0.00	-
Other income	10.36	8.24	388.68	2.12	2.12	0.00	0
Total Revenue	**1,566.34**	716.61	84.33	**849.73**	111.54	15.11	**738.19**
EXPENSES:							
Purchase of Stocks & Shares	0	0	0.00	0	(4.56)	(100.00)	4.56
Change in Inventories of finished goods, work in progress and stock in trade	(2.23)	(19.97)	(112.57)	17.74	22.30	(489.04)	(4.56)
Employee Benefit expenses	70.01	4.23	6.43	65.78	9.75	17.40	56.03
Loss on purchase/sale of Investments	0	(966.44)	(100.00)	966.44	966.44	0.00	-
Other Administrative Expenses	75.13	(199.49)	(72.64)	274.62	(79.69)	(22.49)	354.31
Total Expense	**142.91**	(1181.67)	(89.21)	**1,324.58**	914.24	222.80	**410.34**
Profit before Interest,	**1,423.43**	1898.28	(399.76)	**(474.85)**	(802.70)	(244.84)	**327.85**

Depreciation and Tax							
Depreciation and amortization expenses	9.64	4.84	100.83	4.80	3.31	222.15	1.49
Profit before Interest and Tax	**1,413.79**	1893.44	(394.75)	**(479.65)**	(806.01)	(246.97)	**326.36**
Interest Expense	154.95	(1.81)	(1.15)	156.76	85.42	119.74	71.34
Profit/(Loss) before tax	**1,258.84**	1895.25	(297.80)	**(636.41)**	(891.43)	(349.55)	**255.02**
Total tax expenses	124.14	124.05	137833.33	0.09	(73.67)	(99.88)	73.76
Profit/(loss) after Tax	**1,134.70**	1771.2	(278.27)	**(636.50)**	(817.76)	(451.15)	**181.26**

The table below sets forth a summary of our **Limited Reviewed Unaudited Financial Results** for quarter ended at June 30, 2024, and the corresponding quarter ended at June 30, 2023, included in the section titled ***"Financial Information"*** on page 103.

(₹ in Lakhs)

Particulars	**Standalone Financial Statement for the period ended**			
	June 30, 2024	**Increase/Decrease**	**% of increase/ Decrease**	**June 30, 2023**
INCOMES:				
Revenue from Operations	804.98	533.8	196.84	271.18
Other income	0	(6.97)	(100)	6.97
Total Revenue	**804.98**	526.83	189.4	**278.15**
EXPENSES:				
Purchase of Stocks & Shares	0	0	0	0
Change in Inventories of finished goods, work in progress, and stock in trade	0	0	0	0
Employee Benefit Expenses	16.23	(0.12)	(0.73)	16.35
Loss on purchase/sale of Investments	0	0	0	0
Other Administrative Expenses	36.09	2.96	8.93	33.13
Total Expense	**52.32**	2.84	5.74	**49.48**
Profit before Interest, Depreciation and Tax	**752.66**	523.99	229.15	**228.67**
Depreciation and amortization expenses	1.49	(0.92)	(38.17)	2.41
Profit before Interest and Tax	**751.17**	524.91	231.99	**226.26**
Interest Expense	17.36	(24.8)	(58.82)	42.16
Profit/(Loss) before tax	**733.81**	549.71	298.59	**184.1**
Total tax expenses	147.6	147.6	0	-
Profit/(loss) after Tax	**586.21**	402.11	218.42	**184.1**

COMPARISON OF HISTORICAL RESULTS OF OPERATIONS

COMPARISION OF FISCAL 2024 WITH FISCAL 2023

Total Income

Our total revenue for Fiscal 2024 was ₹ 1566.34 lakhs as compared to ₹ 849.73 lakhs for Fiscal 2023, representing an increase of 84.33 %. Bifurcated into revenue from operations and other income:

Revenue from operations

Our revenue from operations for Fiscal 2024 was ₹ 1149.87 lakhs as compared to ₹ 847.61 lakhs for Fiscal 2023, representing an increase of 35.66%. The increase in Revenue from operations was primarily due to an increase in interest income and profit from short term trading in derivatives and shares.

Profit on Purchase/Sale of Investments

Our Profit on Purchase/Sale of Investments for Fiscal was ₹ 406.11 lakhs as compared to 'Nil' for Fiscal 2023.

Other Income

Our other income for Fiscal 2024 was ₹ 10.36 lakhs as compared to ₹ 2.12 lakhs for Fiscal 2023, representing an increase of 388.68%. The increase in other income was primarily due to refund of penalty amount of Rs. 10 Lakh paid to SEBI after SAT gave a decision in favor of our appeal.

Total Expenses

Our Total Expenses for the Fiscal 2024 was ₹ 307.51 lakhs as compared to ₹ 1486.12 lakhs for the Fiscal 2023, representing a decrease of 79.31%. Bifurcated in varied expenses as explained below:

Change in Inventories of finished goods, work in progress, and stock in trade

Change in Inventories of finished goods, work in progress, and stock in trade for the Fiscal 2024 was (₹2.23) lakhs as compared to ₹ 17.74 lakhs for the Fiscal 2023, representing a decrease of 112.57%. The decrease in Change in Inventories of finished goods, work in progress, and stock in trade was primarily due to change in notional value of shares held by the company.

Employee benefits Expenses

Our employee benefit expenses for the Fiscal 2024 were ₹ 70.01 lakhs as compared to ₹ 65.78 lakhs for the Fiscal 2023, representing an increase of 6.43%. The increase in Employee benefits expenses was primarily due to rise in salaries and wages paid by the company.

Loss on Purchase/sale of Investments

Our loss on purchase/sale of Investments for Fiscal 2024 was Nil as compared to ₹ 966.44 lakhs for the Fiscal 2023, representing a decrease of 100%.

Finance costs

Finance costs for Fiscal 2024 were ₹ 154. 95 lakhs as compared to ₹ 156.76 lakhs for the Fiscal 2023 representing a decrease of 1.15%. The decrease in finance costs was primarily due to decrease in liabilities of the company resulting in decrease in interest paid during the year.

Depreciation and amortization Expenses

Our depreciation and amortization expenses for the Fiscal 2024 were ₹ 9.64 lakhs as compared to ₹ 4.80 lakhs for the Fiscal 2023, representing an increase of 100.83%. The increase in Depreciation and amortization expenses was primarily due to increase in equipment (furniture) of the company.

