DEEPIKA MISHRA Digitally signed by DEEPIKA MISHRA

DRAFT LETTER OF OFFER
May 17, 2024
For Eligible Equity Shareholders only

ADVIK CAPITAL LIMITED

Our Company was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017.

Corporate Identity Number: L65100DL1985PLC022505
Registered Office: G-3, Vikas House, 34/1, East Punjabi Bagh, New Delhi, India - 110026
Contact person: Ms. Deepika Mishra, Company Secretary and Compliance Officer
Telephone: +91 92891 19980 | **E-mail id:** advikcapital@gmail.com | **Website**: www.advikcapital.com

PROMOTERS OF OUR COMPANY: MR. VIKAS GARG & MRS. SEEMA GARG

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ADVIK CAPITAL LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) AGREEGATING UPTO ₹4995 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE EQUITY SHARES IS [•] TIME THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 188 OF THIS DRAFT LETTER OF OFFER.
 # Assuming full subscription.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue 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 the investors is invited to "***Risk Factors***" beginning on page 20 of this Draft Letter of Offer before making an investment in this Issue.

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 our Company and the Issue, which is material in the context of the Issue, and that the information contained in this 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 makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") (hereinafter referred as "**Stock Exchange**"). Our Company has received 'in-principle' approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letters dated [●]. Our Company will also make applications to the Stock Exchange to obtain their trading approvals 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 purpose of this Issue, the Designated Stock Exchange is BSE Limited.

ADVISORS TO THE ISSUE	MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
HEXAXIS Advisors Limited **CIN:** U74999DL2019PLC357568 40 RPS, Sheikh Sarai, Phase-1 New Delhi 110017 **Telephone:** 011-40503037 **Email:** mail@hexaxis.in **Contact person**: Mr. Pankaj Kumar Gupta	**Fast Track Finsec Private Limited** **CIN:** U65191DL2010PTC200381 B-502, Statesman House, 147 Barakhamba Road, New Delhi- 110001 **Telephone:** 011-43029809; Website: www.ftfinsec.com **Email:** Vikasverma@ftfinsec.com **SEBI Registration No.**: INM000012500 **Contact Person**: Mr. Vikas Kumar Verma	**Skyline Financial Services Private Limited** D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 **Telephone**: 011-40450193/97 **Email**: ipo@skylinerta.com, Website: www.skylinerta.com **Investor grievance e-mail**: grievances@skylinerta.com **SEBI Registration No.**: INR000003241; **Validity of Registration**: Permanent **Contact Person**: Mr. Anuj Rana

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	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 Renounce(s) 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 but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of 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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TABLE OF CONTENT

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, 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.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the/our Company', 'we', 'our', 'us' or similar terms are to Advik Capital Limited as the context requires, and references to 'you' are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act, Takeover Regulations, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 53 *and* 89*, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.*

Company and Industry Related Terms

Term	Description
"Our Company" or "the Company" or "the Issuer"	Advik Capital Limited incorporated under the Companies Act, 1956.
"Articles of Association" or "Articles"	The articles of association of our Company, as amended from time to time.
"Audit Committee"	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and Section 177 of the Companies Act, 2013.
"Board" or "Board of Directors"	The Board of Directors of our Company or a duly constituted committee thereof or its duly authorised individuals.
"Company Secretary and Compliance Officer"	Ms. Deepika Mishra, the Company Secretary and the Compliance Officer of our Company.
Directors	Directors on the Board, as may be appointed from time to time
Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹1 each of our Company
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "Our Management" beginning on page 75 of this Draft Letter of Offer
Key Managerial Personnel	The Key Managerial Personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer
Memorandum of Association or Memorandum or MOA	The memorandum of association of our Company, as amended from time to time
Promoter	The promoter of our Company is Mr. Vikas Garg & Mrs. Seema Garg.
Promoter Group	The companies, individuals and entities (other than companies) as defined under

Term	Description
	Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, and which are disclosed by the Company to the Stock Exchange from time to time. As on the date of this DLOO Ms. Sukriti Garg covered under the promoter group of the Company.
Registered and Corporate Office or Registered Office	The Registered Office of our company which is located at G-3, Vikas House, 34/1, East Punjabi Bagh, Sec-III, West Delhi, New Delhi, India – 110026.
Restated Financial Statements	Our restated Ind AS summary statement of assets and liabilities as at March 31, 2024, March 31, 2023, and as at March 31, 2022, and restated Ind AS summary statement of profit and loss, restated Ind AS summary statement of changes in equity and restated Ind AS summary statement of cash flows for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, together with the annexures, notes and other explanatory information thereon, derived from the annual audited financial statements as at and for year ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS and restated in accordance with Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.
Subsidiary	The Subsidiaries of the Company are: 1. Advik Optoelectronics Limited 2. Advikca Finvest Limited
Statutory Auditors	M/s. KSMC & Associates, Chartered Accountants

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
2020 ASBA Circular	The SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
2022 ASBA Circular	The SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022
"Abridged Letter of Offer" or "ALOF"	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
"Allotment", "Allot" or "Allotted"	Allotment of Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by 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 Bank(s)	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, [●]
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to this Issue
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renounce(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer

Term	Description
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 or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable at the time of application i.e. ₹ [●] in respect of the Equity Shares applied for in the Issue at the Issue Price
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in the 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
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI Circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	the Allotment Account Bank(s) to the Issue
Banker to the Issue Agreement	Agreement dated [•] amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Equity Shares
Basis of Allotment	The basis on which the 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***" beginning on page 188 of this Draft Letter of Offer
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 Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
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
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLoF/DLOF	This draft letter of offer dated [•] filed with the Stock Exchanges
Eligible Equity Shareholder (s)	Holder(s) of the Equity Shares of our Company as on the Record Date
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [•] and the Renouncee(s)
ISIN	International securities identification number of the Company being

Term	Description
	INE178T01024
Issue / Rights Issue	Issue of upto [•] Equity Shares of face value of ₹1/- each of our Company for cash at a price of ₹ [•] per Rights Equity Share not exceeding ₹ [•] lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [•] Rights Equity Shares for every [•] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [•].
Issue Closing Date	[•]
Issue Opening Date	[•]
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	₹ [•] per Equity Share
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹4,995 Lakhs# *#Assuming full subscription*
Letter of Offer or LOF	The final Letter of Offer to be issued by our Company in connection with this Issue
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations.
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renounce in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see "***Objects of the Issue***" beginning on page 49 of this Draft Letter of Offer
Off Market Renunciation	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
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
"Qualified Institutional Buyers" or "QIBs"	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [●].
Refund Bank (s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registrar to the Issue / Registrar	Skyline Financial Services Private Limited
Registrar Agreement	Agreement dated [●] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Renouncee (s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
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

Term	Description
	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 Closing Date
RE ISIN	ISIN for Rights Entitlement i,e. [●]
Rights Entitlement(s)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●], [●]. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Self-Certified Syndicate Banks or SCSB(s)	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter/ Fraudulent Borrower	A Company or person, as the case may be, categorized as a willful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Delhi are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Delhi are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional and General Terms/Abbreviations

Term	Description
"₹", "Rs. ", "Rupees" or "INR"	Indian Rupees
Adjusted loans and advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AUM	Assets under management
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant’s identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year", "Fiscal Year" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
"GoI" or "Government"	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016

Term	Description
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
"Net Asset Value per Equity Share" or "NAV per Equity Share"	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial company(ies)
NCD(s)	Non-convertible debentures
NHB	National housing bank
NPA(s)	Non-performing assets
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" or "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
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, NCT Delhi & Haryana
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
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 Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021.
SEBI Rights Issue Circulars	Collectively, 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 and the SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Stock Exchange	BSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
"U.S.$ ", "USD" or "U.S. dollar"	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
"USA", "U.S. " or "United States"	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form 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 through email and courier this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, 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. Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer or the Letter of Offer or the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they 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 or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer or the Letter of Offer the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale 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 , Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX

ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE 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 in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer 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 Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer/Letter of Offer, Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer / Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Advisor to the Issue are not liable for any amendments or modification 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 do not exceed the applicable limits under the applicable laws or regulations.

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

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 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 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 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.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Restated Financial Statements. For details, please see "***Restated Financial Information***" beginning on page 89 of this Draft Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The Restated Financial Statements of our Company for the Financial Years ended March 2022 and March 2023 and Year ended March 31, 2024 have been prepared in accordance with Ind AS read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI.

The Restated Financial Statements of our Company for the Financial Years ended March 2024, 2023 and 2022 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

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. Our Company has presented all numerical information in the Restated Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "***Financial Information***" beginning on page 89 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" beginning on pages 20, 70, and 171 and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)

Sr. No.	Name of the Currency	Exchange rate as on		
		March 31, 2024	March 31, 2023	March 31, 2022
1.	United States Dollar	83.37	82.21	75.80

(Source: www.rbi.org.in and www.fbil.org.in)

Note: In case March 31 of any of the respective years is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" beginning on page 20 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Industry Overview". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company 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 include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business 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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions;
- We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business;
- Our business will require substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition;
- We are affected by volatility in interest rates for both our lending and fund raisings operations, which could cause our net interest income to decline and adversely affect our results of operations and profitability; and
- 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, errors in or incompleteness of such information could adversely affect our business and financial performance.
- Any increase in the levels of NPAs in our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations;
- Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;
- Changes in the value of Rupee and other currency changes;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities,

insurance and other regulations;

- Changes in the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
- Emergence of new competitors;
- Potential mergers, acquisitions or restructurings;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Availability of adequate debt and equity financing at commercially acceptable terms;
- General, political, economic, social and business conditions in Indian and other global markets;
- Significant competition in our businesses may limit our growth and prospects;
- Dependence on a number of key management personnel and senior management personnel and our ability to attract and retain qualified personnel;
- Our risk management and internal controls, as well as the risk management tools available to us, may not be adequate or effective in identifying or mitigating risks to which we are exposed; and
- Claims by clients or actions by regulators or both for alleged mis-selling.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" beginning on pages 20, 70 and 171 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI (ICDR) Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SECTION II- SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled "***Risk Factors***", "***The Issue***", "***Capital Structure***", "***Objects of the Issue***", "***Industry Overview***", "***Our Business***", "***Outstanding Litigation and Defaults***" and "***Terms of the Issue***" beginning on pages 20, 39, 47, 49, 55, 70, 176 and 188 respectively of this Draft Letter of Offer.

1. Summary of Industry

Non-Banking Financial Institutions form an integral part of the Indian financial ecosystem. They provide underbanked/unbanked individuals and MSMEs an opportunity to be a part of the financial mainstream. They have been successful in bridging the credit gap for the entire spectrum of customers ranging from high ticket structured loans to corporates/HNIs to microfinance customers, due to their higher risk underwriting capacity, superior credit assessment skills and deep understanding of customers. They have emerged as a vehicle for financing business activities that Banks neglected due to regulatory restrictions such as credit exposure constraints and sector concentration norms.

NBFC is a Financial Institution that is into Lending or Investment or collecting monies under any scheme or arrangement but does not include any institutions which carry on its principal business as agriculture activity, industrial activity, trading and purchase or sale of immovable properties. A company that carries on the business of accepting deposits as its principal business is also an NBFC.

India has a diversified financial sector undergoing rapid expansion, both in terms of the strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds, and other smaller financial entities. The banking regulator has allowed new entities such as payments banks to be created recently thereby adding to the types of entities operating in the sector. Sources: https://www.legalserviceindia.com/legal/article-5832-an-overview-of-non-banking-financial-service-institutions.html

For details, please refer to chapter titled "***Industry Overview***" on page 55 of this Draft Letter of Offer.

2. Summary of Business

We are a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFC activities under Section 45-IA of the Reserve Bank of India Act, 1934 bearing Registration no. B- 14.00724 dated January 07, 2003 and August 24, 2017. Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services related to the said business activities.

For details, please refer to chapter titled "***Our Business***" on page 70 of this Draft Letter of Offer.

3. Our Promoter

The Promoter of our Company is Mr. Vikas Garg & Mrs. Seema Garg*

** Company was acquired by abovementioned promoters through Share Purchase Agreement (SPA) dated May 18, 2022, and Letter of Offer dated February 6, 2023 in terms of Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011.*

For further details please see chapter titled "Our Promoters" beginning on page 84 of this Draft Letter of Offer.

4. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

₹ in lakhs)

S. No.	Particulars	Total estimated amount to be utilized (₹ in lakhs)
1.	To augment our capital base for our Company	3,725.00
2.	General Corporate Purposes	1,185.00
Total		**4,900.00**

For further details, please see chapter titled "Objects of the Issue" beginning on page no 49 of this Draft Letter of Offer.

5. Intention and extent of participation by our Promoter and Promoter Group in the Issue

Our Promoter has, vide their letter dated April 30, 2024 (the "Subscription Intent Letter") communicated that they could only be able to subscribe in the event of under-subscription of the proposed Right Issue.

Hence, solely in the event of under-subscription of this Issue our Promoter shall subscribe to the extent of their Right Entitlement first, then for additional Rights Equity Shares, if required, subject to compliance with the Companies Act, the SEBI (ICDR) Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoter shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

6. Summary of Financial Information

Following are the details as per the Restated Consolidated Financial Information as at and for Financial Years ended on March 31, 2024, March 31, 2023, and for year ended March 31, 2022:

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Authorised Share Capital*	7500.00	2500.00	2500.00
Paid-up Capital	4281.54	2201.93	458.74
Net Worth attributable to Equity Shareholders (excluding OCI reserves)	11263.31	5859.63	957.8
Total Revenue	84805.86	60436.89	4657.72
Profit after tax	635.62	934.88	44.37
Total other comprehensive income/(loss) for the year	(77.74)	(896.82)	-
Total Comprehensive income/(Loss) for the year	557.88	38.06	44.37
Earnings per Share (basic & diluted) (in ₹)	0.20	0.42	0.09
Net Asset Value per Equity Share (in ₹)	2.66	2.71	2.34
Total Borrowings	7867.16	7512.69	469.02

Authorized share Capital has been increased from 25 Cr. to 75 Cr. through the Postal Ballot Notice Dated 11/04/2023.
*** Net worth attributable to Equity Shareholders are excluded the Non-Controlling interest.*

Following are the details as per the Restated Standalone Financial Information as at and for Financial Years ended on March 31, 2024, March 31, 2023, and for year ended March 31, 2022

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Authorised Share Capital*	7500.00	2500.00	2500.00
Paid-up Capital	4,281.54	2,201.93	458.74
Net Worth attributable to Equity Shareholders	11045.10	5865.44	944.22
Total Revenue	2750.67	34934.26	3,949.52
Profit after tax	403.99	954.61	38.74
Total other comprehensive income	(77.74)	(896.82)	-
Total Comprehensive Income/(Loss) for the period	326.26	57.79	38.74
Earnings per Share (basic & diluted) (in ₹)	0.10	0.03	0.08
Net Asset Value per Equity Share (in ₹)	2.58	2.66	2.06
Total Borrowings	7796.22	7,259.20	288.70

Authorized share Capital has been increased from 25 Cr. to 75 Cr. through the Postal Ballot Notice Dated 11/04/2023.
*** Net worth attributable to Equity Shareholders are excluded the non-Controlling interest*

7. **Summary of Outstanding Litigations:**

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoter and Subsidiaries as on the date of this Draft Letter of Offer is provided below:

(₹ in lakhs)

Nature of Cases	Number of outstanding cases	Amount Involved*
Litigation involving our Company		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Directors		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Directors	Nil	Nil
Material civil litigation by our Directors	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Promoter		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Subsidiaries		
Criminal proceedings against Promoter	Nil	Nil
Criminal proceedings by Promoter	Nil	Nil
Material civil litigation against Promoter	Nil	Nil
Material civil litigation by Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil

** To the extent quantifiable.*

For details, please refer to chapter titled "***Outstanding Litigations and Defaults***" on page 170 of this Draft Letter of Offer.

8. **Risk Factors:**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "***Risk Factors***" on page 20 of this Draft Letter of Offer.

9. **Summary of Contingent Liabilities**

Following are the details as per the Restated Consolidated Financial Information for the Year ended March 31, 2024, March 31, 2023, and March 31, 2022.

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debt	Nil	Nil	Nil

Collateral Security against subsidiaries	142.84	142.84	142.84
Other money for which the Company is contingently liable	Nil	Nil	Nil
Commitments	Nil	Nil	Nil

Following are the details as per the Restated Standalone Financial Information for the Year ended March 31, 2024, March 31, 2023, and March 31, 2022.

(₹ in lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Claims against the Company not acknowledged as debt	Nil	Nil	Nil
Collateral Security against subsidiaries	142.84	142.84	142.84
Other money for which the Company is contingently liable	Nil	Nil	Nil
Commitments	Nil	Nil	Nil

10. Summary of Related Party Transactions

Please refer "***Financial Information***" beginning on page 89 of the Financial Information in this Draft Letter of Offer.

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

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

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

Our Company has not carried any split or consolidation of Equity Shares in last one year.

SECTION III– RISK FACTORS

An investment in the 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 described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate.

Additional risks and 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. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factor mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 55, 70 and 171 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section. This Draft Letter of Offer also contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 14 of this Draft Letter of Offer

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 of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Financial Information and the Limited Review Financial Information, prepared in accordance with Ind AS, the Companies Act and SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

•Some events may not be material individually but may be found material collectively;
•Some events may have material impact qualitatively instead of quantitatively; and
•Some events may not be material at present but may have a material impact in future.

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Advik Capital Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. ***As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions***

   Under section 45N of the Reserve Bank of India, 1934 ("RBI Act") we are subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which our Company has failed to furnish on being called upon to do so. While we may respond to RBI and address such observations; there can be no assurance that the RBI will not make similar or other observations in the future. If we are unable to resolve such deficiencies to RBI's satisfaction, our ability to conduct out business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition and results of operations. 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 from 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. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

2. ***Our business will require substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

   Our liquidity and profitability are, in large part, dependent upon our timely access to, and costs associated with raising capital including both debt and equity. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. Further, under Indian Law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors or capital from overseas investors.

   Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. With the growth of our business, we may be increasingly reliant on funding from debt capital markets. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, lack of liquidity in the market, 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. If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

3. ***We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.***

   We operate in a highly competitive industry. Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in SME, retail and individual lending. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. They may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in our industry depends on, amongst others, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

4. ***We are affected by volatility in interest rates for both our lending and fund raisings operations, which could cause our net interest income to decline and adversely affect our results of operations and profitability.***

A significant component of our revenue is the interest on loans and other financing activity we receive from the loans we disburse. Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates, we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to funds at a lower cost or lower cost deposits. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

5. ***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, errors in 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 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. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub - registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement 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.

6. ***High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.***

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

7. ***We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.***

The value of the security provided to us, may be subject to reduction in value on account of other extraneous reasons. Consequently, the realizable value of the security for the loans provided by us, when liquidated, may be lower than principal amount outstanding along with interest and other costs recoverable from such customers.

Although we believe that we generally maintain a sufficient margin in the collateral value, if we have to enforce such pledges and if at the time of such enforcement, due to adverse market conditions, the market value of the pledged securities have fallen to a level where we are unable to recover the monies lent by us, along with interest accrued thereon and associated costs, the results of our operations would be adversely affected. In case of any shortfall in margins in connection with the securities pledged as collaterals, we typically call upon the relevant customer to provide further collateral to make up for the deficit in such margins. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

8. ***Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition, cash flows and results of operations.***

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, GST registrations etc. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition, cash flows and results of operation.