Other Administrative expenses
Our other expenses for Fiscal 2024 were ₹ 75.13 lakhs as compared to ₹ 274.62 Lakhs for Fiscal 2023, representing a decrease of 72.64 %. This decrease pertains to no bad debts written off during the Fiscal 2024.

Taxation
Total tax expense for Fiscal 2024 was ₹ 124.14 lakhs as compared to ₹ 0.09 lakhs for Fiscal 2023, representing an increase of 137833.33%. The increase was primarily due to increase in profits.

Profit/Loss after Tax
As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2024 was ₹ 1,134.70 lakhs as compared to the loss of (₹636.50) lakhs for the Fiscal 2023, representing a decrease of 278.27%. The decrease was primarily due to increase in interest income and profits from trading in derivatives and shares.

COMPARISION OF FISCAL 2023 WITH FISCAL 2022

Total Income
Our total revenue for Fiscal 2023 was ₹ 849.73 lakhs as compared to ₹ 738.19 lakhs for the Fiscal 2022, representing an increase of 15.11%. Bifurcated into revenue from operations and other income:

Revenue from operations
Our revenue from operations for Fiscal 2023 was ₹ 847.61 lakhs as compared to ₹ 738.19 lakhs for Fiscal 2022, representing an increase of 14.82%. The increase in Revenue from operations was primarily due to an increase in interest income, sale of shares and dividend income.

Other Income
Our other income for Fiscal 2023 was ₹ 2.12 lakhs as compared to Nil for Fiscal 2022.

Total Expenses
Our Total Expenses for Fiscal 2023 was ₹ 1,486.12 lakhs as compared to ₹ 483.17 lakhs for Fiscal 2022, representing an increase of 207.58%. Bifurcated in varied expenses as explained below:

Change in Inventories of finished goods, work in progress, and stock in trade
Change in Inventories of finished goods, work in progress, and stock in trade for the Fiscal 2023 was ₹17.74 lakhs as compared to (₹ 456) Lakh for the Fiscal 2022, representing a decrease of 489.04%. The decrease in Change in Inventories of finished goods, work in progress, and stock in trade was primarily due to change in notional value of shares held by the company.

Employee benefits Expenses
Our employee benefit expenses for Fiscal 2023 were ₹ 65.78 lakhs as compared to ₹ 56.03 lakhs for Fiscal 2022, representing an increase of 17.40%. The increase in Employee benefits expenses was primarily due to increase in salaries and wages paid by the company.

Loss on Purchase/sale of Investments

Our loss on purchase/sale of Investments for Fiscal 2023 was ₹ 966.44 lakhs as compared to Nil for Fiscal 2022.

Finance costs

Finance costs for Fiscal 2023 were ₹ 156.76 lakhs as compared to ₹ 71.34 lakhs for Fiscal 2022 representing an increase of 119.74%. The increase in finance costs was primarily due to increase in borrowings resulting in increase in interest expense.

Depreciation and amortization Expenses

Our depreciation and amortization expenses for the Fiscal 2023 were ₹ 4.80 lakhs as compared to ₹ 1.49 lakhs for the Fiscal 2022, representing an increase of 222.15%. The increase in Depreciation and amortization expenses was primarily due to increase in office equipment such as furniture and fixtures.

Other Administrative expenses

Our other expenses for Fiscal 2023 were ₹ 274.62 lakhs as compared to ₹ 354.31 Lakhs for Fiscal 2022, representing a decrease of 22.49 %. This decrease pertains to decrease in bad debts written off during the year.

Taxation

Total tax expense for Fiscal 2023 was ₹ 0.09 lakhs as compared to ₹ 73.76 lakhs for Fiscal 2022, representing a decrease of 99.88%. The decrease was primarily due to loss during the fiscal 2023.

Profit/Loss after Tax

As a result of the aforesaid, Our Company suffered a loss for the year on a basis for the Fiscal 2023 was ₹636.50 lakhs as compared to the profit of ₹ 181.26 lakhs for the Fiscal 2022, representing a decrease of 451.15%. The decrease was primarily due to loss on sale of shares.

COMPARISION OF PERIOD ENDED 30TH JUNE 2024 WITH PERIOD ENDED 30TH JUNE 2023

Total Income

Our total revenue for the period ended June 30, 2024, was ₹ 804.98 lakhs as compared to ₹ 278.15 lakhs for the period ended June 30, 2023, representing an increase of 189.4%. Bifurcated into revenue from operations and other income:

Revenue from operations

Our revenue from operations for the period ended June 30, 2024, was ₹ 804.98 lakhs as compared to ₹271.18 lakhs for the period ended June 30, 2023, representing an increase of 196.84%. The increase in Revenue from operations was primarily due to an increase in profit on sale of investments.

Other Income

Our other income for the period ended June 30, 2024, was Nil as compared to ₹ 6.97 Lakh for the period ended June 30, 2023.

Total Expenses

Our Total Expenses for the period ended June 30, 2024, was ₹ 71.17 lakhs as compared to ₹ 94.06 lakhs for the period ended June 30, 2023, representing a decrease of 25.40%. Bifurcated in varied expenses as explained below:

Employee benefits Expenses

Our employee benefit expenses for the period ended June 30, 2024, was ₹16.23 lakhs as compared to ₹16.35 lakhs for the period ended June 30, 2023, representing a decrease of 0.73%.

Finance costs

Finance costs for the period ended June 30, 2024, was ₹ 17.36 lakhs as compared to ₹ 42.16 lakhs for the period ended June 30, 2023, representing a decrease of 58.82%. The decrease in finance costs was primarily due to decrease in borrowing of the company.

Depreciation and amortization Expenses

Our depreciation and amortization expenses for the period ended June 30, 2024, was ₹1.49 lakhs as compared to ₹2.41 lakhs for the period ended June 30, 2023, representing a decrease of 38.17%. The decrease in Depreciation and amortization expenses was primarily due to accounting for depreciation during the year.

Other Administrative expenses

Our other expenses for the period ended June 30, 2024, was ₹36.09 lakhs as compared to ₹33.13 Lakhs for the period ended June 30, 2023, representing an increase of 8.93%. This increase pertains to expenses related to exchange and depositories charges.

Taxation

Total tax expense for the period ended June 30, 2024, was ₹147.6 lakhs as compared to Nil for the period ended June 30, 2023.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the period on a basis for the period ended June 30, 2024, was ₹586.21 lakhs as compared to a profit of ₹184.1 lakhs for the period ended June 30, 2023, representing an increase of 218.42%. The increase was primarily due to profit on sale of investments.

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SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company with respect to (i) issues of moral turpitude or criminal liability on the part of our Company, (ii) material violations of statutory regulations by our Company, (iii) economic offences where proceedings have been initiated against our Company, (iv) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company.

The Rights Issue Committee of the Board of Directors in their meeting held on September 07, 2024 has determined that outstanding litigation involving the Company, its Directors, its Promoters and its subsidiaries shall be considered material if the aggregate monetary claim made by or against the Company, its Directors, its Promoters and its subsidiaries, *in any pending civil* litigation proceeding exceeds Rs. 18.10/- Lakhs i.e., lower of the following limits:

i. *two percent of the turnover for FY 2023-24. The turnover of the Company for FY 2023-24 is Rs. 1,566.00/- Lakhs and two percent of the same is Rs. 31.32/- Lakhs;*
ii. *two percent of the net worth for FY 2023-24. The net worth of the Company for Fiscal 2024 is Rs. 11,510.00/- Lakhs and two percent of the same is Rs. 230.20/- Lakhs;*
iii. *five percent of the average absolute value of profit after tax, as per the last three Audited Financial Statements of the Company. The average of absolute value of profit after tax, as per the last three audited financial statements is Rs. 362.00/- Lakhs and five percent of the same is Rs. 18.10/- Lakh.*

A. LITIGATIONS INVOLVING OUR COMPANY

I. LITIGATIONS FILED AGAINST OUR COMPANY

a. All Criminal proceedings:
NIL

b. All actions by regulatory authorities and statutory authorities:

PMC Fincorp Limited Vs SEBI

Statutory Appeal Filed by SEBI in Supreme Court in response to SAT order dated September 12, 2023 quashing SEBI Adjudication order dated May 31, 2021 imposing a penalty of INR 10 lakhs under Sections 12A (a), (b), (c) of the SEBI Act, 1992 r/w Reg. 3(a), (b), (c), (d); 4(1); 4(2)(a), (e) of SEBI (PFUTP) Regulations, 2003.

c. Claims related to direct and indirect taxes:

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars

Income Tax Act, 1961	2013-14	Order U/s 143(3) of Income Tax Act, 1961	66.48	The Company has filed appeal before the Commissioner of Income Tax (Appeals), Kanpur
	2014-15		62.28	
	2015-16		151.95	
	2016-17		459.70	
	2017-18		407.92	
	2018-19		1,237.52	
	2019-20		236.13	

Note: *The demands raised by the Income Tax department are protective in nature, and it is an established law recovery of demand is not permissible in such cases.*

d. Other matters based on materiality policy of our Company:
NIL

II. LITIGATION FILED BY OUR COMPANY:

a. All Criminal proceedings:
NIL

b. All actions by regulatory authorities and statutory authorities:
NIL

c. Claims related to direct and indirect taxes:

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2013-14	Order U/s 143(3) of Income Tax Act, 1961	66.48	The Company has filed appeal before the Commissioner of Income Tax (Appeals), Kanpur
	2014-15		62.28	
	2015-16		151.95	
	2016-17		459.70	
	2017-18		407.92	
	2018-19		1,237.52	
	2019-20		236.13	

d. Other matters based on materiality policy of our Company:
NIL

B. LITIGATIONS INVOLVING OUR SUBSIDIARY/ GROUP COMPANY

III. LITIGATIONS FILED AGAINST OUR SUBSIDIARY/ GROUP COMPANY

a. All Criminal proceedings:

SFIO Vs Adarsh Build Estate Limited

The investigation was initiated by the Serious Fraud Investigation Office (SFIO) into the Adarsh Group of Companies scam. One KMP of the Adarsh Group of Companies was accused of misappropriation and diversion of funds. The said KMP later conducted a real estate transaction through his own group of companies. Raj Kumar Modi, through his companies Amarendra Financial Pvt. Ltd. and Dinkar Commercial Pvt. Ltd., provided a loan of INR 4,00,00,000 to the said KMP's company. However, SFIO incorrectly construes it as a transaction of fund routing and thus, Raj Kumar Modi, Amarendra Financial Private Limited and Dinkar Commercial Private Limited have been named as accused in the criminal complaint so filed before the trial court. The charges are of Section 447 of the Companies Act, 2013; Sections 418 and 420 of the Indian Penal Code (IPC) read with Section 120-B of the IPC. Raj Kumar Modi has been granted interim bail from the Hon'ble Supreme Court of India in the matter vide order dated August 16, 2021. The matter is pending in the trial court and the Hon'ble Supreme Court of India.

Raj Kumar Modi, Amarendra Financial Private Limited and Dinkar Commercial Private Limited have filed a quashing petition before the High Court of Punjab and Haryana for quashing SFIO's complaint; the matter is pending.

The matter does not have any relation and no financial/operational impact on PMC Fincorp Limited.

b. All actions by regulatory authorities and statutory authorities:

NIL

c. Claims related to direct and indirect taxes:

- **Amarendra Financial Private Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2015-16	Section 153C	325.89	The Company has filed appeal before the Commissioner of Income Tax (Appeals), Kanpur
	2016-17	Section 154	91.73	
	2017-18	Section 153C	174.21	
	2018-19	Section 153C	139.17	
	2019-20	Section 143(3)	78.56	

Note: *The demands raised by the Income Tax department are protective in nature, and it is an established law recovery of demand is not permissible in such cases.*

- **Dinkar Commercials Private Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2017-18	Section 153A	663.34	The Company has filed appeal before the Commissioner of Income Tax (Appeals), Kanpur
	2018-19	Section 153A	431.38	
	2019-20	Section 143(3)	102.07	
	2022-23	Section 143(3)	56.95	

Note: *The demands raised by the Income Tax department are protective in nature, and it is an established law recovery of demand is not permissible in such cases.*