9. ***Our borrowers may transfer loan balances to other banks or financial institutions, resulting in a loss of expected interest income expected from such loans.***

If interest rates rise, borrowers with variable interest rates on their loans are exposed to increased equated monthly instalments ("EMIs") when the loans' interest rate adjusts upward. Such borrowers may seek to refinance their loans through balance transfer to other banks and financial institutions to avoid increased EMIs that result from an upwards adjustment of the loans' interest rate. Even if interest rates do not increase, our borrowers may seek to transfer loans to banks or other financial institutions that offer lower interest rates.

Loan balance transfers result in a loss of interest income expected from such loans over the course of their tenure. All NBFCs and HFCs are prohibited from charging pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers. Even where we are allowed to charge a prepayment penalty, the amount of such penalty will not make up for all of the loss of interest income expected from such loans. Some of our borrowers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives, which could have an adverse effect on our business, results of operations and financial condition.

10. ***We may experience difficulties in expanding our products.***

Expanding our products portfolio with new or existing products can be costly and require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to enhance and upgrade our systems and infrastructure to offer an increasing number of enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high -risk credit and impose significant costs on us**.**

11. ***We may experience difficulties in expanding our business into new regions and markets in India***

Historically, our distribution networks are concentrated in New Delhi and NCR. As part of our growth strategy, we strive to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices & customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers. Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

12. ***We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.***

Assets and liability mismatch ("ALM") represents a situation when financial terms of an institution's assets and liabilities do not match. ALM is a key financial parameter indicative of an NBFC's performance. We cannot assure you that we will be able to maintain a positive ALM always. We may rely on funding options with short term maturity periods for extending long term loans, which may lead to a negative ALM. Further, mismatches between our assets and liabilities are compounded in case of prepayment of financing facilities we grant to customers. Any mismatch in our ALM, may lead to a liquidity risk and have an adverse effect on our business prospects, financial condition, results of operations and profitability.

13. ***We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio.***

Our Company's inability to control the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may adversely impact its business. Further, if our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.

14. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.***

We may incur additional indebtedness in the future. Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company may be required to take the prior approval of the lender before carrying out such activities. Our indebtedness could have several important consequences, including our cash flows being used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our working capital, capital expenditures and other general corporate requirements. Moreover, our ability to obtain additional financing or renewal of existing facilities, in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements and we may be more vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

15. ***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 the 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, declines our market perception and customer acceptance of our brands may also decline.

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

Our 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 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.

17. ***If we are unable to comply with the capital adequacy requirements stipulated by the RBI in connection with our lending business, our business, results of operations and cash flows may be materially and adversely affected.***

Our lending business, is subject to various regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital we are required to maintain. There can be no assurance that we will be able to maintain CRAR within the regulatory requirements. Further, as we grow our lending business loan portfolio, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to such business. There can be no assurance that we will be able to raise adequate additional capital in the future on favourable terms, or at all. This could result in noncompliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, results of operations and cash flows. Also, there is no assurance that RBI will not take any action for breaches in capital adequacy norms by our Company in the future. This could materially adversely affect our business, prospects, results of operations, financial condition and cash flows and could impair our ability to continue current operations and in extreme case, may lead to suspension/ cancellation/ withdrawal of our license to operate as an NBFC.

18. ***Our measures to prevent money laundering may not be completely effective and we may be subject to scrutiny and penalties by the RBI for failure to implement effective measures.***

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our measures to prevent money laundering as required by the RBI and other KYC compliance applicable in India, including the Reserve Bank of India (Know Your Customer) Master Directions, 2016 dated February 25, 2016, as amended ("KYC Directions") and the adoption of anti-money laundering policies and compliance procedures may not be completely effective. In the event, if any regulatory authorities believes that we are not complying with required money laundering compliances and/or KYC Compliances, there may be civil and criminal penalties for non-compliance and our business and results of operations could be adversely affected.

19. ***Our Company has not yet applied for the registration of the logo or any of the intellectual property that it uses with the registrar of Trademarks.***

Our Company has not yet applied for the registration of the logo i.e. ADVIK Capital LIMITED or any of the intellectual property that it uses. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation and our business operations could be affected. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

20. Company does not have previous RBI registration certificate in records.

Company was registered as a Non-Banking Financial Company vide certificate of registration dated January 07, 2003 bearing No. B-14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934 in the name of Quick Credit Limited. The certificate has not been in the records of the Company.

However, in the year 2017, RBI has issued the new certificate of registration dated August 24, 2017 bearing no. B-14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934 in the name of Advik Capital Limited.

21. *Our success depends in large part upon key personnel and our ability to attract, train and retain such persons.*

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure.

22. *Our Promoters and Directors may have interests in our Company other than reimbursement of expenses incurred or remuneration or benefits.*

Our Promoters and Directors may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters and Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners.

There can be no assurance that our Promoters, and Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting.

23. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

24. *An order passed by regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity.*

An investigation was conducted by SEBI to ascertain whether there was any violation of the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 (hereinafter referred as "PIT Regulations") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(hereinafter referred as "SAST Regulations") by certain entities for the period from March 01, 2021 to October 12, 2021. Under the said investigation "Vikas Ecotech Limited", was under surveillances. A Show Cause Notice has been received by Company's promoter Mr. Vikas Garg and his certain close relatives. Though, the non-compliances were inadvertent, technical in nature and no unlawful gain was earned, penalties of INR 2,00,000 were imposed on Vikas Garg Promoter of the Company under Section 15A (b) of the SEBI Act, 1992.

25. ***Any Notice received from any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity.***

A Notice under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and Imposing penalties) Rules, 1995 in the matter of ADVIK CAPITAL LIMITED vide Notice No. SEBI/EAD-3/BM/JR/15163/3/2024 dated April 24, 2024 for non-compliances of Regulation 29 (1) and 29 (2) read with 29(3) of Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in the matter of open offer made by Acquirers (Mr. Vikas Garg and Mrs. Seema Garg) and PAC (Ms. Sukriti Garg). The disclosure was filed with a delay of 107 days. An adjudicating officer has appointed to enquire into and adjure under section 15 A(b) of the SEBI Act for the aforesaid non-compliance.

26. ***We do not own registered office which is used by us currently.***

Our registered office is owned by Mr. Nand Kishore Garg father of Mr. Vikas Garg, (Director and Promoter of the Company) He had, vide letter dated April 15, 2023 granted their no objection to Company for use the said office premises, as our Registered Office.

In the event, the permission to use under which we occupy the aforementioned premises or certain terms and conditions that are unfavourable to us are imposed on us in relation to the afore referred to premises, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations, which could have an adverse effect on our business and financial results.

27. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

28. ***The new bankruptcy code in India may affect our rights to recover loans from borrowers.***

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State

Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

29. ***The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".***

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

30. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue.

31. ***In the past, there have been instances of delayed or erroneous filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company and our Subsidiaries.***

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company and our Subsidiaries.

No show cause notice in respect to the above has been received by our Company or our Subsidiaries till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

32. ***Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

33. ***We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such third-party data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

Issue Specific Risks

34. ***We will not distribute this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI (ICDR) Regulations and SEBI Rights Issue Circulars our Company will send, only through email, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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 permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

35. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and May 19, 2022 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, April 22, 2021 and May 19, 2022, as applicable (“**SEBI Rights Issue Circular**”) and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "***Terms of the Issue***" on page 188.

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 Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise of 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 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) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

36. ***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 the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised 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).

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and 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 188.

38. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute 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. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

39. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. 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 gains made upon the sale of the Equity Shares.

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

In terms of the SEBI ICDR Regulations, 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 in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. 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 Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder 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

41. ***You may not receive the Equity Shares that you subscribe 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 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.

42. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which 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 Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your 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.

43. ***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.

44. ***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 Exchanges. 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 conversion may reduce the net dividend to 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.

45. ***Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may F significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

46. ***Investors will not have the option of getting the allotment of Equity Shares in physical form.***

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "Terms of the Issue" on page 188. *This may impact the ability of our shareholders to receive the Equity Shares in the Issue.*

47. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

External Risk Factors

48. ***Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Summary statements of assets and liabilities as at March 31, 2024 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2024 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our restated financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. 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.

49. ***Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

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.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

50. ***A slowdown in economic growth in India could cause our 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.

51. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, 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 Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- The General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

52. ***Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

53. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, 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, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the 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.

55. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

56. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations***

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the insurance industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Furthermore, the Government of India announced the Union Budget for Fiscal 2023 ("Budget 2023"), pursuant to which the Finance Bill 2023 (defined below) has proposed various amendments which will only come into effect upon receipt of Presidential assent to the bill and notification in requisite acts. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

There can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations in connection with GST. While we are and will comply with the GST rules and regulations, any failure to comply with the same may result in noncompliance with the GST and may adversely affect our business and results of operations. The GoI announced the union budget for fiscal year 2023, following which the Finance Bill, 2022 was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill 2022 received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ("Finance Act 2022"). We cannot predict whether the amendments made and yet to be notified pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Any changes in the Finance Act 2022 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Changes in other laws may impose additional requirements, resulting in additional expenditure and time cost. For instance, the GoI has announced four labour codes which are yet to come into force as on the date of this Draft Letter of Offer, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been announced, we are unable to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements, such as "gig workers" and "platform workers" and provides for the mandatory registration of such workers in order to enable these workers to avail themselves of various employment benefits, such as life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future

57. ***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, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concerns 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.

58. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- Hostile or war like situations with the neighbouring countries;
- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- Downgrading of India's sovereign debt rating by rating agencies; and
- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

59. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on March 23, 2024 to raise funds by issuance and allotment of equity shares for aggregate amount of up to Rs. 100 Crore (Rupees Hundred Crore) in one or more tranches, by way of Right Issue, on such terms to be decided by the Board or a duly constituted committee of the Board at a later date, subject to the approval of shareholders, thereafter, the same was approved via Postal Ballot Notice dated March 23, 2024.

The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors at its meeting held on [●].The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "***Terms of the Issue***" on page 188 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to [●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹1/-
Issue Price per Rights Equity Shares	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Issue Size	Issue not exceeding ₹ [4,995][#] lakhs [#]*Assuming full subscription, to be adjusted as per the Rights Entitlement ratio*
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank *pari passu* in all respects with the Equity Shares of our Company
Equity Shares issued, subscribed and paid up prior to the Issue	42,81,53,600 Equity Shares. For details, see "Capital Structure" beginning on page 47 of this Draft Letter of Offer
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	₹ [●]
Scrip Details	**ISIN**: INE178T01024 **Rights Entitlement ISIN**: [●] **BSE**: 539773
Use of Issue Proceeds	For details, please refer to the chapter titled "***Objects of the Issue***" on page 49 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Terms of the Issue	For details, please refer to the chapter titled "***Terms of the Issue***" on page 188 of this Draft Letter of Offer.

Please refer to the chapter titled "***Terms of the Issue***" on page 188 of this Draft Letter of Offer.

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	Indicative 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.*

GENERAL INFORMATION

Our Company was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated August 24, 2017 bearing No. B- 14.00724 under section 45-IA of the Reserve Bank of India Act, 1934.

In the beginning of the year 2010, our Company underwent change of Control in terms of Regulation 12 of Securities Exchange Board of India (Substantial Acquisition and Takeover of Shares) Regulation, 1997. Pursuant to the change of Control, Mr. Virendra Kumar Aggarwal and Mr. Rishab Kumar Aggarwal became Promoters of the Company and then existing Promoter(s) ceased to be the Promoter(s) of the Company.

In year 2010, pursuant to scheme of amalgamation, under section 391 (2) and 394 of the Companies Act, 1956, approved by Hon'ble High Court of Delhi, our Company was amalgamated with Du-Lite Safety Services Private Limited which was engaged in the business of trading of electrical and safety devices.

Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Further, the Company procured a Certificate of Registration from Reserve Bank of India as a Non-Banking Financial Company on August 24, 2017 in the new name.

Thereafter, Company's promoters Mr. Virender Agarwal and Mr. Shakul Kumar Agarwal entered into a Share Purchase Agreement on May 18, 2022 with Mr. Vikas Garg, Mrs. Seema Garg (Acquirers) and Ms. Sukriti Garg (PAC)), to sell their entire stake of Advik Capital Limited ("the Company"). Afterward, an Open Offer was made by the Acquirers to acquire upto 26% of the total Voting Shares of the Company from public shareholders vide Letter of Offer dated February 06, 2023.

Pursuant to the completion of the said open offer, and the Share Purchase Agreement, the Company was acquired by Mr. Vikas Garg, Mrs. Seema Garg (Acquirers) and Ms. Sukriti Garg (PAC) and they took over as Promoters and Promoter Group of the Company.

Registered Office, CIN and registration number of our Company

Reg. Office: G-3, Vikas House, 34/1, East Punjabi Bagh, Sec-III,
West Delhi, New Delhi, India – 110026
CIN: L65100DL1985PLC022505
Tel: +91 92891 19980;
E-mail: advikcapital@gmail.com
Website: www.advikgroup.com
Registration Number: 022505

Address of the RoC

Our Company is registered with the RoC, Delhi, which is situated at the following address:

Registrar of Companies, Delhi
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110019

Company Secretary and Compliance Officer of the Company

Ms. Deepika Mishra
G-3, Vikas House, 34/1, East Punjabi Bagh, Sec – III,
West Delhi, New Delhi, India – 110026
Telephone: +91 92891 19980
E- mail: advikcapital@gmail.com

Chief Financial Officer of the Company

Mr. Pankaj
G-3, Vikas House, 34/1, East Punjabi Bagh, Sec – III,
New Delhi, India – 110026
Telephone: +91 92891 19980
E- mail: advikcapital@gmail.com

Board of Directors of our Company

Name	Age	Designation	Address	DIN
Mr. Vikas Garg	50	Executive Director	H. No. 10, Road No. 4, East Punjabi Bagh, West	00255413
Mr. Karan Bagga	51	Whole-Time Director & CEO	House No B-10/7, Double Storey, Near Mother Dairy, Ramesh Nagar, Rajouri Garden, West Delhi-110015	05357861
Mr. Pankaj	25	Director & CFO	House No 398/1, Near Sewa Samiti Ward N0 18 Teh Charkhi Dadri, Hira Chowk, Bhiwani, Haryana 127306	10140086
Mr. Devender Kumar Garg	68	Independent Director	G-801 La Lagune, Golf Course Road, Sector 54, Chakarpur (74), Gurgaon Haryana-122002	02316543
Ms. Gunjan Jha	38	Independent Director	House No-191,4th Floor, School Block, Shakarpur, L Corner Building, Shakar Pur Baramad, East Delhi, Delhi – 110092	09270389
Ms. Sony Kumari	32	Independent Director	E-30B, Flat No. 8, 2nd Floor, Chhatarpur Extension Near Suman Chowk, Chattarpur, South Delhi-110074	09270483
Ms. Swati Gupta	29	Independent Director	F-722A, Street No. 24, Laxmi Nagar, East Delhi, Delhi 110092	09652245

For detailed profile of our Directors, please refer to the chapter titled "***Our Management***" beginning on page 75 of this Draft Letter of Offer.

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager to the Issue

FAST TRACK FINSEC PRIVATE LIMTED
Office No. V-116, 1st Floor, New Delhi House,
Barakhamba Road, New Delhi – 110001
Tel:011-43029809;
Website: www.ftfinsec.com
Email: Vikasverma@ftfinsec.com
Contact person: Mr. Vikas Kumar Verma
SEBI Registration No.: INM000012500
CIN: U65191DL2010PTC200381

Registrar to the Company and the Issue:

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Telephone: 011-40450193/97
Email: ipo@skylinerta.com
Website: www.skylinerta.com
Investor grievance e-mail: grievances@skylinerta.com
Contact Person: Mr. Anuj Rana
SEBI Registration No.: INR000003241
Validity of Registration: Permanent

Banker to the Issue: [•]

Statutory and Peer Review Auditor of the Issuer:

M/s. KSMC & Associates
G-5, Vikas House, 34/1, East Punjabi Bagh
New Delhi-110026
Contact Person: Mr. Sachin Singhal
Firm Registration Number: 003565N
Membership No.: 505732
Telephone Number: 011 – 4144 0483
E-mail: info@ksmc.in , admin@ksmc.in
Peer Review Certificate Number: 012973

Designated Intermediaries:

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs or the SBA Process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

Since Fast Track Finsec Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 2, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated May 2, 2024 on our Restated Financial Statements for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024, and (ii) Statement of Special Tax Benefits dated May 2, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post- Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ DEMAT credit/ Refund Orders/unblocking of ASBA Account, etc.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (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 of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the application Forms, 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). For details on the ASBA process, "***Terms of the Issue***" beginning on page 188 of this Draft Letter of Offer

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As this is an Issue of Equity Shares, appointment of Debenture Trustee is not required.

Monitoring Agency

As the net proceeds of the Issue will be less than Rs. 10,000 Lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI (ICDR) Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI (ICDR) Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited, not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Underwriting Agreement and Details

This Issue is not underwritten.

Changes in Auditors during the last three years

Name of Auditor	Address and E-mail	Date of Appointment/ Cessation	Reason
M/s. Garg Anil & Co, Chartered Accountants	E-174, Lajpat Nagar-IV, Amar Colony, New Delhi, 110024 E-mail: anilgarg02@gmail.com	01/04/2018 to 06/08/2022	Due to increase of level of operation of the Company
M/s. KSMC & Associates, Chartered Accountants	G-5, Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi-110026 E-mail: info@ksmc.in	25/08/2022 to 31/03/2027	Continues

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Entitlements #	[●]
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 or Commencement of trading (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 but not exceeding 30 days from the Issue Opening Date (inclusive of 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 on our Company or the Advisor to the Issue.

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 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, at least one day before the Issue Closing Date, i.e., [●**].**

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Advisors or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see "***Terms of the Issue - Procedure for Application***" beginning on page 188 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at https://www.skylinerta.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "***Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 188 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get 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 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 Issue.

Minimum Subscription

If our Company does not receive the minimum subscription of at least 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. If, there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "Issue Information" on page 188.

Appraising Entity

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

This place has been left blank intentionally

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

#	Particulars	Amount (Rs.)	
		Aggregate nominal value	**Aggregate value at Offer Price**
A.	**Authorised Share Capital***		
	75,00,00,000 Equity Shares of ₹.1/- each	75,00,00,000	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	42,81,53,600 Equity Shares of ₹1/- each	42,81,53,600	-
C.	**Present Issue in terms of this Draft Letter of Offer**		
	Offer of [●] Equity Shares of Face Value ₹1/- each at a Price of ₹ [●] per Equity Share	[●]	[●]
	Issued, subscribed and paid-up Equity Share Capital after the Issue		
	[●] Equity Shares ₹1.00/- each	[●]	
D.	**Subscribed and paid-up Equity Share Capital**		
	[●] Fully paid-up Equity Shares	[●]	
E.	**Securities Premium Account**		
	Before the Issue	6,232.65	
	After the Issue	[●]	

 # Assuming full subscription for and Allotment of the Equity Shares
(1) The present Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held March 23, 2024.
(2) The Equity Share Capital after the Issue includes the full value of the Rights Equity Shares allotted in the Issue.
(3) Authorised share Capital has been increased from 25 Cr. to 75 Cr. through the Postal Ballot Notice Dated April 11, 2023.