- **Filmcity Media Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2011-12	Order under Section 144, IT Demand	525.90	Appeal to the Commissioner of Income-tax (Appeals), Mumbai
	2011-12	Order under Section 271(1)(c), Penalty Demand	232.52	

d. **Other matters based on materiality policy of our Company:**
NIL

IV. LITIGATION FILED BY OUR SUBSIDIARY/ GROUP COMPANY:

a. **All Criminal proceedings:**
NIL

b. **All actions by regulatory authorities and statutory authorities:**
NIL

c. **Claims related to direct and indirect taxes:**

- **Amarendra Financial Private Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2015-16	Section 153C	325.89	The Company has filed appeal before the Commissioner of Income Tax (Appeals), Kanpur
	2016-17	Section 154	91.73	
	2017-18	Section 153C	174.21	
	2018-19	Section 153C	139.17	
	2019-20	Section 143(3)	78.56	

Note: *The demands raised by the Income Tax department are protective in nature, and it is an established law recovery of demand is not permissible in such cases.*

- **Dinkar Commercials Private Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2017-18	Section 153A	663.34	The Company has filed appeal before the Commissioner of Income Tax
	2018-19	Section 153A	431.38	
	2019-20	Section 143(3)	102.07	
	2022-23	Section 143(3)	56.95	

				(Appeals), Kanpur

Note: *The demands raised by the Income Tax department are protective in nature, and it is an established law recovery of demand is not permissible in such cases.*

- **Filmcity Media Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2011-12	Order under Section 144, IT Demand	525.90	Appeal to the Commissioner of Income-tax (Appeals), Mumbai
	2011-12	Order under Section 271(1)(c), Penalty Demand	232.52	

d. Other matters based on materiality policy of our Company:

Amarendera Financial Pvt. Ltd. v. Cynosure Real Estate Pvt. Ltd.

Application filed under Rule 11 of National Company Law Tribunal Rules, 2016 by Amarendra Financial Private Limited before the National Company Law Tribunal ('NCLT") seeking rectification of NCLT's order dated 19.04.2022 for the recovery of the loan of Rs. 1,70,00,000 granted to Cynosure Real Estate Pvt. Ltd. ('Cynosure'). The ground for filing the Application was the fraud played by Cynosure, who actively suppressed and concealed material facts and records demonstrating the existence of financial debt. The matter is presently pending at the stage of arguments.

Dinkar Commercials Pvt. Ltd. v. Cynosure Real Estate Pvt. Ltd.

Application filed under Rule 11 of National Company Law Tribunal Rules, 2016 by Dinkar Commercials Private Limited before the National Company Law Tribunal ('NCLT") seeking rectification of NCLT order dated 19.04.2022 for the recovery of the loan of Rs. 2,30,00,000 granted to Cynosure Real Estate Pvt. Ltd. ('Cynosure'). The ground for filing the Rule 11 Application was on account of the fraud played by Cynosure, who actively suppressed and concealed material facts and records demonstrating the existence of financial debt. The matter is presently pending at the stage of arguments.

C. LITIGATION INVOLVING OUR PROMOTERS:

I. LITIGATIONS AGAINST OUR PROMOTERS:

a. All criminal proceedings:

SFIO Vs Adarsh Build Estate Limited

The investigation was initiated by the Serious Fraud Investigation Office (SFIO) into the Adarsh Group of Companies scam. One KMP of the Adarsh Group of Companies was accused of misappropriation and diversion of funds. The said KMP later conducted a real estate transaction through his own group of companies. Raj Kumar Modi, through his companies Amarendra Financial Pvt. Ltd. and Dinkar Commercial Pvt. Ltd., provided a loan of INR 4,00,00,000 to the said KMP's company. However, SFIO incorrectly construes it as a transaction of fund routing and thus, Raj Kumar Modi, Amarendra Financial Private Limited and Dinkar Commercial Private Limited have been named as accused in the criminal complaint so filed before the trial court. The charges are of Section 447 of the Companies Act, 2013; Sections 418 and 420 of the Indian Penal Code (IPC) read with Section 120-B of the IPC. Raj Kumar Modi has been granted interim bail from the Hon'ble Supreme Court of India in the matter vide order dated August 16, 2021. The matter is pending in the trial court and the Hon'ble Supreme Court of India.
Raj Kumar Modi, Amarendra Financial Private Limited and Dinkar Commercial Private Limited have filed a quashing petition before the High Court of Punjab and Haryana for quashing SFIO's complaint; the matter is pending.
The matter does not have any relation and no financial/operational impact on PMC Fincorp Limited.

b. All actions by regulatory authorities and statutory authorities:

SEBI vs RRP Management Services, Prabhat Management Services, and Raj Kumar Modi

Statutory Appeal Filed by SEBI in Supreme Court (Against RRP Management Services, Prabhat Management Services, and Raj Kumar Modi) in response to SAT order dated September 12, 2023 quashing SEBI Adjudication order dated May 31, 2021 imposing a penalty of INR 30 lakhs under Sections 12A (a), (b), (c) of the SEBI Act, 1992 r/w Reg. 3(a), (b), (c), (d); 4(1); 4(2)(a), (e) of SEBI (PFUTP) Regulations, 2003.

c. Disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters in the last five financial years including outstanding action:
NIL

d. Claims related to direct and indirect taxes:

- **Raj Kumar Modi**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2013-14	Section 153A	404.11	An appeal has been filed before the Commissioner of Income Tax (Appeals), Kanpur
	2014-15	Section 153A	209.39	
	2015-16	Section 153A	371.27	
	2016-17	Section 153A	191.59	
	2017-18	Section 153A	93.03	
	2018-19	Section 153A	217.98	
	2019-20	Section 143(3)	22.65	

- **Rekha Modi**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2019-20	Section 143(3)	4.48	An appeal has been filed before the Commissioner of Income Tax (Appeals), Kanpur

- **RRP Management Services Private Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2013-14	Section 153A	61.22	An appeal has been filed before the Commissioner of Income Tax (Appeals), Kanpur
	2016-17	Section 153A	6.10	
	2018-19	Section 153A	42.89	

***Note:** The demands raised by the Income Tax department are protective in nature, and it is an established law recovery of demand is not permissible in such cases.*

- **Prabhat Management Services Private Limited**

Statute	Period (Assessment Year)	Description	Amount (Net Dues) (Rs. In Lakh)	Particulars
Income Tax Act, 1961	2013-14	Section 153A	12.44	An appeal has been filed before the Commissioner of Income Tax (Appeals), Kanpur
	2014-15	Section 153A	68.98	
	2016-17	Section 153A	6.95	
	2018-19	Section 153A	1,255.39	
	2019-20	Section 143(3)	1.44	