Notes to Capital Structure

1. **Details of outstanding instruments as on the date of this Draft Letter of Offer:**

   As on date of this Draft Letter of Offer, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme. Further, it has not issued any convertible securities which are outstanding as of date of this Draft Letter of Offer.

2. **Details of Equity Shares held by the promoters and promoter group including the details of lock-in pledge of and encumbrance on such Equity Shares**

   The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE

3. Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Draft Letter of Offer, except as mentioned below, no Equity Shares have been acquired by the other Promoters or members of Promoter Group in the last (1) one year immediately preceding the date of filing of this Draft Letter of Offer:

Name of the Promoter & Promoter Group	Pre-holding	Date and Mode of Acquisition	No. of Equity Shares (Present shareholding)
Mr. Vikas Garg	Pre-holding: 1,72,61,241	Online through Right Issue, allotment on 11.10.2023: 1,63,02,282 shares	3,35,63,523

Ms. Seema Garg	Pre-holding: 1,65,96,051	Online through Right Issue, allotment on 11.10.2023: 1,56,74,047 shares	3,22,70,098
Ms. Sukriti Garg	Pre-holding: 1,41,34,847	Online through Right Issue, allotment on 11.10.2023: 1,33,49,577 shares	2,74,84,424

4. **Intention and extent of participation by our Promoter and Promoter Group in the Issue:**

Our Promoters and Promoter group has, vide their letter dated April 30, 2024 (the "Subscription Intent Letter") communicated that they could only be able to subscribe in the event of under-subscription of the proposed Right Issue.

Hence, solely in the event of under-subscription of this Issue our Promoter shall subscribe to the extent of their Right Entitlement first, then for additional Rights Equity Shares, if required, subject to compliance with the Companies Act, the SEBI (ICDR) Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoter shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●] per equity share.

6. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations

(i) The shareholding pattern of our Company, as on March 31, 2024, can be accessed on the website of the BSE https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539773&qtrid=121.00&QtrName=March%202024

(ii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2024, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=539773&qtrid=121.00&QtrName=March%202024

7. At any given time, there shall be only one denomination of the Equity Shares of our Company.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

OBJECTS OF THE ISSUE

The Issue comprises of an issue of up to [●] Equity Shares, aggregating up to ₹ 4,995 lakhs by our Company. For details see "***The Issue*** " beginning on page 39 of this Draft Letter of Offer.

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

The objects of the issue are:

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

2. General Corporate Purposes.

(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 expense ("**Net Proceeds**") for the above-mentioned Objects.

The main Object Clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the Object Clause of our Memorandum of Association.

The details of objects of the Issue

Particulars	Amount (in lakhs)
Gross proceeds from the Issue	4,995.00*
Less: Issue related expenses	85.00
Net Proceeds of the Issue	**4,910.00**

**The issue size will not exceed ₹ 4995.00 lakhs if there is any deduction on account of or at the time of finalisation of issue price and Rights Entitlements Ratio the same will be adjusted against the amount for General Corporate Purpose.*

Requirement of Funds:

S. No.	Particulars	Total estimated amount to be utilized (₹ in lakhs)
1.	To augment the capital base of our Company	3,725.00
2.	General Corporate Purposes	1,185.00*
3.	Issue related expenses	85.00
Total		**4,995.00**

** The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.*

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.

Utilization of Net Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

(₹ in lakhs)

S. No.	Particulars	Total estimated amount to be utilized
1.	To augment the capital base of our Company	3,725.00
2.	General Corporate Purposes	1,185.00
Total		**4,910.00**

Schedule of Implementation and Deployment of Gross Proceeds

(Rs. In Lakhs)

Objects of the Issue	Amount Proposed to be Funded from Net Proceeds	For FY 2024-25
To augment our capital base and for increasing our operational scale with respect to our NBFC activities	3,725.00	3,725.00
General corporate purposes	1,185.00	1,185.00
Issue expenses	85.00	85.00
Total *	4,995.00	4,995.00

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

In view of the competitive environment of the industry in which we operate, Our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

The fund requirement and deployment are based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions or business strategy.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

Details of the Objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

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

   Our Company is a RBI Registered NBFC primarily involved in the business of providing financial services with a paramount focus on small business in both corporate as well as in non-corporate sector. We propose to augment our capital base by Rs. 3,725.00 lakhs through this Issue and utilize the funds raised to further increase the operational scale of its business of NBFC activities, including but not limited to expansion of the financing business to provide for funding of fresh loans to our corporate customers. Our Company proposes to expand its loan portfolio to target high net worth corporates with past credit track record to whom our Company may advance funds both secured/ unsecured based on the risk profile and as envisaged in the loan policy of our Company.

   Further, to encash the available opportunity, our Company sometime make investment in the form of debt and equity in various companies either directly or through its wholly owned subsidiary. We are not bound by predefined restrictions in regard to our search for investment opportunities. We invest in companies in a variety of markets and stages both listed and unlisted. Our management approach can take the form either of driving change or partnership with existing owners.

   No portion of the amount earmarked towards this object will be utilised for giving loans to our Promoters, Subsidiaries, Associates, Group Companies and Promoter Group Companies.

2. ***General Corporate Purpose***

In terms of Regulation 62(2) of the SEBI (ICDR) Regulations, the extent of the Issue Proceeds proposed to be used for General Corporate Purposes shall not in the aggregate exceed 25% of the Gross Proceeds of the Issue. Our Board will have flexibility in applying the balance amount after utilizing the amount for acquisition of business targets towards General Corporate Purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

Our management will have flexibility in utilizing any amounts for General Corporate Purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount available under this head and the business requirements of our Company, from time to time.

3. ***Expenses for the issue***

The Issue related expenses consist of fees payable to Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹85 lakhs towards these expenses, a break-up of the same is as follows:

(₹ in lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Legal Counsel fees, selling commission, registrar fees and expenses)	[●]	[●]	[●]
Advertising, Printing, stationery and distribution Expenses	[●]	[●]	[●]
Statutory and other Miscellaneous Expenses	[●]	[●]	[●]
Total	85.00	[●]	[●]

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulation, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Interim Use of 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 deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

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

Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue.

Clause for Promoter Subscription

Our Promoter has, vide their letter dated April 30, 2024 (the "Subscription Intent Letter") communicated that they could only be able to subscribe in the event of under-subscription of the proposed Right Issue.

Hence, solely in the event of under-subscription of this Issue our Promoter shall subscribe to the extent of their Right Entitlement first, then for additional Rights Equity Shares, if required, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoter shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Strategic or financial partners

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

Variation in objects

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the 'Postal Ballot Notice') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

Key Industry Regulations for the objects of the issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

KSMC & ASSOCIATES
Chartered Accountants

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To

The Board of Directors
Advik Capital Limited
34/1, Vikas House, Vikas Path Marg,
East Punjabi Bagh, Delhi 110026.

Dear Sirs,

Sub: Statement of possible special direct tax benefits available to Advik Capital Limited ("the Company") and its shareholders ("the Statement").

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("**Act**") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, 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 may or may not choose to fulfil.

This statement 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, 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 rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits, where applicable have been/would be met.

This statement is intended solely for information and for inclusion in the *Draft Letter of Offer* in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For KSMC & Associates
Chartered Accountants
FRN: 003565N

CA Sachin Singhal
(Partner)
M.No.: 505732

UDIN: 24505732BKEGJU6763

Date: 02.05.2024
Place: Delhi

G-5, Vikas House, 34/1, East Punjabi Bagh, New Delhi 110026 (India)
Ph : 011- 41440483, 42440483, 45140483 | E-mail : info@ksmc.in, admin@ksmc.in | Website : www.ksmc.in

Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India

Special Tax Benefits

I. **Benefits available to the Company**
There are no special tax benefits available to the Company.

II. **Benefits available to the Shareholders**
There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

For KSMC & Associates
Chartered Accountants
FRN: 003562N

CA Sachin Singhal
(Partner)
M No.: 505732

UDIN: 24505732BKEGJU6763

Date: 02.05.2024
Place: Delhi

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

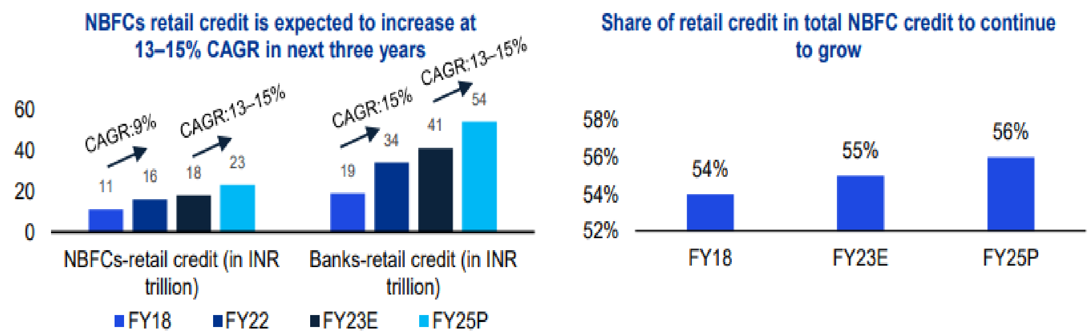
The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Draft Letter of Offer, including the information in the sections "**Risk Factors**" and "**Financial Information**" beginning on pages 20 and 85, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 20 of this Draft Letter of Offer.*

MARKET SIZE

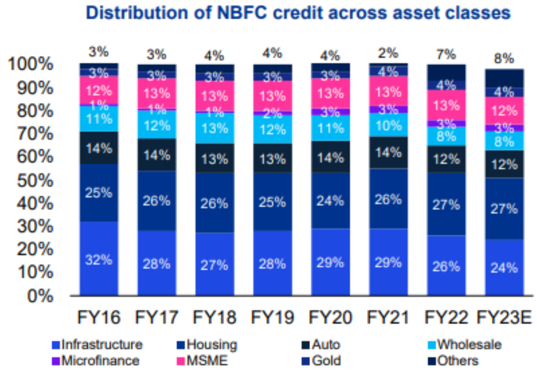
The Indian economy was among the fastest-growing in the world before the onset of the COVID-19 pandemic. In the years leading up to the global health crisis, the country's economic indicators posted gradual improvements. The twin deficits, namely current account and fiscal deficits, narrowed, while the growth-inflation mix showed a positive and sustainable trend. Despite the geopolitical tensions worldwide, India's economy is expected to grow by 6.21 per cent in FY24, driven by robust domestic demand and strong growth in the manufacturing and services sectors. As the country progresses, demand for credit is likely to remain strong, especially among Micro, Small and Medium Enterprises (MSMEs) and retail, and is projected to grow by 13.5–14.0 per cent.

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. Nonbank 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.

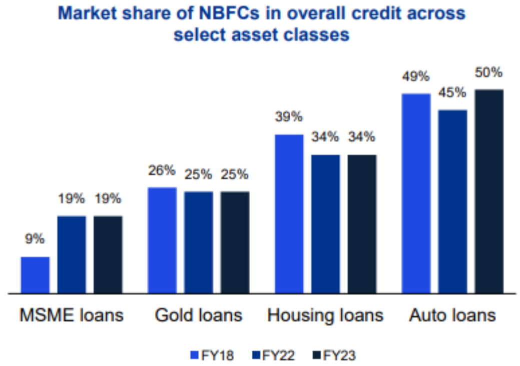


Note: P= Projected; Retail credit includes housing finance, auto finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans
Source: Press releases, RBI, accessed on 24 January 2024

In terms of asset size-wise mix, housing loans and infrastructure loans continue to account for a major chunk of the overall NBFC portfolio. Microfinance loans have increased their share from approximately 2 per cent to 3 per cent between FY19 and FY233. Housing and infrastructure loans are expected to maintain their share in overall NBFC credit. In addition, auto loans, personal loans, MSME loans and microfinance loans are expected to perform better as compared to other segments in FY24.



Source: Press releases, RBI, accessed on 24 January 2024



Source: Press releases, RBI, accessed on 24 January 2024

1. Indian economy outperforming peers, The Hindu, accessed on 24 January 2024
2. Press releases, RBI, accessed on 24 January 2024
3. Crisil MI&A, accessed on 24 January 2024
4. NBFCs, IBEF, accessed on 24 January 2024

Source: ***https://assets.kpmg.com/content/dam/kpmg/in/pdf/2024/02/nbfcs-in-india-growth-and-stability.pdf***

GOLBAL ECONOMY

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks' generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises.

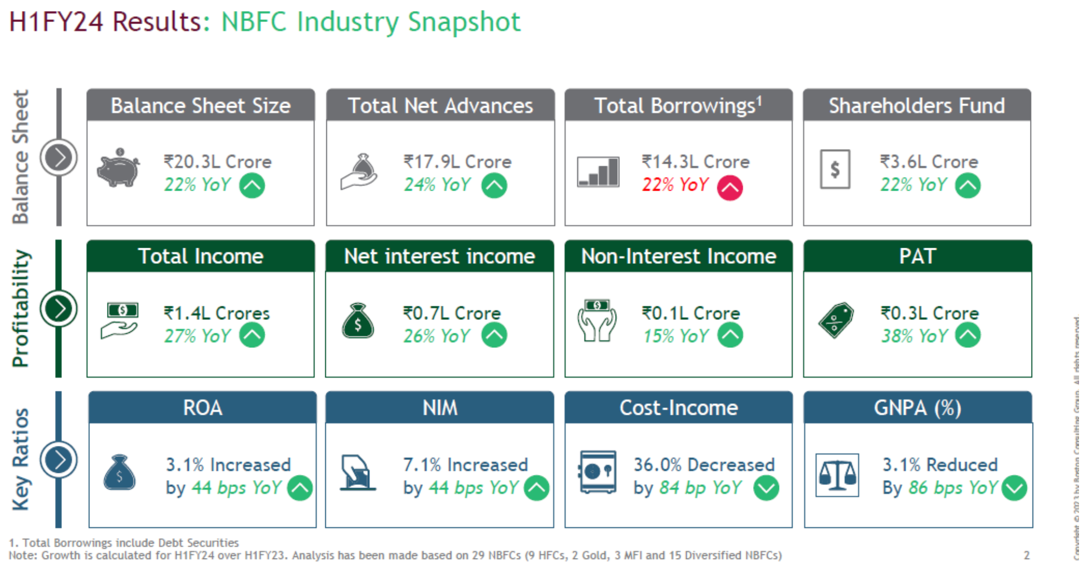
The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure. Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist.

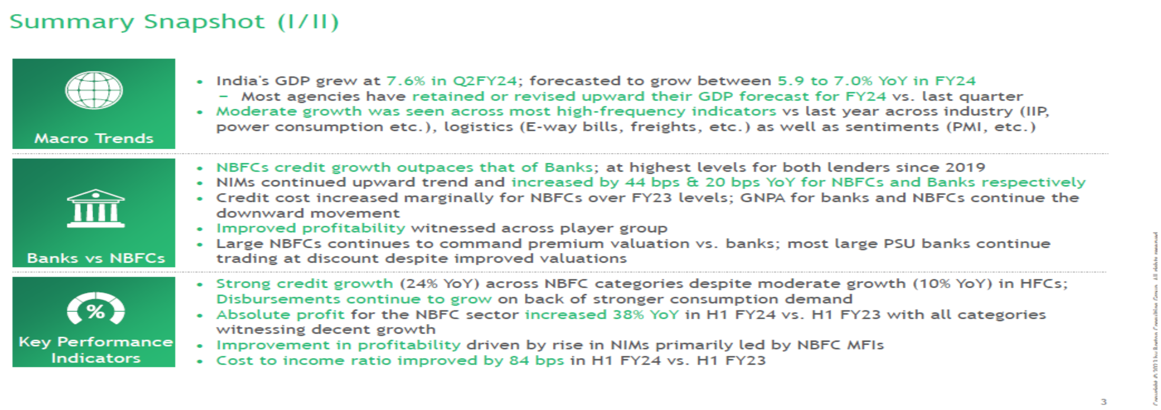
Financial Service industry in India

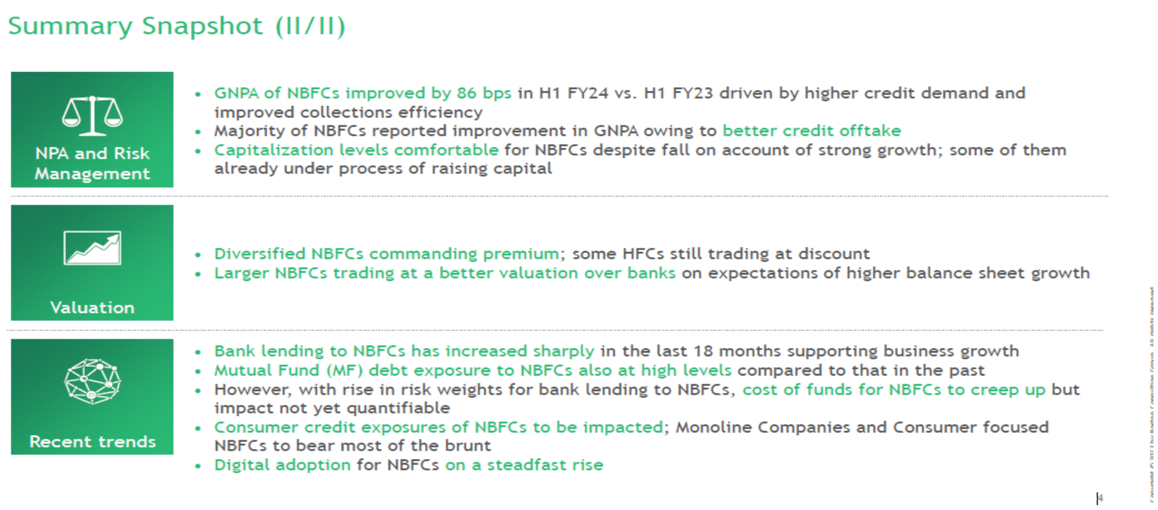
Source: https://www.ibef.org/industry/financial-services-india

India has a diversified financial sector undergoing rapid expansion both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system. The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