***Note:** The demands raised by the Income Tax department are protective in nature, and it is an established law recovery of demand is not permissible in such cases.*

e. Other Matters based on Materiality Policy of our Company:
NIL

II. LITIGATION FILED BY OUR PROMOTERS:

a. All criminal proceedings:
NIL

b. Other Matters based on Materiality Policy of our Company:
NIL

D. LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS):

I. LITIGATIONS AGAINST OUR DIRECTORS (OTHER THAN PROMOTERS):

a. All criminal proceedings:
NIL

b. All actions by regulatory authorities and statutory authorities:
NIL

c. Disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters in the last five financial years including outstanding action:
NIL

d. Claims related to direct and indirect taxes:
NIL

e. Other Matters based on Materiality Policy of our Company:
NIL

II. LITIGATION FILED BY OUR DIRECTORS (OTHER THAN PROMOTERS):

a. All criminal proceedings:
NIL

b. Other Matters based on Materiality Policy of our Company:
NIL

Other Disclosures

- Our Company, its Promoters, Promoter Group, Directors or any companies with which the Directors of our Company are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI which is still in force.
- The Promoters and Directors of our Company are not declared as fugitive economic offender.
- Neither our Company, our Directors nor our Promoters are or have been declared as willful defaulters or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines issued by RBI.

Material development since the date of the last audited accounts

In the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Letter of Offer and which materially and adversely affect or is likely to affect within the next twelve months except authorization by the Board of Directors to raise the funds by way of Rights Issue of Security.

GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this Draft Letter of Offer, there are no pending material approvals required for our Company, to conduct our existing business and operations.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

As on the date of this Draft Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

…………………. This space has been left blank intentionally………………….

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue has been authorized by a resolution of our Board passed at its meeting held on June 05, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Rights Issue Committee of the Board of Directors of our Company in its meeting held on September 07, 2024, has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an Issue Price of ₹ 2.75/- per Rights Equity Share, in the ratio of 1:3 i.e., 1 (One) Rights Equity Shares for every 3 (Three) Equity Shares, as held on the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the Listing Regulations for listing of the Rights Equity Shares to be allotted in this Issue vide letter dated [●].

Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. Our Company has been allotted the ISIN [●], for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see *"Terms of the Issue"* on page 127.

Prohibition by SEBI

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which our Promoters or our Directors are associated as promoters or directors have not been debarred from accessing the capital market by SEBI. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of applicable provisions of Chapter III of the SEBI ICDR Regulations, Part B of Schedule VI and other applicable provisions of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make application for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for this Issue.

Applicability of the SEBI ICDR Regulations:

The present Issue being of less than ₹ 5,000 Lakhs. Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations, to the extent applicable and our Company will file the copy of this Draft Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e., www.sebi.gov.in.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date.

2. The reports, statements and information referred to above are available on the websites of stock exchanges.

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations. The Company has obtained a certificate from M/s Anamika Bhola & Associates, Company Secretaries dated July 31, 2024 certifying that the Company is in compliance with Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company

Our Company accepts no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue is BSE Limited.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited (the "Exchange") has given vide its letter dated [●], permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Draft Letter of Offer has been cleared or approved by BSE Limited, nor does it certify the correctness or completeness of any of the contents of the Draft Letter of Offer. The investors are advised to refer to the Draft Letter of Offer for the full text of the Disclaimer clause of the BSE Limited.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than ₹ 5,000 Lakhs which does not require issuer to file the Draft Letter of Offer with SEBI. The issuer has filed the Draft Letter of Offer with BSE for obtaining in-principle approval.

Investor Grievances and Redressal System

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e- acknowledgement (in case of normal process). For details on the ASBA process see *"Terms of the Issue"* on page 127 of the Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Skyline Financial Services Private Limited
Address: D-153-A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020, India
Telephone: 011-40450193-197
Fax: 011-26812682
E-mail: ipo@skylinerta.com
Investor grievance: grievances@skylinerta.com
Website: www.skylinerta.com
Contact person: Mr. Anuj Rana
SEBI Registration No: INR000003241

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/Refund Orders etc.

Mr. Kailash,
Company Secretary and Compliance Officer
Flat No. 201 & 202, 2nd Floor, Rattan Jyoti Building, 18, Rajendra Place, New Delhi- 110008, India
Telephone: 011-47631025, 26, 27 | **Fax:** NA |
Email: compliances@pmcfincorp.com | **Website:** www.pmcfincorp.com

SECTION VII: OFFERING INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Draft Letter of Offer. Investors who are eligible to apply under the ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter are correctly filled up.

Investors are requested to note that application in the Issue can only be made through ASBA or any other mode which may be notified by SEBI.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

Important:

1) *Dispatch and availability of Issue materials:*

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Draft Letter of Offer will be sent/dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Investors can access the Draft Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.pmcfincorp.com
b) the Registrar to the Issue at www.skylinerta.com
c) the Stock Exchange at www.bseindia.com ; and

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at (i.e. www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.pmcfincorp.com) and PAN.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. However, our Company, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2) *Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular, and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily

required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer to *"Procedure for Application through the ASBA Process"* on page 140.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled *"Procedure for Application through the ASBA Process"* on page 140.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection". Our Company, the Registrar, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer chapter titled *"Application on Plain Paper under ASBA process"* on page 143.

3) Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity

Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN, valid address proof, and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than [●], being two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective Demat accounts by [●] being one day before the Issue Closing Date, i.e., [●] to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT AN APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY.

4) Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period.

Application by such Eligible Equity Shareholders is subject to following conditions:

a) The Eligible Equity Shareholders are residents;
b) The Eligible Equity Shareholders are not making payment from non-resident account;

c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
d) The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details, and the details of their demat account along with a copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

5) Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in *"Basis of Allotment"* beginning on page 157.

6) Other important links and helpline:

The Investors can visit the following links for the below-mentioned purposes:
(a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.skylinerta.com.
(b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.skylinerta.com.
(c) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: www.skylinerta.com.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled *"Procedure for Application through the ASBA process"* on page 140 of this Draft Letter of Offer.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

This Issue has been authorized by a resolution of our Board passed at its meeting held on June 05, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Rights Issue Committee of the Board of Directors of our Company in its meeting held on September 07, 2024 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at Rs. 2.75/- per Rights Equity Share, in the ratio of 1:3 i.e., 1 (One) Rights Equity Share for every 3 (Three) Equity Shares, as held on the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to its letter dated [●].