Source: www.bcg.com

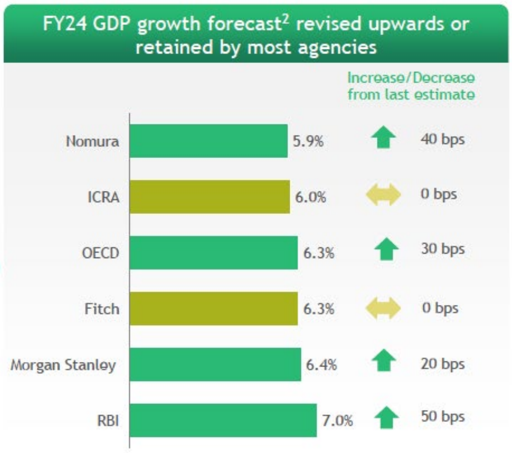






Macro indicators

FY24 GDP forecasted to grow between 5.9 - 7.0% YoY

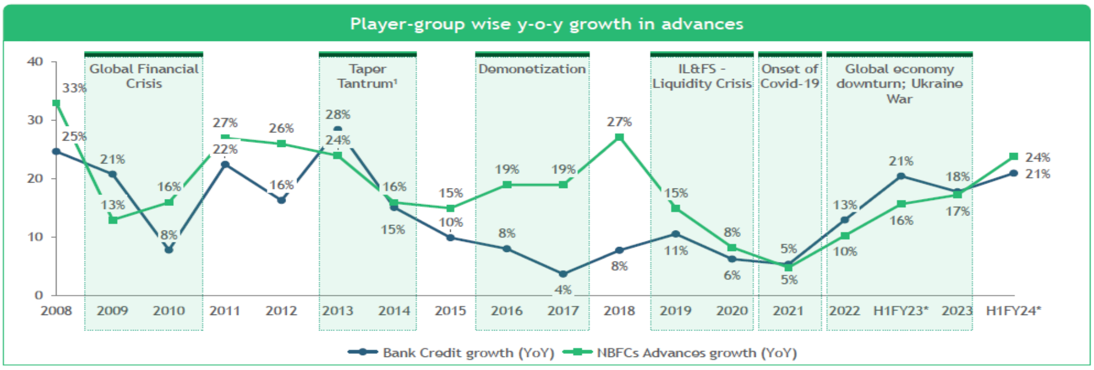


1. GDP growth for FY24 and Q2FY24 are based on estimates; 2: Forecast as of December 8, 2023
Note: Upper-limit has been included where agencies reported forecast range. Latest forecasts considered in case of revision by agency within same month;
Source: Analyst reports, BCG analysis

6

Key Performance Indicators - Banks & NBFCs

NBFCs credit growth outpaces Banks credit growth in H1FY24

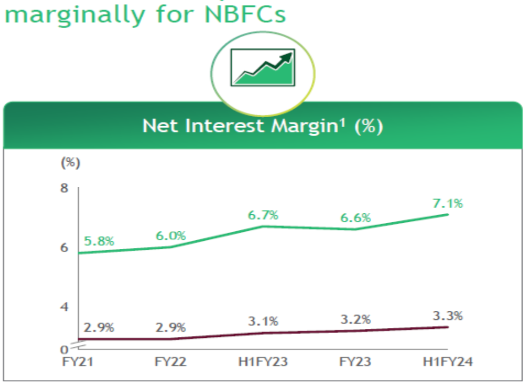


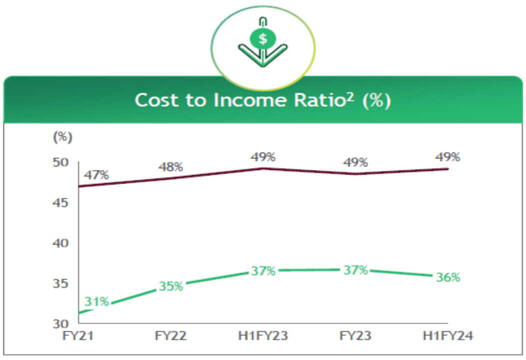
1. Taper Tantrum crisis of 2013 refers to foreign investors pulling out money from equities and bonds in emerging markets as a reaction to US Fed announcement of reducing/ceasing its bond purchase program; this led to a tightening of liquidity available in the market, impacting both banks & NBFCs
Note: Analysis has been made based on 31 NBFCs (10 HFCs, 2 Gold, 3 MFI and 16 Diversified NBFCs) and 35 Banks (12 PSU, 10 Private-New, 9 Private-old banks and 4 Small Finance Banks)
*For H1FY23 and H1FY24, HDFC ltd and Shriram City Union have been excluded
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis

10

Key Performance Indicators - Banks & NBFCs

NIMs continue upward trend in H1 FY24 while CIR stabilized and improved marginally for NBFCs



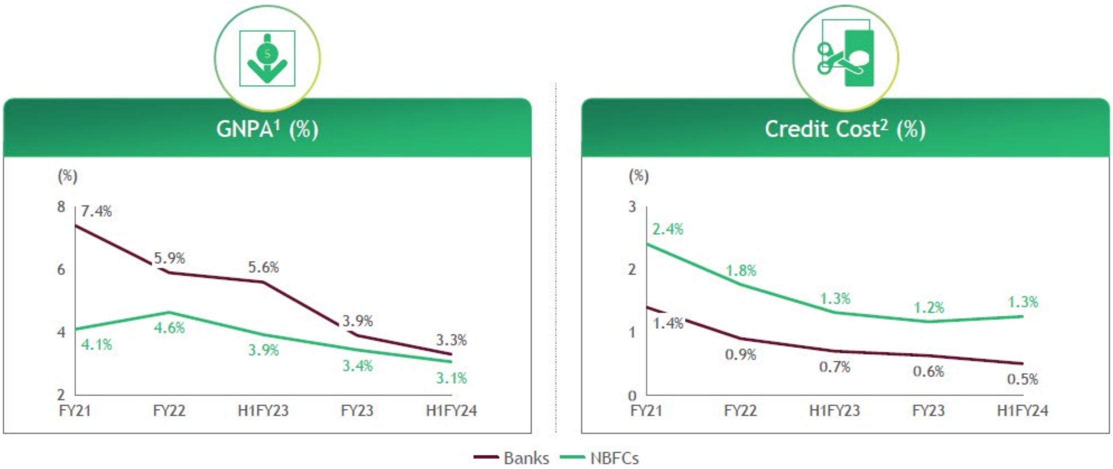


Banks NBFCs

1. NIM is calculated as (Interest Income - Interest Expense)/Average Assets 2. Cost to Income is calculated as Operation expense/(net interest income + other income)
Operation Expense excludes "Net loss on fair value changes", "Net loss on derecognition of financial instruments under amortized cost category", "Net Transaction Exchange Loss" and/or "Loss/write-off on Repossessed Assets and Assets acquired in satisfaction of debt" ; NIM has been annualized
Note: Analysis has been made based on 29 NBFCs (9 HFCs, 2 Gold, 3 MFI and 15 Diversified NBFCs) and 35 Banks (12 PSU, 10 Private-New, 9 Private-old banks and 4 Small Finance Banks)
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis

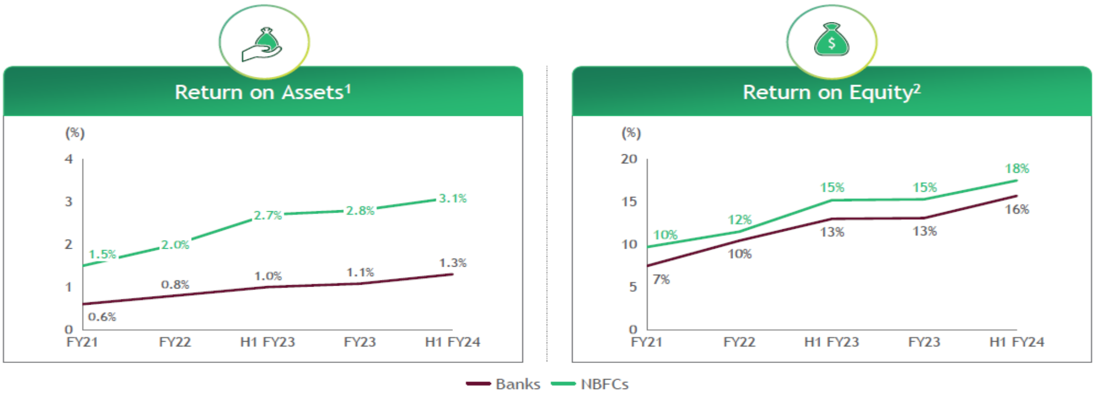
11

Improvement in asset quality across Banks and NBFCs; Credit cost up marginally for NBFCs while improving for Banks



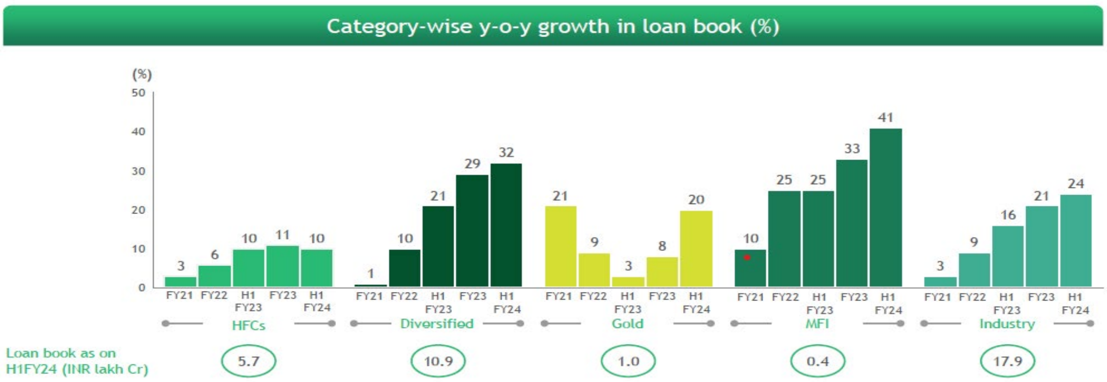
1. GNPA for NBFC has been calculated based on weighted average on total advances 2. Credit Cost is calculated as provision and contingencies/average assets & have been annualized
Note: Analysis has been made based on 29 NBFCs (9 HFCs, 2 Gold, 3 MFI and 15 Diversified NBFCs) and 35 Banks (12 PSU, 10 Private-New, 9 Private-old banks and 4 Small Finance Banks)
Source: Quarterly Results, Investor Presentation, Annual Report, RBI, BCG Analysis

Improvement in profitability for both Banks & NBFCs on account of higher yields

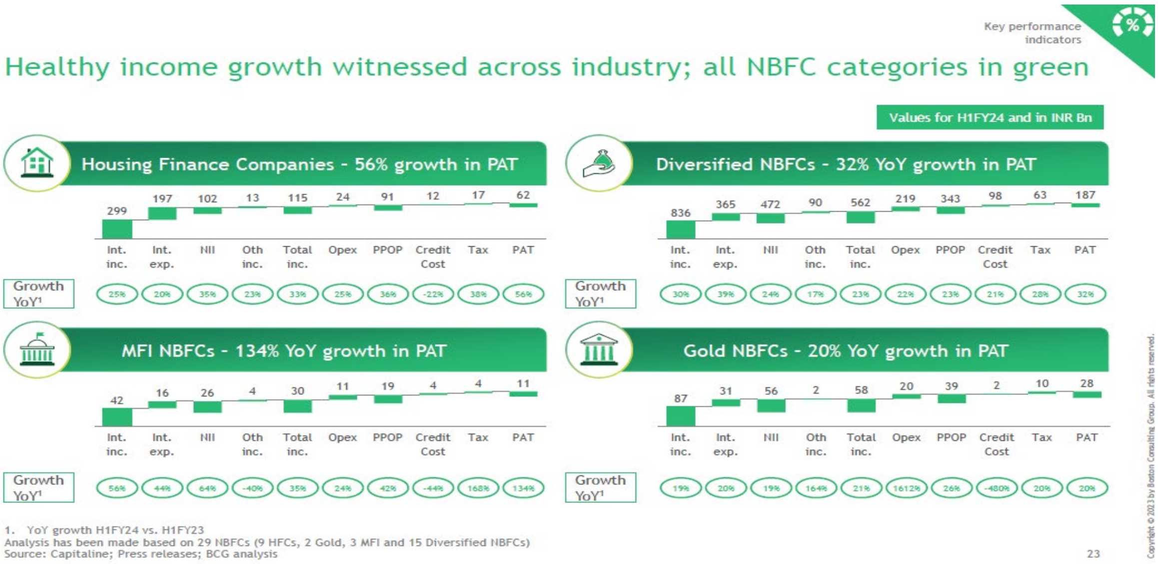


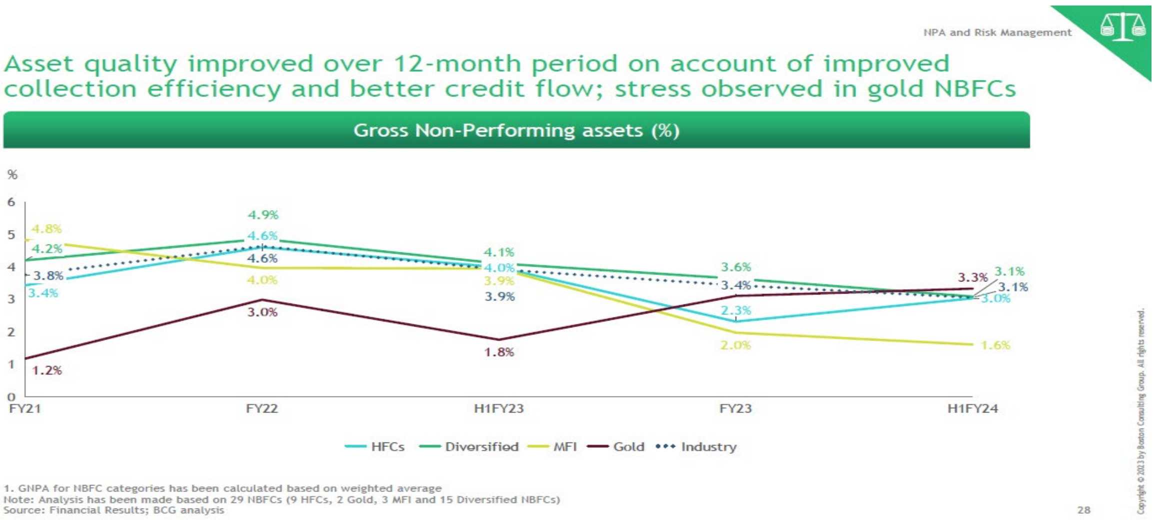
1. Return on Assets is calculated as net profit/average assets 2. Return on Equity is calculated as net profit/average shareholders' fund
Note: Analysis has been made based on 29 NBFCs (9 HFCs, 2 Gold, 3 MFI and 15 Diversified NBFCs) and 35 Banks (12 PSU, 10 Private-New, 9 Private-old banks and 4 Small Finance Banks); Both ROA and ROE have been annualized
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis

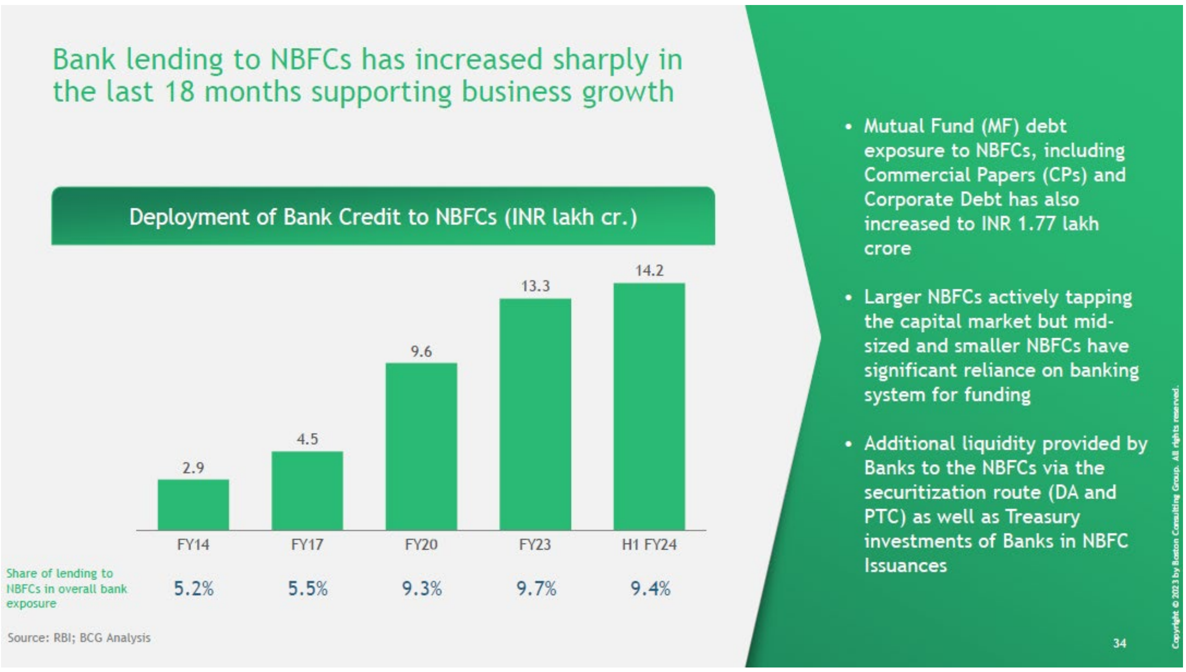
Strong business momentum observed across NBFCs in the last 12 months; only HFCs grew moderately at 10% YoY in H1 FY24



Note: Analysis has been made based on 29 NBFCs (9 HFCs, 2 Gold, 3 MFI and 15 Diversified NBFCs); Growth of H1FY24 calculated over H1FY23
Mismatch from chart in slide 11 on account of no. of NBFCs considered for analysis
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis







Source: RBI & BCG Analysis

Feeble and Uneven Growth

Baseline Scenario

The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, 0.1 percentage point lower than predicted in the January 2023 WEO Update (Table 1.1), before rising to 3.0 percent in 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. Compared with the January 2022 WEO Update forecast, global growth in 2023 is 1.0 percentage point lower, and this growth gap is expected to close only gradually in the coming two years.

The baseline prognosis is also weak by historical standards. During the two pre-pandemic decades (2000–09 and 2010–19), world growth averaged 3.9 and 3.7 percent a year, respectively.

For advanced economies, growth is projected to decline by half in 2023 to 1.3 percent, before rising to 1.4 percent in 2024. Although the forecast for 2023 is modestly higher (by 0.1 percentage point) than in the January 2023 WEO Update, it is well below the 2.6 percent forecast of January 2022. About 90 percent of advanced economies are projected to see a decline in growth in 2023. With the sharp slowdown, advanced economies are expected to see higher unemployment: a rise of 0.5 percentage point on average from 2022 to 2024.

For emerging market and developing economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On average, growth is expected to be 3.9 percent in 2023 and to rise to 4.2 percent in 2024. The forecast for 2023 is modestly lower (by 0.1 percentage point) than in the January 2023 WEO Update and significantly below the 4.7 percent forecast of January 2022. In low-income developing countries, GDP is expected to grow by 5.1 percent, on average, over 2023–24, but projected per capita income growth averages only 2.8 percent during 2023–24, below the average for middle-income economies (3.2 percent) and so below the path needed for standards of living to converge with those in middle-income economies.

	2000-2008	2011-2019	2021	2022	2023	2024	2024-2029	2030-2035
United States	2.4	2.2	5.9	2.1	0.7	0.4	1.7	1.6
Europe	2.3	1.6	5.5	3.5	0.6	1.0	0.9	0.8
Euro Area	2.1	1.2	5.1	3.3	0.8	1.0	0.8	0.7
Germany	1.5	1.7	2.6	1.8	−0.1	0.9	1.0	1.0
Italy	1.2	0.1	7.0	3.8	1.1	0.7	0.0	−0.2
France	1.9	1.4	6.8	2.6	0.8	1.2	1.1	1.0
United Kingdom	2.3	2.0	7.6	4.1	0.2	0.8	1.0	0.9
Japan	1.1	0.9	2.2	1.0	1.0	0.8	0.6	0.5
Other Mature Economies	4.0	2.8	5.6	2.8	1.3	2.0	2.6	2.2
Mature Economies	**2.4**	**1.9**	**5.4**	**2.7**	**0.8**	**0.9**	**1.4**	**1.3**
China	10.4	7.3	8.1	3.0	5.1	4.7	4.4	4.1
India	7.1	6.8	9.0	6.8	5.0	4.8	4.7	4.3
Other Developing Asian Economies	5.2	5.0	3.8	5.6	3.8	3.8	3.6	3.4
Latin America	3.4	1.2	6.9	3.7	1.0	1.3	1.7	1.6
Brazil	3.8	0.8	5.3	3.0	0.9	1.3	1.5	1.3
Mexico	2.2	2.4	4.9	3.1	2.4	1.0	1.9	1.5
Middle East & North Africa	4.9	3.1	4.8	5.6	2.7	3.9	2.4	2.5
Gulf region	5.2	3.7	3.3	8.2	2.0	4.7	2.4	2.6
Sub-Saharan Africa	5.9	3.6	4.7	3.6	3.0	3.0	3.5	3.5
Russia, Central Asia and SE Europe	6.5	2.8	6.8	−0.6	0.6	2.4	1.8	1.7
Russia	7.0	1.8	4.6	−1.6	−0.2	0.8	0.4	0.3
Turkey	5.0	5.6	11.6	5.4	1.5	2.3	3.1	2.9
Emerging Markets and Developing Economies	**6.3**	**4.8**	**6.9**	**3.8**	**3.6**	**3.8**	**3.6**	**3.4**
World	**4.0**	**3.3**	**6.2**	**3.3**	**2.3**	**2.5**	**2.6**	**2.6**
Addenda								
China (Alternative)	8.9	5.7	8.0	NA	NA	NA	3.0	2.8
India (Fiscal Year)	6.1	6.4	9.1	7.0	4.9	4.6	NA	NA

Regions are aggregated based on nominal GDP in international dollars (PPP converted); For China (Alternative), See Harry Wu, China's Growth and Productivity Performance Debate Revisited—Accounting for China's Sources of Growth with a New Data Set, The Conference Board, 2014. The data was updated and revised in April 2022 and the historical data series are available through The Conference Board Total Economy Database.

Source: The Conference Board Global Economic Outlook, May 2023 • Created with Datawrapper

The road ahead for non-banks to take lead on sustainability

NBFCs are uniquely placed in the Indian financing setup unlike the banks which focus on funding largescale infrastructure projects. Given this flexibility on the ticket size as well as risk profiles, there is no shortage of avenues. For instance, financing climate and transition funding across MSMEs and startups, or segments such as EVs or niche products for clean tech equipment manufacturing. This offers NBFCs a compelling advantage to invest in green product development to cater to nuanced loan structures and financing for the sustainable shift. For instance, a sustainability-linked loan (SLL) with an interest rate linked to performance indicators such as a reduction in emissions and an increase in direct employment. Similarly, a moderately and competitively priced loan for greater offtake in mass-consuming segments such as EVs.

Opportunities and levers for business growth for NBFCs

NBFCs have various ways to grow their business, including obtaining affordable loans from multilateral development banks and using blended finance instruments to access concessional capital. Additionally, NBFCs can transform their operations by utilising digital tools and resources, which not only reduces their environmental impact but also improves governance and resource management. Overall, opportunities and sustainability are important drivers for growth in the NBFC sector and being innovative and ahead of the curve will lead to success in the market.

OVERVIEW OF NBFCS' CREDIT

1. **Introduction**

The Indian banking industry is classified into scheduled and non-scheduled banks. Banks that are included in the Second Schedule to the Reserve Bank of India Act, 1934 are called scheduled banks. These banks are then further classified into scheduled commercial banks ("SCBs") and scheduled co-operative banks. SCBs are banks that are permitted to conduct the normal business of banking, which entails collecting deposits, sanctioning loans and offering other banking services. SCBs are further divided into Public Sector Banks ("PSBs"), Private Banks ("PVBs"), Foreign Banks and Regional Rural Banks ("RRBs").

Apart from SCBs, there are non-banking financial companies ("NBFCs") that also play an important role in the Indian financial system by complementing and competing with banks, and by promoting efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality and profitability, and regulatory architecture.

NBFCs can be classified on the basis of
a) asset/liability structures;
b) systemic importance; and
c) the activities they undertake, according to the RBI.

In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs ("NBFCs-D") - which accept and hold public deposits - and non-deposit taking NBFCs ("NBFCs-ND") - which source their funding from markets and banks. Among NBFCs-ND, those with asset size of Rs. 5 billion or more are classified as non-deposit taking systemically important NBFCs ("NBFCs- ND-SI"). As on July 31, 2022, there were 49 NBFCs- D and 415 NBFCs-ND-SI, according to RBI.

Since NBFCs cater to niche areas, they are also categorised on the basis of activities they undertake. Up until February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonized by the RBI in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies ("AFCs"), loan companies ("LCs") and investment companies ("ICs") were merged into a new category called Investment and Credit Companies ("NBFC-ICC"). Additionally, account aggregators has been added as category of NBFCs. At present, there are 12 categories of NBFCs in the activity- based classification.

Types of NBFCs

Type of NBFC	Nature of activity / Principal business
Investment and Credit Company (ICC)	Lending and investments.
Infrastructure Finance Company (IFC)	Providing loans for infrastructure development.
Infrastructure Debt Fund (IDF)	Facilitate flow of long-term debt to infrastructure projects.
Core Investment Company (CIC).	Investment in equity shares, preference shares, debt, or loans of group companies.
NBFC- Micro Finance Institution (NBFC-MFI)	Collateral free loans and advances to small borrowers.
NBFC - Factor	Factoring business i.e., financing of receivables.
Non-Operative Financial Holding Company (NOFHC)	For setting up new banks in private sector through its promoter/promoter groups.
Mortgage Guarantee Company (MGC)	Providing mortgage guarantees for loans.
Asset Reconstruction Company (ARC)	Acquiring and dealing in financial assets sold by banks and financial institutions.
Peer-to-Peer Lending platform (P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds
Account Aggregator (AA)	Collecting and providing information about a customer's financial assets in a organised and retrievable manner to the customer or others as specified by the customer.
Housing Finance Company (HFC)	Financing for housing.

Source: RBI, CareEdge Research

In October 2021, RBI decided to classify NBFCs based on size and risk perception using Scale Based Approach – The Filtering Process by segregating NBFCs into four categories namely NBFC Base Layer (BL), NBFC Middle Layer (ML), NBFC Upper Layer (UL), and NBFC Top Layer (TL).

Classification of NBFCs

NBFC BL	NBFCs with asset size of not more than Rs. 10 billion, Type 1 NBFC, Peer to Peer (P2P), Account Aggregator (AA), and Non-Operative Financial Holding Company (NOFHC)
NBFC ML	NBFC-ND that are systematically important (SI) having an asset size of less than Rs. 10 billion and also NBFC-HFCs, IFCs, IDFs, CICs, and Standalone Primary Dealers irrespective of their asset size
NBFC UL	Top NBFCs to be filtered based on their size & leverage, inter-connectedness, complexity, and superior inputs (including group structure, liability mix, and segment penetration).
NBFC TL	Top Layer will remain empty unless RBI takes a view on specific NBFCs in the Upper Layer

Additionally, Investment and Credit Companies (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factors and Mortgage Guarantee Companies (NBFC-MGC) that can be classified under any layer of the regulatory structure depending on the parameters of the scale based regulatory framework. Government owned NBFCs can only be classified under base layer or middle layer.

Further, as per RBIs notification as on October 11, 2022 titled "Multiple NBFCs in a Group: Classification in Middle Layer". NBFCs that are part of a common Group or are floated by a common set of promoters are required to be viewed on a consolidated basis. For the consolidation of assets of the NBFCs in a Group, the total assets of all the NBFCs in a Group shall be consolidated to determine the threshold for their classification in the Middle Layer.

Recognition of NBFCs in Upper Layer:

NBFC categorization is based on an annual review. The paper recognizes two parameters; quantitative and qualitative:

• The quantitative parameters will have 70% weightage.
• The qualitative parameters will have 30% weightage.

The table below represents quantitative and qualitative parameters as proposed:

Parameter	Sub-parameter	Sub weight	Weights
Quantitative Parameters (70%)			
Size & Leverage	Size: Total exposure (on-and off-balance sheet) Leverage: total debt to total equity	20+15	35
Interconnectedness	i) Intra-financial system assets: – Lending to FIs – Securities of other FIs – Mark to market REPO – OTC derivatives ii) Intra-financial system liabilities –Borrowings from FIs – Marketable securities issued by the finance company to FI – Mark to market OTC derivative with FIs iii) Securities outstanding (issued by NBFC)	10 10 5	25
Complexity	i) Notional amount of OTC derivatives – CCP centrally – Bilateral OTC ii) Trading and available for sale securities	5 5	10
Qualitative Parameters/Supervisory inputs (30%)			
Nature and type of liabilities	– Degree of reliance on short term funding – Liquid asset ratios – Callable debts – Asset-backed funding Vs. other funding – Asset liability duration and gap analysis – Borrowing split (secured debt, CCPS, CPs, unsecured debt)	10	30
Group Structure	– Total number of entities – Total number of layers – Total intra-group exposure	10	
Segment Penetration	Importance of NBFC as a source of credit in a specific segment or area	10	

Source: RBI, CareEdge Research

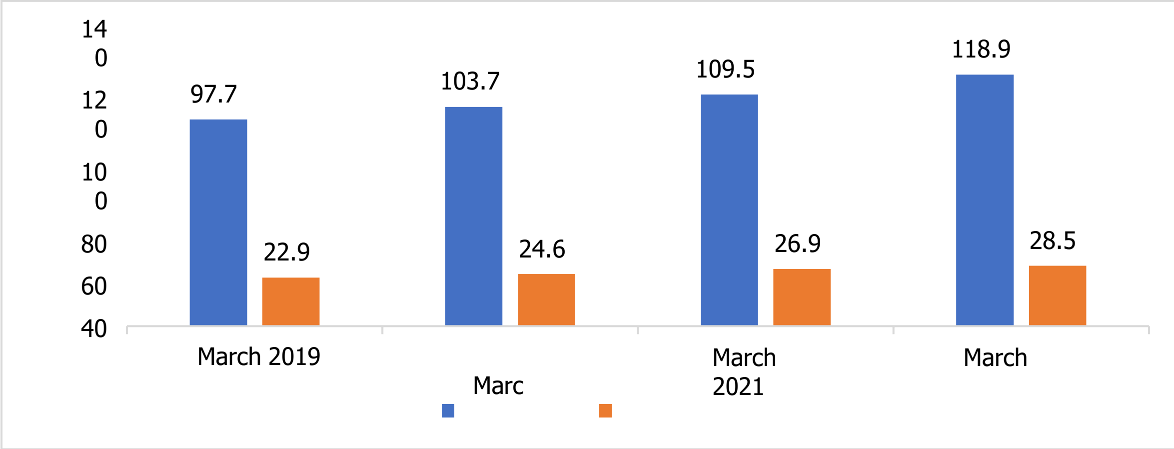
Further, as per RBI's notification as on June 06, 2022 titled "Provisioning for Standard assets by Non-Banking Financial Company – Upper Layer". NBFCs classified as NBFC-UL shall maintain provisions in respect of 'standard' assets at the following rates for the funded amount outstanding:

Category of Assets	Rate of Provision
Individual housing loans and loans to Small and Micro Enterprises (SMEs)	0.25%
Housing loans extended at teaser rates	2%, which will decrease to 0.4% after 1 year from the date on which the rates are reset at higher rates (if the accounts remain'standard')
Advances to Commercial Real Estate – Residential Housing (CRE - RH) Sector	0.75%
Advances to Commercial Real Estate (CRE) Sector (other than CRE-RH)	1%
Restructured advances	As stipulated in the applicable prudential norms for restructuringof advances
All other loans and advances not included above, including loans to Medium Enterprises	0.4%

1.2. Credit growth of SCBs and NBFCs

Credit disbursed by SCBs and NBFCs is broadly classified into two parts – food and non-food credit. Food credit accounts for a fraction of total credit disbursed. Non-food credit makes up close to 99% of total credit extended by SCBs and NBFCs and the movement in overall credit growth therefore hinges on the movement in non-food credit growth.

SCBs' and NBFCs' Credit Deployed

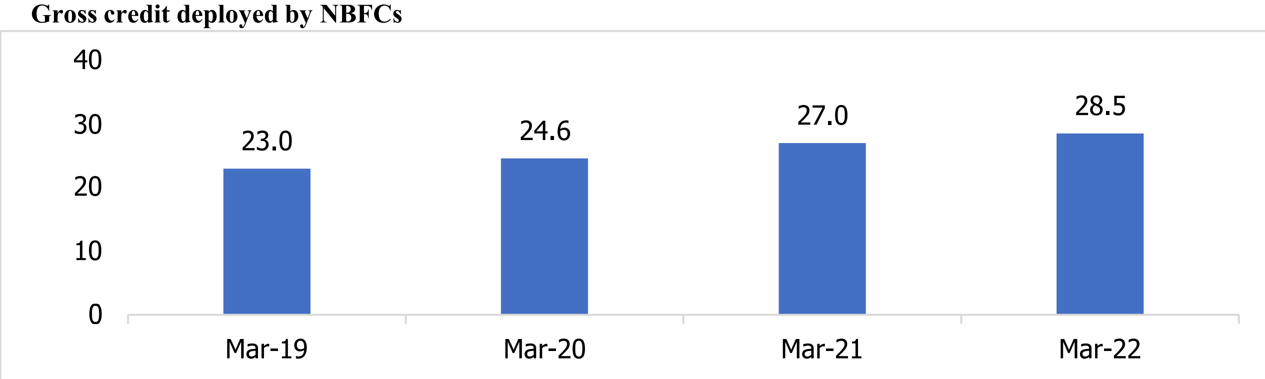


Source: CMIE, RBI, CareEdge Research, Data are provisional

Bank credit growth, including food and non-food credit growth, witnessed a slowdown in Fiscal 2020 on accountof a gradual slowdown in the economy and the resultant fall in demand. Credit growth declined to 6.1% as of March 2020. The outbreak of COVID-19 led to a further easing of credit growth to 5.6% as of March 2021. Following the end of COVID-19-related lockdowns, the credit growth registered a pick up and ended Fiscal 2022at Rs. 118.9 trillion, 8.6% higher than at end of Fiscal 2021.

A default in debt repayments by a large NBFC in India in 2018 led to heightened investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This led to some tightening in liquidity available to certain NBFCs and, as a result, it become more difficult for certain NBFCs to access debt and raise equity capital. NBFCs recorded a similar trajectory in their credit growth over the past three years. NBFCs' credit grewby 9.6% in Fiscal 2021, it moderated to 5.6% as of March 2022 over March 2021. CareEdge Research believes that the moderation was partly due to caution on the part of NBFCs in deploying credit while maintaining asset quality, and largely due to the second wave of the pandemic, which impacted rural and semi-urban India – and this demographic group forms the large chunk of NBFCs' customer base.

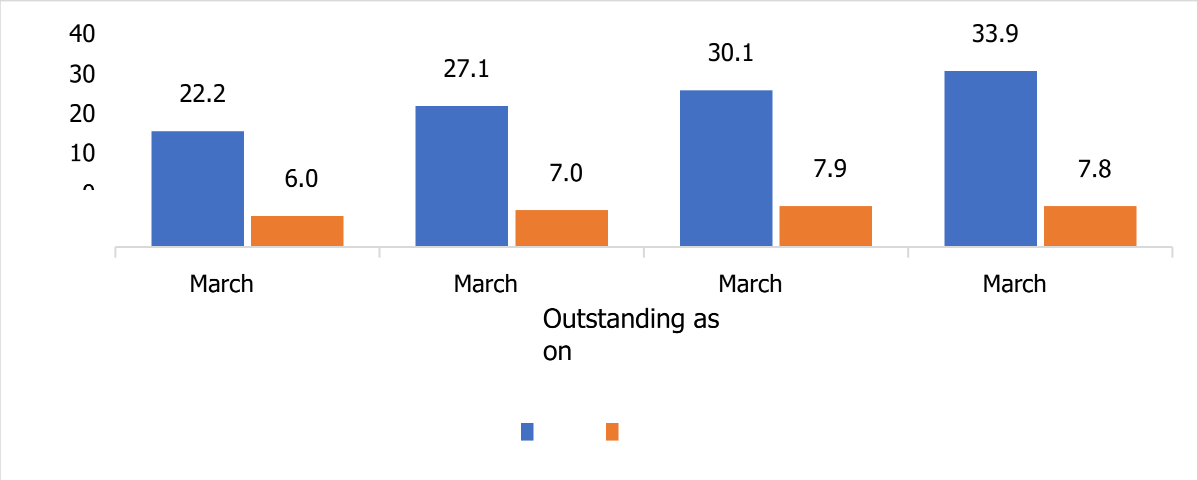
Gross credit deployed by NBFCs



Source: CMIE, RBI, CareEdge Research

To maintain the asset quality post the moratorium in the first half of FY22, NBFCs were more cautious while deploying any fresh credit, which led to a slight decline in NBFCs' total credit deployed. As of March 2022, NBFCs' credit deployed reached Rs. 28.5 trillion, this increase was on account of ramp-up in economic activity, improved liquidity and strong balance sheets coupled with high provisions, which supported the asset quality andcredit growth for NBFCs.

Retail Credit portfolio of SCBs & NBFCs



Source: CMIE, RBI, CareEdge Research

As of March 2022, retail credit was approximately 26% of NBFCs' gross credit deployed and nearly 29% of SCBs' gross credit deployed. Banks and NBFCs are shifting their focus towards retail lending due to an increase in demand for retail credit. There has been a shift in consumer behaviour towards borrowing, consumers want to create a better standardof living and are ready to borrow personal loans to fulfil those needs.

1.3. Growth Drivers

Last mile financing & unbanked population

NBFCs have a strong presence in unorganized and under-served areas where banks may not have a strong foothold. This is on account of the absence of necessary infrastructure of banks in these areas as well as an aversion on the part of banks to disburse loans to smaller companies. The ease of internet access and affordable data packs have not only contributed to increased spending and demand for retail credit from these areas, but have also increased the potential consumer base of NBFCs.

Focus on informal customer base

Traditional banks may not be very keen on lending to retail borrowers from semi-urban and rural areas or small companies with weaker credit scores and lack of documentation, when compared to larger borrowers. However, in terms of volume, the number of potential customers in this category is higher and NBFC have created niche segment by having customized credit assessment method based on cash flow assessment and field verification. This gives NBFCs an opportunity to extend credit to the financially weaker set of customers, a growing customer base in the informal customer segment opens up avenues for NBFCs' growth.