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs")

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.pmcfincorp.com).

Rights Entitlements shall be credited to the respective Demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, and other applicable Issue material **("Issue**

Materials") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address, and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see *"Notice to Investors"* on page 12 of this Draft Letter of Offer.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have a face value of Re. 1/- each.

Issue Price

Each Rights Equity Share is being offered at a price of Rs. 2.75/- per Rights Equity Share in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations. The Rights Issue Committee of the Board of Directors of our Company, at their meeting held on September 07, 2024, has determined the Issue Price. On Application, Investors will have to pay Rs. 2.75/- (Rupees Two and Seventy Five Paisa only) per Rights Share which constitutes 100% of the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1:3 i.e. 1 (One) Rights Equity Share for every 3 (Three) Equity Share held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of Rs. 2.75/- (including premium of Rs. 1.75 per Rights Equity Share) per Rights Equity Share shall be payable at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Renunciation of Rights Entitlement

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rule and other circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by the sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges, or through an off-market transfer. For details, please see *"Procedure for Renunciation of Rights Entitlements"* on page 141.

Trading of Rights Entitlement

In accordance with the ASBA Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN: [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The transfer through On Market Renunciation and Off Market Renunciation will be settled through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on a T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on a trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date. For details, please see *"Procedure for Renunciation of Rights Entitlements – On Market Renunciation"* and *"Procedure for Renunciation of Rights Entitlements – Off Market Renunciation"* on page 142 respectively. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1:3 i.e. 1 (One) Rights Equity Share(s) for every 3 (Three) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 3 (Three) Equity Share(s) or not in the multiple of 3 (Three), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 4 (Four) Equity Shares, such Shareholder will be entitled to 1 (One) Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than 3 (Three) Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of Additional Rights Equity share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall rank *pari-passu* with the existing Equity Shares of our Company, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date, the depositories will suspend the ISIN of REs for transfer, and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN: [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE793G01035 on BSE. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE vide their letter no. [●] dated [●]. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" on page 53.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with the applicable provisions of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights on such Rights Equity Shares in this Issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

The nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send/dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form, and other issue materials only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address, and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Draft Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address, and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. The Draft Letter of Offer, the Abridged Letter of Offer, and the Application Form shall also be submitted to the Stock Exchange for making the same available on its website.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA

Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, refer *"Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form"* on page 148.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *"Application on Plain Paper under ASBA process"* beginning on page 143.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent (i) only to email addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlements Letter shall be sent through e-mail or physical delivery, as applicable before the Issue Opening Date.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of Draft Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.skylinerta.com. Investors can access the Draft Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

a) Our Company at www.pmcfincorp.com.
b) The Registrar to the Issue at www.skylinerta.com; and
c) The Stock Exchange at www.bseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.pmcfincorp.com).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or the entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of a Demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third-party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should carefully fill in their depository account details and PAN in the Application Form or while submitting the application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN could lead to rejection of the Application. For details, please see *"Grounds for Technical Rejection"* on page 153 of this Draft Letter of Offer. Our Company, the Registrar, and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Application on Plain Paper under ASBA process"* on page 143 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and will also be available on the website of the Registrar to the Issue at www.skylinerta.com and link of the same would also be available on the website of our Company at www.pmcfincorp.com. Respective Eligible Equity Shareholders can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through the ASBA process may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided authorization to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35.

For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through the ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, commissions etc., in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through the ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock

Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 143 of this Draft Letter of Offer.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectorial caps, and in consultation if necessary, with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 127 of this Draft Letter of Offer. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 157 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Pursuant to the SEBI Rights Issue Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective Demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective Demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through the ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges, and expenses (including brokerage), and such costs will be incurred solely by the Investors.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective Demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN and indicating the details of the Rights Entitlements they intend to sell. The Investors can place an order for the sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+1 rolling settlement bases, where ‘T’ refers to the date of trading. The transactions will be settled on a trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective Demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN, the details of the buyer, and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for the transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for the transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Applications on Plain Paper under the ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue, or from the website of the Registrar, can make an application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be superscribed "***PMC Fincorp Limited – Rights Issue***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. may make an application to subscribe to the Issue on plain paper, along with an account payee cheque or demand drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Modes of Payment*" on page 145 in Chapter *"Terms of the Issue"*.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being PMC Fincorp Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of Rs. 2.75 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address, and branch of the relevant SCSB;

- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder, and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged, or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or *the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.*

I/We acknowledge that the Company, their affiliates, and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.skylinerta.com. Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by SCSB, or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled-in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date. If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 157 of this Draft Letter of Offer.

Modes of Payment

All payments against the Application Forms shall be made only through the ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through the ASBA facility. In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in subsection (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on the Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of Payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules, and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, and sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds, and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance, and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds, and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

  Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity

Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through the ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules, and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In a case where repatriation benefit is available, interest, dividend, and sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their Demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective Demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.skylinerta.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to the following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date;
b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
c) The Eligible Equity Shareholders can access the Application Form from i. Our Company at www.pmcfincorp.com; ii. the Registrar at www.skylinerta.com iii. the Stock Exchange at www.bseindia.com. Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., at www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.pmcfincorp.com);
d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE. FOR DETAILS, PLEASE SEE *"ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS"* ON PAGE 158 OF THIS DRAFT LETTER OF OFFER.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

General instructions for Investors

(a) Please read the Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their Demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility or using.

(f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 143 of the Chapter *"Terms of the Issue"*.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars, and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts,

(k) Applications through the ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

(l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

(m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim, and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore. Cash payment or payment by cheque or demand or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid, and the Application Money will be refunded and no interest will be paid thereon.

(p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(v) In case of a change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account that does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an application

(a) Please read the instructions on the Application Form sent to you. The application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form are liable to be rejected. The Application Form must be filled in English.

(b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details, and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of the name of the Investors, DP ID, and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of the bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating the unblocking of the ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, and Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(c) By signing the Application Forms, Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(d) Investors are required to ensure that the number of Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.

(e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(g) Avoid applying on the Issue Closing Date due to the risk of delay/ restrictions in making any physical Application.