Technological adoption and Co-lending arrangements:

NBFCs deploy technological solutions to develop innovative products and lower operational costs. Since NBFCs are fairly new in the financial landscape as compared to most banks, they are more agile and better positioned to leverage technology to enhance their reach while increasing efficiency.

NBFCs also partner with various alternative financiers and commercial banks, which enables them to diversify their income avenues and reach their targeted customer base through different channels.

Shift in buying behaviour

Over the years, there has been significant change is perception of consumers towards borrowing. With the need to improve lifestyle, more and more people especially the younger population are moving towards borrowing to attain a certain standard of living.

Rising demand from retail customers

Retail borrowers accounted for around 26% of total credit disbursed by NBFCs as on 31 March 2022, as per data published by the RBI. Along with being a significant chunk of the customer base of NBFCs, the retail segment has shown a consistent growth in credit demand throughout the pandemic. Going forward, CareEdge Research believes that the demand for consumer durables, consumption of services, home loans and gold loans are likely to support the growth in retail demand and, consequently, aid in the new business of NBFCs.

Increased demand from MSME and agriculture

Favourable Government policies aimed at boosting agriculture, small-scale industries and consumption are likely to act as long-term growth catalysts in improving demand for MSME and agricultural credit. The "Make in India", "Start-up

India" initiatives, for example, are likely to support industrial activity and contribute to the demand for credit from NBFCs. As on 28 November 2022, more than 12,244,823 micro, small and medium enterprises (MSMEs) have registered on the Udyam portal, of which 11.778,071 are micro enterprises; 427,267 are small enterprises; and 39,485 are medium enterprises. Micro and small enterprises represent 99.7% of the total registered MSMEs as of 28 November 2022. The coverage of the formal banking system in MSMEs still remains low, which provides a major opportunity to NBFCs to expand their reach.

1.4. Distribution between segments

The industry sector has remained the largest recipient of credit extended by NBFCs followed by retail loans, services, other non-food credit, and agriculture & allied activities. Following the IL & FS crisis, NBFCs' exposure to the manufacturing declined, as per data published by RBI, as NBFCs were facing liquidity crunch and were hesitant to deploy long term credit to industry. However, after recovering from the IL & FS crisis and the impact of the COVID- 19 pandemic, NBFCs have improved liquidity and stronger balance sheets. NBFCs have increased the amount of credit deployed to industry on account of an improved demand for credit amid the reopening of the economy and resumption of manufacturing activities.

While NBFCs' credit to industry is growing, their credit to services is declining majorly on account of the decline in credit to the commercial real estate sector and retail trade. The commercial real estate sector and the retail trade sector were highly impacted during the COVID-19 pandemic as the nationwide lockdown halted construction activities and the movement of people and goods.

1.5. Outlook

Assets under management of NBFCs is expected to be increase in Fiscal 2024 driven by an increased focus on extending credit to customers belonging to segments where the penetration of bank credit is low, ease of access to internet and investments made in technology infrastructure due to the COVID-19 pandemic. In terms of segmental growth, the retail segment to continue its growth momentum, while credit to industry will likely remain a laggard.

NBFCs are shifting their focus towards retail financing, which is anticipated to show a healthy growth with a pick-up in economic activity and increased penetration of financial institutions providing convenient financing options to borrowers.

The retail segment comprises vehicle loans, consumer durable loans, advances against golds, real estate loans and other such individual loans. The retail segment is likely to significantly contribute to NBFCs' growth, especially in case of housing loans and vehicle loans. These segments are likely to continue their growth momentum on the back of steady demand. Growth in vehicle segment is anticipated to see growth on the back of automotive industry's growth.

Gold loans are a highly secured and liquid asset class that generates high returns with minimal credit losses and encourages financial institutions to extend their credit towards gold loans. The rise in the price of gold amidst geopolitical unrest, a large geographic reach and the fast turnaround time on loan application, the demand for gold loans to fund the working capital of micro enterprises and an individual's personal requirements will grow.

The real estate financing will grow with the sustained demand for affordable housing. However, the hike in interest rates and high property prices will continue to be a key monitorable for the real estate finance segment as a whole.

MSME

2.1. Introduction to MSMEs

The micro, small and medium enterprises ("MSME") sector is a vibrant and dynamic sector with crucial linkages to employment. The MSME sector is considered the growth engine of the Indian economy, with significant contribution to the GDP, exports and employment generation. The sector contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture.

MSMEs are complementary to large industries as ancillary units and the sector therefore contributes significantly in the inclusive industrial development of the country. MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

In accordance with the provision of Micro, Small & Medium Enterprises Development ("MSMED") Act, 2006 MSMEs are classified as follows:

Enterprise Category	Investment in Plant & Machinery or Equipment	Annual Turnover
Micro Enterprises	Does not exceed 10 million	Does not exceed Rs. 50 million
Small Enterprises	More than Rs. 10 million but does not exceed Rs. 100 million	More than Rs. 50 million but does not exceed Rs.500 million
Medium Enterprises	More than Rs. 100 million but does not exceed Rs. 500 million	More than Rs. 500 million but does not exceed Rs.2,500 million

Number of MSMEs in India

As on 04.12.2023, as per Udyam Registration Portal, the total number of MSMEs registered since 01.07.2020 to 04.12.2023 in the country are 3,16,05,581 (including informal micro enterprises registered on Udyam Assist Platform)

Source: Udyam portal, Data as of 31st December 2023.

2.2. Credit to MSMEs

NBFCs' credit deployed to MSMEs engaged in the manufacturing sector as per RBI was on a downtrend due to a combination of weakened demand from MSMEs and nagging liquidity issues of NBFCs. NBFCs mainly deploy credit to MSMEs belonging to the services and agricultural sectors. In comparison, bank credit to MSMEs witnessed a consistent growth.

The credit extended towards MSME has increased significantly as the Government encouraged banks to extend credit to MSMEs and aid them to buffer the effects of the COVID-19 pandemic. As micro and small enterprises were more vulnerable, the credit towards them during the pandemic increased significantly, as per data published by the RBI. On the other hand, medium enterprises were able to buffer the effects of pandemic to a certain extent. Although the credit towards medium enterprises increased over the previous Fiscal year, the growth was moderate compared to growth in credit extended to micro and small enterprises.

2.3 Share of Banks & Non-Banks in MSME lending

Share of banks & NBFCs in MSME lending

Note: The credit exposure for MSMEs is NBFCs and SCBs credit exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' only.

The MSME sector is underpenetrated by NBFCs and there is a huge unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a huge opportunity in MSME lending.

2.4. Asset Quality Trends for Banks

MSMEs have poor financial muscle and were severely impacted by the COVID-19 pandemic. Since most MSMEs operate in the manufacturing sector, the nationwide lockdown, which impacted production as well as demand, caused increased stress to MSMEs. Additionally, MSMEs likely witnessed delayed payments on orders serviced and the inability to adopt digitization or accommodate higher costs on social distancing and limited workforce impaired

MSMEs’ operations. Many went out of business and some struggled to tide over the crisis with cash flow issues, which translated into a strain on their ability to repay banks.

2.5. Outlook

The MSME sector is the driving force of the Indian economy and has major potential to spread industrialization across the economy. However, this sector is small in terms of scale of operations, business size. MSMEs employ a large number of people making the sector a key contributor to the economic development of the country. The sheer number of work force engaged also results in this sector receiving Government support and benefits.

Apart from Government initiatives, the improved use of digital solutions adopted during the pandemic (such as easy payments and marketing through digital platforms) increased demand for finished products have strengthen the MSMEs and resulted in recovery of their business.

The MSME sector is expected to help India achieve its goal of becoming a USD 5 trillion economy by 2025 and in order to achieve this goal, MSMEs have to generate employment opportunities, improve performance, transform their business operations and carry out technology-based production and invest in research and development activities. In addition to this, MSMEs are expected to contribute more than 40% of India’s nominal GDP by Fiscal 2025 for which it will require immense support from the Government, institutions and banks.

BUSINESS

*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 the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read "**Risk Factors**" beginning on page 20 of this Draft Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition or results of operations, you should read restated "**Financial Statements**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 89 and 171, respectively of this Draft Letter of Offer. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.*

Overview and History

Our Company was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 07, 2003. However, RBI has issued new certificate of registration dated August 24, 2017 bearing No. B-14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934 in the name of the Advik Capital Limited.

In the beginning of year 2010, our Company underwent change of Control in terms of Regulation 12 of Securities Exchange Board of India (Substantial Acquisition and Takeover of Shares) Regulation, 1997. Pursuant to the change of Control, Mr. Virendra Kumar Aggarwal and Mr. Rishab Kumar Aggarwal became Promoter of the Company.

In year same year 2010, pursuant to scheme of amalgamation, under section 391 (2) and 394 of the Companies Act, 1956, approved by Hon'ble High Court of Delhi, our Company was amalgamated with Du-Lite Safety Services Private Limited which was engaged in the business of trading of electrical and safety devices.

Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Further, the Company procured a Certificate of Registration from Reserve Bank of India as a Non-Banking Financial Company on August 24, 2017 in the new name.

Thereafter, promoters Mr. Virender Agarwal and Mr. Shakul Kumar Agarwal entered into a Share Purchase Agreement on May 18, 2022 with Mr. Vikas Garg, Mrs. Seema Garg (Acquirers) and Ms. Sukriti Garg (PAC), to sell their entire stake in Advik Capital Limited ("the Company"). Afterward, an Open Offer was made by the Acquirers to acquire upto 26% of the total Voting Shares of the Company from public shareholders vide Letter of Offer dated February 06, 2023.

Pursuant to the completion of the said open offer, and the Share Purchase Agreement, the Company was acquired by Mr. Vikas Garg, Mrs. Seema Garg (Acquirers) and Ms. Sukriti Garg (PAC)) and they took over as Promoters and Promoter Group of the Company.

Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services related to the said business activities.

The Company works under the guidance of our Promoter and Director, Mr. Vikas Garg, who has an experience of more than 25 Years in the Business Industry. He has been instrumental in evolving our business operations, growth and future prospects.

The Company has submitted Expression of Interest for Acquisition of ARC (Asset Reconstruction Company) to carry on the Business of Securitisation or Assets Reconstruction under SARFAESI Act.

The Company as an RBI registered NBFC has firmed up its plan to apply for licence for Alternative Investment Fund Category – II (AIF) with SEBI Alternative Investment Fund Regulations.

The Company, as a part of its long-term business strategy and to expand its business interest in diverse verticals, towards a Systematically Important NBFC, with elongated financial strength, having net-worth of approx. Rs. 1100 million and total assets of approx. Rs. 2000 million.

Our consolidated revenues from operations for Fiscals 2024, 2023 and 2022 were ₹83,958.99, ₹60,428.92 and ₹4645.90 lacs, respectively.

Our consolidated EBITDA for the Fiscals 2024, 2023 and 2022 were ₹1706 lacs, ₹1603.76 lacs and ₹104.84 lacs, respectively.

Our consolidated profit after tax for Fiscals 2024, 2023 and 2022 were ₹635.62, ₹934.88 lacs and ₹44.37 lacs, respectively.

Corporate Structure

In year 2013, our Company formed a subsidiary in the name of Advik Optoelectronics Limited (CIN: U31900DL2013PLC256393) to further diversify activities of trading and manufacturing of electronic products. Presently, our Company holds 57.99% of the total issued and paid-up share capital of the Advik Optoelectronics Limited.

Advik Optoelectronics Limited is engaged in the business of manufacturing of various kinds of emergency life safety signage, evacuation system made of phosphorescent effect, photo luminescent, glow sign board, led board, led electronic board, life safety apparels, road safety signage, lights, emergency lights and equipment.

Further, in year 2022, Our Company formed a wholly owned subsidiary in the name of Advikca Finvest Limited (CIN: U65900DL2022PLC406590) to deal in the securities market and investment consultants. Presently, our Company holds 100% of the total issued and paid-up share capital of the Advikca Finvest Limited (6 Equity Shares held by the Nominees Shareholders)

Advikca Finvest Limited is engaged in the business to deal in shares, securities, right interests, obligation in movable and immovable assets of all kind, with infinite technology, advanced techniques and to acquirer, buy, sell, hold, trade, dispose of or otherwise deal in shares.

Details of our Subsidiary

Sl. No.	Name of Subsidiary	Detail of Business
1	Advik Optoelectronics Limited (CIN: 31900DL2013PLC256393)	manufacturing of various kinds of emergency life safety signage, evacuation system made of phosphorescent effect, photo luminescent, glow sign board, led board, led electronic board, life safety apparels, road safety signage, lights, emergency lights and equipment.
2	Advikca Finvest Limited (CIN: U65900DL2022PLC406590)	deals in shares, securities, right interests, obligation in movable and immovable assets of all kind, with infinite technology, advanced techniques and to acquirer, buy, sell, hold, trade, dispose of or otherwise deal in shares

Lending Policy

The standard process adopted by the company from sourcing to collection is summarised as under:

1. Credit Appraisal Process – The credit appraisals are based on;
    - Need for credit: the borrower's need for credit will be assessed, as per the context of the product segment. The intent is to ensure that the credit is targeted for use in a constructive way, to improvements to the borrower's earning or to improve the quality of life.
    - Affordability: an assessment of the borrower's ability to service the loan will be conducted in all cases. While the assessment methodology may vary across product, the intent is always to set product features such as the disbursal amount and tenure such that the loan is affordable (within the context of the product).
    - Credit rating: the borrower's credit history, and track record in managing debt, will be considered in all applications.

2. Credit Pricing - Credit will be priced after considering our cost of funds, expected credit cost and the operational cost. Pricing may be varied through the term of the loan or credit facility, based on product needs. In addition to fixed rate loans, interest rates may be floating and reset to reflect market conditions during the term of the loan.

3. Credit Approval or Denials – Credit as approved under terms of clearly documented to leave an auditable trail of credit considerations.

4. Security, insurance and charge – We may require creation of enforceable charge over the borrower's/ third party assets in favour of our Company, before the disbursement of a loan.

5. Credit Documentation – We thereafter enter into credit documentation to clearly establish the debt obligation of the borrower to our Company.

6. Credit Administration and Monitoring - We have a credit administration and monitoring framework which enables us to effectively identify and mitigate risks associated with clients' portfolios and mark such account as early stressed account and if required limit the exposure and/or accelerate the repayment schedule of the loan of such client.

7. Collections and Recoveries – We except our clients to regularly serve the interest portion and /or the principal amount; failing which we are required to move legally against such defaulting client.

Our Business Strategy

Maintain and Expand Long-term Relationships with Clients

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

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 strive to understand and anticipate any change in the expectation of our clients towards our products.

We seek to diversify our credit risk and ensure that no individual credit product contributes a large portion to our overall credit book. We believe that this mitigates the risk of concentration to any particular product or sector and helps us to manage our risk exposure in a more effective manner.

Diversify our assets and liabilities

We intend to remain diversified in our loan book by strategically focusing on adjacent high growth and profitable lending businesses and further expand our lending and other 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. As our cost of borrowings is determined by our financial discipline and business performance, we intend to source funding at competitive rates. In particular, with respect to our credit business, a decrease in cost of borrowings will enable us to price our products in a more competitive manner. We intend to further diversify and strengthen our profile, strategically adding additional funding resources.

Growth of the business through increasing geographical presence across India

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. A good reach to customers is very important in our business. Increased revenue, profitability and visibility are the factors that drive the branch network. Our strategy for branch expansion includes further strengthening our presence in various parts of India by providing higher accessibility to customers.

Our Strength

Experienced Leadership Team

Our company is managed by people who have a proven track record of delivering results & they possess the right acumen necessary in the build out phase of any organisation. Our senior management have diverse experience in various financial services and functions related to our business. We believe that the knowledge and experience of our senior and mid-level management team members provides us with a significant competitive advantage as we seek to grow our business and expand to new geographies.

Strong Corporate Governance Standards

Creating an institution that is built to last requires strong corporate governance standards. The governance standards are further strengthened by strong policies and processes enshrined in the Articles of Association and strong human resource. We have successfully placed process of credit evaluation, risk management, technology upliftment and business development. Further, we believe in fair trade practices and follow high standards of governance in managing the business of the Company.

Marketing

We have dedicated marketing teams who cater to the demands of the customers and ensure that tailor made solutions are offered to attract and retain the customers.

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 continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Employees

We believe our human capital is one of our most important strengths and a key driver of growth, efficiency and productivity. We invest in developing our talent and leadership through various initiatives aimed at strengthening the ability of our managers to bring together people, strategies, and execution to drive business results.

Corporate Social Responsibility

The Company's CSR mission is to contribute to the social and economic development of the community through a series of efforts. Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations. The Company, for Corporate Social Responsibility activities, endeavours to promote education and ensure environmental sustainability/ ecological balance etc.

Properties

Our registered office is on leased premises. Further, our Company owns a freehold immovable property at Sector 2, IMT Manesar, Gurgaon Haryana, which is being used as support office/branch office of the Company.

Insurance: NA

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Letter of Offer, our Board consist of 7 (Seven) Directors, out of which 3 (Three) are Executive Directors, 4 (Four) are Non-Executive Independent Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Sr. No.	Name	DIN	Category	Designation
1.	Mr. Vikas Garg	00255413	Executive	Director
2.`	Mr. Karan Bagga	05357861		Whole Time Director and CEO
3.	Mr. Pankaj	10140086		Director Chief Financial Officer
4.	Mr. Devender Kumar Garg	02316543	Non-Executive	Independent Director
5.	Ms. Gunjan Jha	09270389		
6.	Ms. Sony Kumari	09270483		
7.	Ms. Swati Gupta	09652245		

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Letter of Offer:

S.No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
1.	**Mr. Vikas Garg** **DIN**: 00255413 **Date of Birth**: 15-06-1973 **Qualification**: Ph.D, Bachelor of Commerce **Designation**: Executive Director **Address**: H.No. 10, Road No - 4, East Punjabi Bagh, New Delhi-110026 **Occupation**: Business **Nationality**: Indian **Tenure:** Liable to Retire by Rotation **Date of First Appointment as Additional Director**: 22/02/2023 **Date of Appointment as Executive Director**: 18/05/2023	**50**	1. IGL GENESIS TECHNOLOGIES LIMITED 2. GENESIS GAS SOLUTIONS PRIVATE LIMITED 3. VIKAS ECOTECH LIMITED

2.	**Mr. Karan Bagga** **DIN**: 05357861 **Date of Birth**: 26-10-1972 **Qualification**: Mr. Karan Bagga has done Post Graduation Diploma in Business Management from Institute for Integrated Learning in Management **Designation**: Whole Time Director and CEO **Address**: House No B-10/7, Double Storey, Near Mother Dairy, Ramesh Nagar, Rajouri Garden, West Delhi-110015 **Occupation**: Business **Nationality**: Indian **Term as CEO/WTD**: From 15/04/2023 to 14/04/2026 **Date of First Appointment as Additional Director**: 22/03/2023 **Date of Appointment as CEO**: 15/04/2023 **Date of Appointment as WTD**: 18/05/2023	**51**	VNVN FINANCE PRIVATE LIMITED
3.	**Mr. Pankaj** **DIN**: 10140086 **Date of Birth**: 24-08-1998 **Qualification**: CA, Member of ICAI, BCOM from Maharshi Dayanand University, Rohtak **Designation**: Director Chief Financial Officer **Address**: House No 398/1, Near Sewa Samijt, Hira Chowk Ward no 18 The Charkhi Dadri, Dadri(147), Bhiwani127306 **Occupation**: Business **Nationality**: Indian **Date of First Appointment**: 21/06/2023 **Date of Appointment at current Designation**: 02/09/2023	**25**	ADVIKCA FINVEST LIMITED

4.	**Mr. Devender Kumar Garg** **DIN**: 02316543 **Date of Birth**: 21-10-1955 **Qualification**: Post-Graduation Diploma in Personnel Management **Designation**: Independent Director **Address**: G-801 La Lagune, Golf Course Road, Sector 54, Gurgaon, Chakarpur (74), Gurgaon Haryana-122002 **Occupation**: Business **Nationality**: Indian **Term**: From 22/03/2023 to 21/03/2028 **Date of First Appointment as Additional Director**: 22/03/2023 **Date of Appointment as Independent Director**: 18/05/2023	**68**	ZOMATO FINANCIAL SERVICES LIMITED
5.	**Ms. Gunjan Jha** **DIN**: 09270389 **Date of Birth**: 05-01-1986 **Qualification**: Chartered Accountant **Designation**: Independent Director **Address**: House No-191,4th Floor, School Block, Shakarpur, L Corner Building, Shakar Pur Baramad, East Delhi, Delhi - 110092 **Occupation**: Business **Nationality**: Indian **Term**: From 28/12/2021 to 27/12/2026 **Date of First Appointment Additional Director**: 28/12/2021 **Date of Appointment as Independent Director**: 29/01/2022	**38**	1.INTEGRA ESSENTIA LIMITED 2.ADVIKCA FINVEST LIMITED
6.	**Ms. Sony Kumari** **DIN**: 09270483 **Date of Birth:** 07-11-1991 **Qualification**: Company Secretary	**32**	1. INTEGRA ESSENTIA LIMITED 2. ADVIKCA FINVEST LIMITED 3. ERAAYA LIFESPACES LIMITED (formerly Justride Enterprises Ltd)

	Designation: Independent Director **Address**: E-30B, Flat No. 8, 2nd Floor, Chhatarpur Extension, Delhi-110074 **Occupation**: Business **Nationality**: Indian **Term**: From 28/12/2021 to 27/12/2026 **Date of First Appointment Additional Director**: 28/12/2021 **Date of Appointment as Independent Director**: 29/01/2022		
7.	**Ms. Swati Gupta** **DIN**: 09652245 **Date of Birth:** 10-01-1995 **Qualification**: Chartered Accountant, Member of ICAI **Designation:** Independent Director **Address** F-722A, Street No. 24, Laxmi Nagar, East Delhi, Delhi 110092 **Occupation**: Business **Nationality**: Indian **Term**: 07/07/2022 to 06/07/2027 **Date of First Appointment as Additional Director**: 07/07/2022 **Date of Appointment as Independent Director**: 27/09/2022	**29**	1.GG ENGINEERING LIMITED 1. ERAAYA LIFESPACES LIMITED (formerly Justride Enterprises Ltd) 2. M K PROTEINS LIMITED 3. CELLECOR GADGETS LIMITED

Past Directorship in Suspended Companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.

Past Directorship in Delisted Companies

Further, none of our directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10(Ten) years preceding the date of this Draft Letter of Offer.

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Set forth below are the details of our senior management and key managerial personnel: -

Name	Designation	Associated with Company since
Mr. Karan Bagga	Whole Time Director and CEO	22/03/2023
Mr. Pankaj	CFO	21/06/2023
Ms. Deepika Mishra	Company Secretary	12/01/2023

Confirmations

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

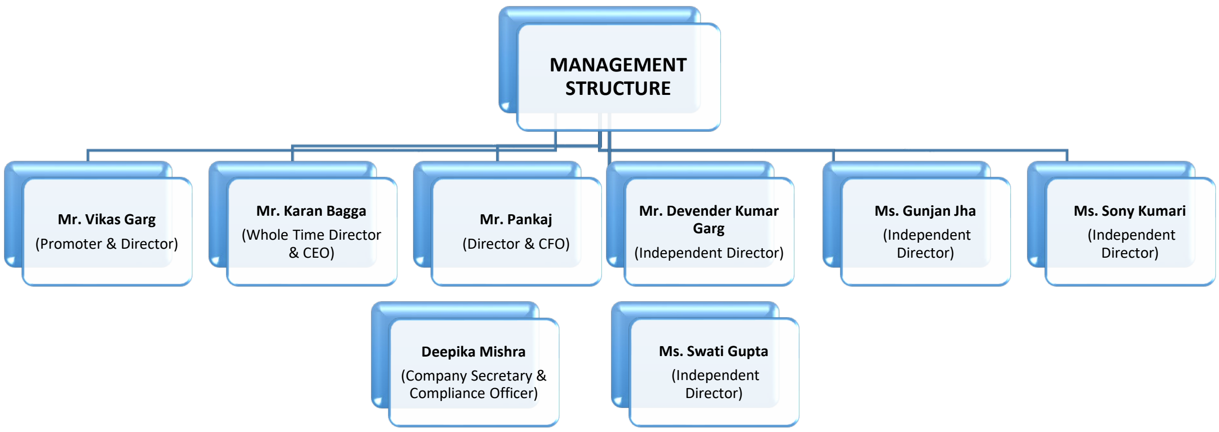
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them

Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart;

Management Organisation Structure



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:
1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders' Relationship Committee

TERMS OF REFERENCE OF VARIOUS COMMITTEE:

1) Audit Committee

The following members forming a part of the said Committee:

Name	Designation
1. Ms. Gunjan Jha	Chairperson
2. Ms. Sony Kumari	Member
3. Ms. Swati Gupta	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Restated Financial Statement is correct, sufficient and credible;
ii) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
iv) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement; to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013; changes, if any, in accounting policies and practices and reasons for the same;
    b) Changes, if any, in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on the exercise of judgment by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements relating to financial statements;
    f) Disclosure of any related party transaction;
    g) Modified opinion(s) in the draft audit report;

v) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;

vi) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the Report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii) Reviewing and monitoring the Auditor's independence & performance, and effectiveness of audit process;

viii) Approval or any subsequent modification of transactions of the Company with related parties;

ix) Scrutiny of inter-corporate loans and investments;

x) Valuation of undertakings or assets of the Company, wherever it is necessary;

xi) Evaluation of internal financial controls and risk management systems;

xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv) Discussion with internal auditors of any significant findings and follow up there on;

xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi) Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii) To review the functioning of the Whistle–Blower mechanism;

xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

xx) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

xxi) Carrying out any other function as may be assigned to it by the board of director from time to time.

2) Nomination and Remuneration Committee

The following members forming a part of the said Committee:

Name	Designation
1. Ms. Swati Gupta	Chairman
2. Ms. Gunjan Jha	Member
3. Ms. Sony Kumari	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of our Nomination and Remuneration Committee, is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations which are as follows:

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel ("KMP") and other employees;

A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a) Use the services of an external agencies, if required;
b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
c) Consider the time commitments of the candidates.

(ii) Specification of manner and criteria for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the board or by an independent external agency and review its implementation and compliance.
(iii) Devising a policy on diversity of board of directors;
(iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
(v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
(vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.

3) Stakeholders' Relationship Committee

The following members forming a part of the said Committee:

Name	Designation
1. Ms. Sony Kumari	Chairperson
2. Ms. Gunjan Jha	Member
3. Mr. Pankaj	Member

The Company Secretary acts as the secretary of the Stakeholders' Relationship Committee.

The scope, functions and the terms of reference of our Stakeholders' Relationship Committee, is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations which are as follows:
(i) To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non-receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;
(ii) To review the measures taken for effective exercise of voting rights by shareholders
(iii) To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent.
(iv) To review various measures and initiatives undertaken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
(v) To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

Our Key Managerial Personnel:

In addition to our Executive Director and Whole Time Director, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial personnel as on the date of filing of this Draft Letter of Offer:

Mr. Pankaj, Chief Financial Officer

Mr. Pankaj, is a Chief Financial Officer of the Company. He is associated member of the Institute of Chartered Accountants of India as well as he is Graduate from the Maharshi Dayanand University. He is a young, dynamic and Qualified Chartered Accountant having good experience in the field of Accounts, Finance, Audits, and Taxation Matters.

He also possesses knowledge of Corporate Law, Strategic/Financial Planning, Working Capital Management, Statutory Compliances, Filings, and MIS among other aspects of corporate functioning

Mr. Karan Bagga, Chief Executive Officer

Mr. Karam Bagga, is a Chief Executive Office of the Company. He has completed his Post Graduate Diploma in Business Management. He has having more than 27 years of rich and extensive experience in Corporate or Institutional Banking, Loan Syndication, Advisory for Debt restructuring under IBC, Capital Market, Foreign Exchange Fund Raising, Financial Advisory, Financial Budgeting, Investor Relationship Management. He has worked with Banks, DFI, NBFC and Corporates.

Ms. Deepika Mishra, Company Secretary and Compliance Officer

Ms. Deepika Mishra is the Company Secretary and Compliance Officer of the Company. She has done Post Graduation in Commerce. She is an Associate member of The Institute of Company Secretaries of India (ICSI) and has prior experience in Corporate Secretarial practices, legal, Statutory Compliance, Corporate Governance and allied matters.

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

None of the Key Managerial Personnel are related in any capacity with the other Key Managerial Personnel of the Company.

OUR PROMOTER

Our Company confirms that the permanent account number, bank account number and passport number of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

BRIEF PROFILE OF OUR PROMOTERS IS AS UNDER:

1. **Mr. Vikas Garg**

Mr. Vikas Garg is a business tycoon having experience 25 years of experience in the field of Business Marketing, Strategic Planning and Financial Strategy etc.	
Age	50 years (15-06-1973)
PAN	AAAPG8241P
Qualification	Bachelor of Commerce (B. Com) Hons.
Personal Address	H. No. 10, Road No. - 4, East Punjabi Bagh, Delhi – 110026
Directorship & Other Ventures	1. IGL Genesis Technologies Limited 2. Genesis Gas Solutions Private Limited 3. Vikas Ecotech Limited

2. **Mrs. Seema Garg**

Mrs. Seema Garg, aged 49 Years, is the Promoter of our Company. She holds the degree in Bachelor of Commerce (B. Com) by Qualification. She is having more than 20 years of experience in the Business Administration.	
Age	49 years (06-07-1974)
PAN	AAJPG3268R
Qualification	Bachelor's degree in commerce
Personal Address	H. No. 7 Road No. - 41, Punjabi Bagh,West Delhi – 110026
Directorship & Other Ventures	NIL

BRIEF PROFILE OF OUR PROMOTER GROUP IS AS UNDER:

1. **Ms. Sukriti Garg**

Ms. Sukriti Garg is a young Entrepreneur, done graduation from Guru Gobind Singh Indraprastha University and holds experience of around 3 years in this business industry and has handled various areas of business including strategic planning and implementation, procurement, storage, marketing and has led institutions across business development, strategy as well as operations over the period of years.	
Age	26 years (26-03-1998)
PAN	ALWPG6413A
Qualification	Bachelor of Commerce (H) and Master's in Architecture
Personal Address	H. No. 7 Road No. - 41, Punjabi Bagh, West Delhi – 110026
Directorship & Other Ventures	Eraaya Lifespaces Limited (formerly Justride Enterprises Ltd)

Confirmations

1. None of our Promoter has been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

3. None of our Promoter or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

4. there are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

INTEREST OF OUR PROMOTER

Interest of Promoters

Our Promoter does not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by him or his relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by him or his relatives and associates or held by the companies, firms and trusts in which he is interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled **"Capital Structure", "Financial Statements as Restated"** and **"Our Management"** beginning on page 51, 110 and 97 of this Draft letter of offer .

Except as stated otherwise in this Draft Letter of Offer, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled **"Related Party Transactions"** in chapter **"Financial Statements as Restated"** on page no. 110 of this Draft letter of offer.

Interest in promotion of our Company

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest in the property, land, construction of building, supply of machinery, etc.

Except as mentioned in the chapter titled **'Our Business'** beginning on page 92 of this Draft letter of offer, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 3 (three) years before filing of this Draft letter of offer or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Payment or Benefit to the Promoters or Promoter Group in the last 2 (two) years

Except as stated above in "Our Management" and "Financial Statements as Restated" beginning on pages 97 and 110 respectively of this Draft letter of offer, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing Draft letter of offer or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

MATERIAL GUARANTEES GIVEN TO THIRD PARTIES

Except as stated in the “Financial Information” beginning on page 110 of this Draft letter of offer, our Promoter has not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

RELATIONSHIP OF OUR PROMOTERS WITH OUR DIRECTORS

As on the date of the Draft letter of offer, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS

Except as stated below, as on the date of the Draft letter of offer, none of our Promoter(s) have disassociated with any Companies in the preceding three years.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Restated Financial Statements, see section titled "***Financial Information***" at page 89 of this Draft Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have not declared any dividend in the previous three (3) financial years immediately preceding this issue.

SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

KSMC & ASSOCIATES
Chartered Accountants

Auditors' Report on the restated Consolidated Financial information of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, Restated consolidated statement of profits and losses (including other comprehensive income), Restated Consolidated statement of cash flows and changes in equity for the period ended March 31, 2024 and each of the years ended March 31, 2023 and March 31, 2022 of Advik Capital Limited (collectively, the "Restated Summary Statements")

To
The Board of Directors
Advik Capital Limited.

Dear Sirs:

1. We have examined the attached Restated Consolidated financial information of Advik Capital Limited (the" Company") and its subsidiaries (the company and its subsidiaries together referred to as the "Group") annexed to this report and prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with its Right Issue. The Restated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

   a) Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

   b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note")

Management's Responsibility for the Restated Summary Statements

2. The preparation of the Restated Consolidated financial information, which are to be included in the Offer documents is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated financial information. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Consolidated financial information taking into consideration:

   a. The terms of reference and terms of our engagement agreed with you vide our engagement letter dated April 29, 2024, requesting us to carry out the assignment, in connection with the proposed Right Issue of the Company:

   b. The Guidance Note: The Guidance Note also requires that we comply with the ethical requirement of the Code of Ethics issued by the ICAI.

   c. Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Unconsolidated Summary Statements; and

NEW DELHI

G-5, Vikas House, 34/1, East Punjabi Bagh, New Delhi-110026 (India)
Ph : 011- 41440483, 42440483, 45140483 | E-mail : info@ksmc.in, admin@ksmc.in | Website : www.ksmc.in

d. The requirements of Section 26 of the Act and the ICDR Regulations;

Our work was performed solely to assist you in meeting your responsibilities in relation to your Compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Right Issue.

Restated Consolidated Financial Information as per audited Financial Statements

4. These Restated Consolidated Financial Information have been compiled by the management of the Company from:

   a. Audited Consolidated financial statements of the Group as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, which were prepared in accordance with Ind AS as prescribed under section 133 of the Act, read with relevant rules thereunder and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 18, 2024, April 29, 2023 and May 28, 2022 respectively; and

5. For the purpose of our examination, we have relied on:

   - Auditors' reports issued by us dated 18 April 2024 and 29th April 2023 on the financial statements of the Group for the year ended March 31, 2024 and 2023 as referred in Paragraph 4(a) above and

   - Auditor's Report dated 28th May 2022 issued by the previous auditor, on the financial statements of the Group as at and for the years ended March 31, 2022 as referred in Paragraph 4(a) above;

6. Based on the above and according to the information and explanations given to us, we report that the Restated Consolidated financial information of the Group, as attached to this report read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, ICDR Regulations, Guidance Note, and these Restated Consolidated financial information:

   i. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

   ii. does not have any qualifications in the auditors' reports on the audited financial statements of the group as at March 31, 2024, March 31, 2023 and March 31, 2021 which require any adjustments to the Restated Consolidated Financial Information.

7. In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

   i) The Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022 examined by us, as set out under Annexure to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements' are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements. As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited Consolidated financial statements of the Company for the relevant financial years.

ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

ii) The Restated Consolidated Statement of Profit and Loss of the Company for the year ended March 31, 2024, 2023 and 2022 examined by us, as set out under Annexure to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements are after making such adjustments and regrouping/re-classification as in our opinion we re-appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements. As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited Consolidated financial statements of the Company for the relevant financial years.

iii) The Restated Consolidated Statement of Cash flows of the Company for the year ended March 31, 2024, 2023 and 2022 examined by us, as set out under Annexure to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements. As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited Consolidated financial statements of the Company for the relevant financial years.

8. As indicated in our audit reports above, we did not audit the financial statements of a subsidiary "M/s Advik Optoelectronics Limited" for the year ended 31st March 2024 and for the comparative year ended 31st March 23 and 31st March 22 whose share of total assets, Revenue from Operations, total net profit after tax and total comprehensive income, included in the Restated Consolidated Ind AS Financial Statements, is tabulated below, which have been audited by other auditors (Garg Anil & Co.), and whose report has been furnished to us by the Company's management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors.

Amount in Lakhs

Particulars	As at ended 31st March, 2024	As at ended 31st March, 2023	As at ended 31st March, 2022
Total Assets	334.92	690.42	567.17
Revenue from Operations	118.88	629.07	696.38
Total net profit after tax	(26.51)	0.66	6.25
Other comprehensive income	NIL	NIL	NIL

9. The Restated Consolidated Financial Statement do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. In our opinion, the above Restated Consolidated Financial Information contained in Annexure to this report read along with the Basis of Preparation and Significant Accounting policies after making adjustments and regrouping/re-classification as considered appropriate and have been prepared in accordance with the

NEW DELHI

provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.