(h) Do not pay the Application Money in cash, by money order, pay order, or postal order.

(i) Do not submit multiple Applications.

(j) No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

(k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Applications submitted on behalf of the Central or the State Government, residents of Sikkim, and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details, and occupation ("**Demographic Details**") are updated, true, and correct, in all respects.

(d) Investors should provide the correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the Demat account details in the records available with the Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs, or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to the risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order, or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs, and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of x`Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on the application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application, and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgment from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and that such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don’ts for Investors applying through ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), and a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in the Application do not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application do not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such

Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form have been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one Application Form for Rights Entitlements available in a particular Demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim, and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money orders, postal orders, or outstation demands.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from, or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non- U.S. Person, and in each case, such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Application from Investors that are residing in U.S. addresses as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Our Company may, in consideration with the Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID, AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND IS IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of the bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating the unblocking of the ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such an Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s is liable to be rejected.

Multiple Applications

In a case where multiple Applications are made in respect of the same Rights Entitlements using the same demat account, such Applications shall be liable to be rejected**. *A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications.*** Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications.

A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. For details, please see *"Procedure for Applications by Mutual Funds"* below. Cases where the Investor submits Application Forms along with plain paper or multiple plain paper Applications shall be treated as multiple Applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of our Promoters or members of Promoter Group for subscribing to any unsubscribed portion of this Issue as described in *"Capital Structure –Intention and extent of participation by our Promoters and Promoter Group"* on page 53 of this Draft Letter of Offer.

Underwriting

The Issue is not underwritten.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges, and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the heading, *"Basis of Allotment*" on page 157.

Please note that on the Issue Closing Date, (i) the Applications through the ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges. Please ensure that the Application Form and necessary details are filled in. In place of the Application number, Investors can mention the reference number of the e-mail received from the Registrar informing them about their Rights Entitlement or the last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of the application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during the Issue Period by approaching the SCSB where an application is submitted. However, no Investor may withdraw their Application post the Issue Closing Date.

Issue schedule

Last Date for credit of Rights Entitlements:	[●]
Issue Opening Date:	[●]
Last Date for On Market Renunciation#:	[●]
Issue Closing Date*:	[●]
Finalization of Basis of Allotment (on or about):	[●]
Date of Allotment (on or about):	[●]
Date of credit (on or about):	[●]
Date of listing (on or about):	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than [●] ([●]) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be send to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange, being BSE, and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights

Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

(f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over-subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will email Allotment advice, refund intimations, or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay the requisite interest at the rate of 15% per annum from the expiry of such 15 days period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company, or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using the ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed an agreement dated January 14, 2005, with NSDL and an agreement dated June 21, 2010, with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for the correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and will be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of Demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, and refund orders (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

- Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their Demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

PROCEDURE FOR APPLICATIONS BY CERTAIN CATEGORIES OF INVESTORS

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares are subject to certain limits, i.e., the individual holding of FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be reclassified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:
i. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre–approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue.

Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities/centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country that shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest

Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, the attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(i) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
(ii) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
(iii) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than Rs. 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 lakhs or both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified, and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded/unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at the rate of 15% p.a. within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with the amount and expected date of electronic credit of refund.

(v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription, etc.

(vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

(x) Our Company accepts full responsibility for the accuracy of the information given in this Draft Letter of

Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than Rs. 5,000 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. The issuer has filed a Draft Letter of Offer with BSE for obtaining in-principle approval.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act, and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisement has been published and the Stock Exchange will also be informed promptly.

The Company, through the Registrar to an Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Important

Please read the Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer, and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 23 of this Draft Letter of Offer.

All enquiries in connection with the Draft Letter of Offer, or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number, and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "***PMC Fincorp Limited – Rights Issue***" on the envelope to the Registrar at the following address:

Skyline Financial Services Private Limited
Address: D-153-A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020, India
Telephone: 011-40450193-197
Fax: 011-26812682

E-mail: ipo@skylinerta.com
Investor grievance: grievances@skylinerta.com
Website: www.skylinerta.com
Contact person: Mr. Anuj Rana
SEBI Registration No: INR000003241

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.skylinerta.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011-40450193-197.

The Issue will remain open from [●] to [●]. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT") makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy ("FDI Policy") from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments. India's current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases, and clarifications on FDI issued by the DPIIT till October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. As per Regulation 7 of the Foreign Exchange Management (Nondebt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue securities on a rights basis to non-resident shareholders including additional
securities under the rights issue. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended, issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favor of a person named by them; or (iii) apply for the securities renounced in their favor. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. If an NR or NRI Investor has specific approval from the RBI, in connection with their shareholding, they should enclose a copy of such approval with the Application. Our Board may, at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on a

rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for does not exceed the applicable limits under laws or regulations.

The above information is given for the benefit of the Applicants / Investors. Our Company and are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that the Draft Letter of Offer will be filed with the Stock Exchange and submitted to the SEBI for information and dissemination.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with the legal requirements applicable in such jurisdiction.

Receipt of the Draft Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone: (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Draft Letter of Offer and any other Issue Materials should not distribute or send the Draft Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Draft Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India except in accordance with applicable law.

The Draft Letter of Offer is, and the other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Australia

The Draft Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“Australian Corporations Act”) and does not purport to include the information required of a disclosure document under the Australian Corporations Act. The Draft Letter of Offer is not a disclosure document under Chapter 6D of the Corporations Act of Australia and it has not been lodged with the Australian Securities and Investments Commission (“ASIC”) and no steps have been taken to lodge it as such with ASIC.

It is not required to, and does not, contain all the information which would be required in a disclosure document. Any offer in Australia of the Rights Entitlements and Equity Shares under the Draft Letter of Offer may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of the Draft Letter of Offer, and any offers made under the Draft Letter of Offer, you represent to the Issuer that you will not provide the Draft Letter of Offer or communicate any offers made under the Draft Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares that are offered pursuant to the Draft Letter of Offer have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in the Draft Letter of Offer, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. The Draft Letter of Offer is only intended for Accredited Investors as defined by the CBB We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Equity Shares and the Draft Letter of Offer will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. All marketing and offering of the Rights Equity Shares shall be made outside the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved the Draft Letter of Offer and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of Rights Equity Shares.

British Virgin Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares has been or will be made to the public in the British Virgin Islands.

China

No action has been taken by our Company which would permit an offering of Rights Entitlements or the Rights

Equity Shares or the distribution of the Draft Letter of Offer in the People's Republic of China ("PRC"). The Draft Letter of Offer may not be circulated or distributed in the PRC and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for reoffering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of the Draft Letter of Offer are required to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), an offer to the public of any Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "Prospectus Regulation"):

a) to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. The Draft Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an "offer to the public" in relation to any Rights Entitlement or Rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "FIEA") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("Japanese Resident") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "Qualified Institutional Investor"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to a small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any Qualified Institutional Investor purchasing Rights Equity Share agree that it will not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident other than to another Qualified Institutional Investor.

Kuwait

The Draft Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Draft Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. The Draft Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Singapore

The Draft Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore ("SFA"). The offer of Rights Entitlements and Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Eligible Equity Shareholders in Singapore may apply for additional Rights Equity Shares over and above their Rights Entitlements only (i) if they are an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) if they are a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Rights Equity Shares over and above their Rights Entitlements are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than SGP$ 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights Equity Shares at any time:

a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to any Rights Entitlement or Rights Equity Shares in means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, the Draft Letter of Offer may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (each such person being referred to as a "Relevant Person"). If you are not a Relevant Person, you should not take any action on the basis of the Draft Letter of Offer and you should not act or rely on it or any of its contents. Except for each person who is not a Relevant Person and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Draft Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "UAE") or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. The Draft Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Rights Entitlement and the Rights Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) (the “Markets Rules”) adopted by the Dubai Financial Services Authority (the “DFSA”); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Draft Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved the Draft Letter of Offer nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this subsection have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Equity Shares offered in the Offer should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Draft Letter of Offer, you should consult an authorised financial adviser.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and 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 Securities Act and any applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold outside the United States in offshore transactions, as defined in and in compliance with Regulation S. Neither the receipt of the Draft Letter of Offer nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholders who has received the Draft Letter of Offer and its accompanying documents directly from our Company

Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser, by accepting the delivery of the Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted, acknowledged and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1) The purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the representations, warranties,

acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

2) If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.

3) The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

4) The purchaser acquiring the Rights Equity Shares for one or more managed accounts, represents and warrants that the purchaser has been authorized in writing, by each such managed account to acquire the Rights Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference herein to 'the purchaser' to include such accounts.

5) The purchaser is eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, the purchaser is eligible to invest in and hold the Rights Equity Shares in accordance with the FDI Policy, read along with the press note 3 of 2020 dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

6) The purchaser is investing in the Rights Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in the Issue, the purchaser is not in violation of any applicable law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, each as amended and/or substituted from time to time.

7) The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Draft Letter of Offer with the Stock Exchange and its submission with the SEBI for information and dissemination); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements (except in India) or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

8) The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in the Issue.

9) None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will

take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

10) Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to us and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in the Draft Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

11) Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent financial results, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes the "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12) The purchaser acknowledges that any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including the Draft Letter of Offer and the Exchange Information, has been prepared solely by our Company.

13) The purchaser acknowledges that no written or oral information relating to the Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by our Company.

14) The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, undertakings and agreements and other information contained in the Draft Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under applicable securities laws.

15) The purchaser is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to the purchaser was made in accordance with Regulation S.

16) The purchaser was outside the United States at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and the purchaser was outside the United States when the purchaser's buy order for the Rights Equity Shares was originated.

17) The purchaser did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

18) The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If, in the future, the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares: (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

19) The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for, and authorized to consummate the purchase of, the Rights Equity Shares in compliance with all applicable laws and regulations. If the purchaser is outside India:

    a. the purchaser, and each account for which it is acting, satisfies: (i) all suitability standards for investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe, and is subscribing, for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence; and
    b. the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

20) Except for the sale of Rights Equity Shares on the Stock Exchange, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

21) The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company for all or part of any such loss or losses it may suffer.

22) Each of the aforementioned representations, warranties, acknowledgements and agreements shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity Shares. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties, acknowledgements and agreements set forth above and elsewhere in the Draft Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

23) The purchaser acknowledges that our Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to our Company, and are irrevocable.

24) The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Bhopal, Madhya Pradesh, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Draft Letter of Offer and other Issue Materials.

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MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.pmcfincorp.com from the date of this Draft Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

(i) Registrar Agreement dated August 05, 2024 entered into amongst our Company and the Registrar to the Issue.

(ii) Banker to Issue Agreement dated September 06, 2024 amongst our Company, the Registrar to the Issue, and the Bankers to the Issue.

Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

(ii) Resolution of the Board of Directors dated June 05, 2024 in relation to the Issue.

(iii) Resolution of our Rights Issue Committee dated September 07, 2024, finalizing the terms of the Issue including the Rights Entitlement Ratio.

(iv) Resolution of our Rights Issue Committee dated [●], fixing the Record Date.

(v) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.

(vi) Statement of Tax Benefits dated August 27, 2024 from the Statutory Auditor included in this Draft Letter of Offer.

(vii) Tripartite Agreement dated January 14, 2005 between our Company, NSDL and the Registrar to the Issue.

(viii) Tripartite Agreement dated June 21, 2010 between our Company, CSDL and the Registrar to the Issue.

(ix) In principle listing approval dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations, and guidelines issued by the Government of India, or the rules, regulations, or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Raj Kumar Modi
DIN: 01274171
Executive Director- Managing Director

Date: September 16, 2024
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations, and guidelines issued by the Government of India, or the rules, regulations, or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Rekha Modi
DIN: 01274200
Non-Executive - Non-Independent Director

Date: September 16, 2024
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations, and guidelines issued by the Government of India, or the rules, regulations, or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Mahavir Prasad Garg
DIN: 00081692
Non-Executive - Independent Director

Date: September 16, 2024
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations, and guidelines issued by the Government of India, or the rules, regulations, or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Yogesh Kumar Garg
DIN: 02144584
Non-Executive - Independent Director

Date: September 16, 2024
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations, and guidelines issued by the Government of India, or the rules, regulations, or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Prabhat Modi
DIN: 08193181
Executive Director

Date: September 16, 2024
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations, and guidelines issued by the Government of India, or the rules, regulations, or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Deepali Sehgal Kulshrestha
DIN: 10192105
Non-Executive - Independent Director

Date: September 16, 2024
Place: New Delhi