3. Our report is intended solely for use of the Board of Directors for inclusion in the Offer documents to be filed with recognized Stock Exchange in connection with the proposed Right Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 KSMC & Associates
Chartered Accountants
FRN: 003465N

CA Sachin Singhal
(Partner)
M. No: 505732

UDIN: 24505732BKEGJV9149

Place: New Delhi
Date: 02.05.2024

ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
CIN: L65100DL1985PLC022505 | www.advikcapital.com

Restated Consolidated Balance Sheet for the year ended as at March 31, 2024

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. ASSETS				
Financial Assets				
(a) Cash and Cash Equivalents	3	107.69	142.86	26.06
(b) Bank Balance other than Cash and cash equivalents	4	1.32	1.23	1.15
(c) Trade Receivables	5	5.44	340.00	101.77
(d) Loans	6	16,571.34	11,220.56	729.05
(e) Investments	7	1,342.63	1,433.03	-
(f) Other Financial Assets	8	341.29	248.28	140.14
		18,369.70	**13,385.95**	**998.17**
Non-Financial Assets				
(a) Inventories	9	1,427.52	350.37	359.55
(b) Current Tax Assets (Net)	10	-	-	-
(c)Deferred Tax Assets(Net)	11	348.24	313.48	1.10
(d) Property, Plant and Equipment	12	264.68	176.87	198.38
(e) Other Non-Financial Assets	13	8.15	29.66	111.54
		2,048.61	**870.38**	**670.57**
Total Assets		**20,418.31**	**14,256.33**	**1,668.74**
II. LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
(a) Trade Payables		-	-	
(i) Total outstanding dues of MSME		1.94	-	-
(ii) Total outstanding dues other than MSME	14	11.20	279.79	54.37
(b) Borrowings	15	7,867.16	7,512.69	469.02
(c) Other Financial Liabilities	16	495.63	84.82	51.00
		8,375.93	**7,877.29**	**574.39**
Non-Financial Liabilities				
(a) Current Tax Liabilities (Net)	10	477.92	288.36	6.81
(b) Deferred Tax Liabilities (Net)	11		-	-
(c) Other Non-Financial Liabilities	17	194.20	112.94	11.92
		672.12	**401.30**	**18.73**
Equity				
(a) Equity Share Capital	18	4,281.54	2,201.93	458.74
(b) Other Equity	19	6,981.77	3,657.70	499.06
-Equity attributanble to Shareholders of Company		11,263.31	5,859.63	957.80
-Non controlling Interest		106.95	118.10	117.82
		11,370.26	**5,977.73**	**1,075.62**
Total Liabilities and Equity		**20,418.31**	**14,256.33**	**1,668.74**
Summary of significant accounting policies	2			
Notes to Accounts	1-48			

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For **KSMC & Associates**
Chartered Accountants

NEW DELHI

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN :24505732BKEGJV9149

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

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ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
CIN: L65100DL1985PLC022505 | www.advikcapital.com

Restated Consolidated Balance Sheet for the year ended as at March 31, 2024

(Amount in Lakhs)

	Particulars	Note No.	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from Operations				
I.	Revenue from Operations	20	83,958.99	60,428.92	4,645.90
II.	Other Income	21	846.88	7.98	11.82
III.	**Total Income (I+II)**		**84,805.86**	**60,436.89**	**4,657.72**
IV.	**Expenses**				
	(a) Finance costs	22	755.26	297.05	20.51
	(b)Provision for impairment on financial Instruments		65.31	98.05	0.33
	(c)loss in Fair Value Measurement	23	-7.00	40.83	-
	(d) Cost of Material Consumed		104.15	549.45	565.12
	(e) Purchases of stock-in-trade	24	83,698.60	57,933.47	3,944.10
	(f) Changes in inventories of finished goods, work in prog	25	(1,056.86)	(44.76)	(87.07)
	(g) Employee benefits expenses	26	96.06	69.36	63.61
	(h) Depreciation and amortization exepenses	27	52.49	24.08	23.43
	(i) Others expenses	28	199.60	186.73	66.79
	Total Expenses (IV)		**83,907.62**	**59,154.26**	**4,596.82**
V.	**Profit/(Loss) before exceptional items and tax (III-IV)**		898.25	1,282.63	60.90
VI.	Exceptional items				-
VII.	**Profit/ (Loss) before tax (V-VI)**		898.25	1,282.63	60.90
VIII.	**Tax Expense:**			-	
	Current tax		271.22	358.50	15.06
	Deferred tax liability/(assets)		(8.59)	(10.75)	1.47
IX.	**Profit/ (Loss) for the period from continuing operations (VII-VIII)**		**635.62**	**934.88**	**44.37**
X.	Profit/ (Loss) from discontinued operations			-	-
XI.	**Profit/ (Loss) for the period (IX+XII)**		**635.62**	**934.88**	**44.37**
XII.	**Other Comprehensive Income**				
	(A) (i) Items that will not be reclassified to profit or loss		(103.92)	(1,198.45)	-
	(ii) Income Tax effect on herein above		26.18	301.63	-
	(B) (i) Items that will be reclassified to profit or loss			-	-
	(ii) Income Tax effect on herein above			-	-
	Total Other Comprehensive Income (A+B)		(77.74)	(896.82)	-
XIII.	**Total Comprehensive Income/ (Loss) for the period (XI+XII)**		**557.88**	**38.06**	**44.37**
XIV.	Profit attributable to Equity holders of the parent		569.02	37.78	41.75
XV.	Profit attributable to Equity holders to Non controlling Interest		(11.15)	0.28	2.62
19	**Paid up Equity Share Capital (Face Value Rs.1 each)**				
20	**Earning per Equity Share:**				
	Basic	29	0.20	0.42	0.09
	Diluted	29	0.20	0.42	0.09
	Par value of each Equity Share: Re.1/-				
	(EPS for three months ended periods are not annualised)				

Summary of significant accounting policies 2
Notes to Accounts 1-48
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For KSMC & Associates
Chartered Accountants

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN :24505732BKEGJV9149

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

ADVIK CAPITAL LIMITED

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Restated Consolidated Balance Sheet for the year ended as at March 31, 2024

(Amount in Lakhs)

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(A) CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit/ (Loss) before tax	898.25	1,282.64	60.90
Adjustments for:			
Loss in fair value Measurement	(7.00)	40.83	-
Provision for impairment on financial Instruments	65.31	98.05	0.33
(Gain)/Loss on sales of Investments	(828.94)		
Prior Period Expenses	(0.16)		
Reserve for Bad & Doubtful Debts	38.42	74.86	2.06
Depreciation and Amortisation Expenses	52.48	24.08	23.43
Interest income	(0.09)		
Finance Cost	693.76	297.01	20.51
(Profit)/ Loss on Sale of Fixed Assets	(1.67)	(0.07)	(0.25)
Operating profit/ (loss) before working capital changes	**910.37**	**1,817.40**	**106.98**
Changes in working capital:			
(increase)/ decrease in Trade Receivables	-	-	134.96
(increase)/ decrease in Loans	(5,416.09)	(10,589.56)	(126.00)
(increase)/ decrease in Trade and other Payables	(95.37)	-	(48.00)
(increase)/ decrease in Other Financial Assets	323.97	(362.38)	(26.56)
(increase)/ decrease in Inventories	(1,077.15)	9.17	(105.66)
(increase)/ decrease in Other Non-Financial Assets	(72.70)	10.75	(121.45)
increase/ (decrease) in Other Financial Liabilities	141.60	285.39	37.66
(increase)/ decrease in Other Bank Balances			(0.07)
increase/ (decrease) in Other Current Liabilities	4.36	-	-
increase/ (decrease) in Other Current Assets	28.51	(0.81)	-
increase/ (decrease) in Other Non-Financial Liabilities	40.98	0.80	7.27
Cash generated from operations	(5,211.52)	(8,829.24)	(140.87)
Net income tax paid (Net of refunds)	(0.04)	(6.67)	(6.58)
Net Cash from Operating Activities	**(5,211.56)**	**(8,835.91)**	**(147.45)**
(B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Property, Plant and Equipment	(1.37)	-	0.50
Purchase of Property, Plant and Equipment	(137.24)	(2.56)	(2.04)
Interest Income	0.09	0.07	
(Increase)/, decrease in Investments	(9.44)	(2,654.80)	
Gain on sales of Investments	828.94		
(Increase)/ Decrease in Other Bank Balances	(0.09)	(0.07)	
Net Cash Generated/(Used) in Investing Activities	**680.89**	**(2,657.36)**	**(1.54)**
(C) CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Share Capital	2,079.60	4,863.40	-
Proceeds from Securities Premium(Net of Expenses)	2,755.19		
Increase/ (Decrease) in Borrowings	412.02	7,043.67	-
Increase/ (Decrease) in Long term Borrowings	(6.95)	-	186.10
Increase/ (Decrease) in Short term Borrowings	(50.60)	-	-
Finance cost	(693.76)	(297.02)	(20.51)
Net Cash from Financing Activities	**4,495.50**	**11,610.07**	**165.59**
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	(35.17)	116.80	16.60
Cash and cash equivalents at the beginning of the year	142.86	26.06	9.46
Cash & Cash Equivalents at the end of the year	**107.69**	**142.86**	**26.06**

Components of Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash in hand	16.42	13.11	19.63
Balances with banks and financial institutions		-	
Balance with banks in current accounts	91.27	129.75	6.43
Deposit with Original Maturity of less than three months			-
Total	**107.69**	**142.86**	**26.06**

The above statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

As per our report of even date attached
For KSMC & Associates
Chartered Accountants

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN :24505732BKEGJV9149

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
CIN: L65100DL1985PLC022505 | www.advikgroup.com

Restated Consolidated Balance Sheet for the year ended as at March 31, 2024

A. Equity Share Capital

(Amount in Lakhs)

Particulars	No. of Shares	Amount
As at March 31, 2021	**4,58,73,600**	**458.74**
Changes in Equity Share Capital due to prior period errors		
Restated balance at the beginning of the current reporting period	4,58,73,600	458.74
Changes in the equity share capital during the year	-	-
As at March 31, 2022	**4,58,73,600**	**458.74**
Changes in Equity Share Capital due to prior period errors		
Restated balance at the beginning of the current reporting period	4,58,73,600	458.74
Changes in the equity share capital during the year	17,43,19,680	1,743
As at March 31, 2023	**22,01,93,280**	**2,201.94**
Balance at the beginning of the current reporting period	22,01,93,280	22,01,93,280.00
Changes in the equity share capital during the year	20,79,60,320	20,79,60,320.00
As at March 31, 2024	**42,81,53,600**	**42,81,53,600**

B. Other Equity

Particulars	Amalgamation Reserve	Security Premium	Retained Earnings	Special Reserve as per RBI Norms
	(A)	(B)	(C)	(D)
As at March 31, 2021	**44.17**	**357.20**	**46.56**	**7.78**
Profit for the Year	-	-	41.75	-
Other Comprehensive Income for the year	-	-	-	-
Dividends	-	-	-	-
Transfer to Special Reserve	-	-	(8.23)	-
Transfer to Contingency Reserve	-	-	-	-
Transfer to Reserve for Bad & Doubtful Debts	-	-		-
Transfer from Retained Earnings	-	-	-	8.23
As at March 31, 2022	**44.17**	**357.20**	**80.08**	**16.01**
Profit for the Year	-	-	934.60	-
Received during the year		3,120.24	-	-
Transfer to Special Reserve	-	-	(190.92)	-
Prior Period Expenses			0.62	
Transfer from Retained Earnings	-	-	-	190.92
As at March 31, 2023	**44.17**	**3,477.44**	**824.38**	**206.93**
Profit for the Year			646.76	
Received during the year		2,755.21		
Transfer to Special Reserve			80.80	-
Prior Period Expenses			0.16	
Transfer from Retained Earnings				80.80
As at March 31, 2024	**44.17**	**6,232.65**	**1,390.18**	**287.73**

Particulars	Non Controlling Interest	Capital Reserve	Other Items of Other Comprehensive Incomes
	('E)	(F)	(G)
As at March 31, 2021	**115.2**	**1.60**	-
Profit for the Year	2.62	-	-
Other comprehensive income for the year	-	-	-
Dividends	-	-	-
Transfer to Special Reserve	-	-	-
Transfer to Contingency reserve	-	-	-
Transfer to Reserve for Bad & Doubtful Debts	-	-	-
Transfer from Retained Earnings	-	-	-
As at March 31, 2022	**117.82**	**1.60**	-
Other Comprehensive Income for the year	-	-	(896.82)
Profit during the year	0.28		
As at March 31, 2023	**118.10**	**1.60**	**(896.82)**
Other Comprehensive Income for the year			(77.74)
Profit during the year	(11.15)		
As at March 31, 2023	**106.95**	**1.60**	**(974.56)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Amalgamation Reserve	44.17	44.17	44.17
Security Premium	6,232.65	3,477.44	357.20
Retained Earnings	1,390.18	824.38	80.08
Special Reserve as per RBI Norms	287.73	206.93	16.01
Non Controlling Interest	106.95	118.10	117.82
Capital Reserve	1.60	1.60	1.60
Other items of Other Comprehensive Incomes	(974.56)	(896.82)	-
Total	**7,088.72**	**3,775.80**	**616.88**

Notes to Accounts

The accompanying notes form an integral part of the financial statements.

For KSMC & Associates

As per our report of even date attached

For KSMC & Associates

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN: 24505732BKEGJV9149

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM2988

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

1. (A) BACKGROUND

Our Company, Advik Capital Limited (thereafter "Advik Capital/ Company", was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 7, 2003 bearing No. B- 14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934. Advik Capital is currently a company listed on BSE. Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of financial activities namely granting of financial loans and trading in Securities/shares, and in providing ancillary services related to the

(B) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of the Consolidated Financial Statements are as given below:

2.1 Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, a as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non- controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non- controlling interests even if it results in the non-controlling interests having a deficit balance.

The company have 2 subsidiaries as on March 2024

- Advik Optoelectronics Limited
- Advikca Finvest Limited

2.3 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, defined benefit plan – plan assets measured at fair value, assets held for sale which is measured it lower of cost or fair value less cost of sale. Historical cost is generally based on the fair value of the consideration given for goods and services.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Property, Plant and Equipment and Investment Property

Recognition and Measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets having individual value of less than `5,000/- are charged to statement of Profit and Loss in the year of purchase.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

NEW DELHI

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DELHI

Depreciation

Depreciation is provided using the written down value method over the useful life as prescribed under Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold imp rovements are amortised over the underlying lease term on a straight line basis. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets 'Nil'.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of property, plant and equipment or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work-in-progress

Capital work–in–progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equ ipment. Assets that are not ready to intended use are also shown under capital work– in–progress.

2.5 Intangible Assets

Recognition and measurement

Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de- recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is de-recognized.

2.6 Revenue Recognition

Interest income on loans

The Company recognizes interest income subject to Prudential norms specified by RBI using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit–impaired assets. In case of credit–impaired financial assets regarded as 'Stage 3',the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit–impaired Company reverts tocalculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognized only when it is reasonably certain that the ultimate collection will be made.

Sale of Product

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risk of loss has beens transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Commission income

Income from business correspondent services is recognized as and when the services are rendered as per agreed terms and conditions of the

Rental Income

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leasing is also recognised in a similar manner and included under other income.

Sale of Securities

Revenue from sale of securities (includes delivery and intra day both) is recognised to the extent that it can be reliably measured and is probable that the economic benefits will flow to the company.

Dividend Income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Miscellaneous Income

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

2.7 Borrowing costs

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

NEW DELHI

2.8 Income Taxes

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets/liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.9 Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any gains or losses are recognized in profit or loss in the period in which they arise.

2.10 Cash and Cash Equivalent

Cash and comprises cash on hand and demand deposits. The Company considers cash equivalents as all short- term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11 Equity Investment in Subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

2.12 Provisions contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for, Possible obligations which will be confirmed only by future events not wholly within the control of the Company or Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable. aa

2.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.14 Foreign currency

Functional And presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency u sing the closing rate. Non- monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

2.15 Segment reporting

The Company identifies segment basis of the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for whichoperating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basisof their relationship with the operating activities of the segment.

2.16 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and asse ts) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.17 Earning Per Share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

2.19 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses are recognised in profit and loss. An impairment loss is the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.20 Impairment of Financial Assets

The Company recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

Financial assets that are debt instruments Lease receivables

Financial guarantee contracts issued Loan commitment issued

No impairment loss is recognised on equity investments

ECL are probability weighted estimate of credit losses. They are measured as follows:

Financial assets that are not credit impaired- as the present value of all cash shortfalls that are possible within 12 months after the reporting date.

Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.

Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows

With respect to trade receivables and other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCL the loss allowance is recognised in OCI.

Loan assets- The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan as sets.

Write-off
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

2.21 Financial instruments
A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement
Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

(A) Non-derivative financial assets
Subsequent Measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized costif both the following conditions are met:
The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) onthe principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective
interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

Financial assets (debt instruments e.g. loans) are measured at FVOCI when both of the following conditions are met:
The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
The contractual terms of the financial asset meet the SPPI test.
FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

Financial assets measured at FVPL – FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

Derecognition of Financial Assets
Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de– recognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de–recognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

(B) Non Derivatives Financial Liabilities
Subsequent Measurement
Subsequent to initial recognition, all non–derivative financial liabilities are measured at amortized cost using the effective interest method.

Derecognition of Financial Liabilities
A financial liability is de–recognized when the obligation under the liability is discharged or canceled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de– recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.22 Fair value measurement
The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

2.23 Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
CIN: L65100DL1985PLC022505 | www.advikcapital.com

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.3: Cash and Cash Equivalents (Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash in hand	16.42	13.11	19.63
Balances with banks and financial institutions			
Balance with banks in current accounts	91.27	129.75	6.43
Total	**107.69**	**142.86**	**26.06**

Note No.4: Bank Balances other than Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deposits held as margin money	1.32	1.23	1.15
Deposits with Original maturity of more than three month but less		-	-
Total	**1.32**	**1.23**	**1.15**

Note No.5 : Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured			
Outstanding for a period exceeding 6 months		-	-
Outstanding for a period not exceeding 6 months		-	-
Unsecured, considered good			
Outstanding for a period exceeding 6 months		-	0.92
Outstanding for a period not exceeding 6 months	5.44	340.00	100.85
Total	**5.44**	**340.00**	**101.77**

Trade Receivable Ageing Schedule

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade receivables, Unsecured disputed, considered good			
Trade receivables, Unsecured Undisputed considered good			
Less than 6 months	5.44	340.00	100.85
6 months- 1 Years	-	-	0.92
1-2 Years	-	-	-
2-3 Years	-	-	-
More Than 3 Years	-	-	-
Total	**5.44**	**340.00**	**101.77**

There are no outstanding receivables due from directors or other officers of the Company.

Note No.6: Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
At Amortised cost			
Unsecured, considered good			
Loans repayable on demand	6,753.65	4,150.56	731.00
Term loans	9,983.00	7,170.00	-
Total	16,736.65	11,320.56	731.00
Less: Impairment loss allowance*	165.31	100.00	1.95
At fair value through other comprehensive income		-	-
Loans repayable on demand			-
Total	**16,571.34**	**11,220.56**	**729.05**

*Impairment Loss

The provison towards standard assets based on IRACP norms of RBI. (Refer Note 42 for Details)

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

a) Other Details

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured by property, plant and equipment including land and building		-	-
Secured by book debts, inventories, margin money and other working		-	-
Unsecured	16,571.34	11,220.56	729.05
Total	**16,571.34**	**11,220.56**	**729.05**
Loans in India			
Public Sector			
Others	16,571.34	11,220.56	729.05
Total	**16,571.34**	**11,220.56**	**729.05**

b) Loans with specified parties:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Promoters	Nil	Nil	Nil
Directors	Nil	Nil	Nil
Key Management Personnel's	Nil	Nil	Nil
Other Related Parties	Nil	Nil	Nil
Total	**Nil**	**Nil**	**Nil**

Note No.7 : Investments

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Investment in Equity Instruments	1,342.63	1,433.03	-
Investment in Other Instruments		-	-
Total	**1,342.63**	**1,433.03**	-

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

a) Investments in subsidiaries, associates, joint ventures and others

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Quoted			
(i) Subsidiaries			
(ii) Assoicates			
(iii) Joint Ventures			
(iii) Others			
-Sarveshwar Foods Limited-Quoted		121.80	
Add/Less:Fair Value gain/(loss) on remeasuremnet through P&L-Quoted		(23.33)	
-TEAMO Productions HQ Limited*	131.25		
Add/Less:Fair Value gain/(loss) on remeasuremnet through P&L-Quot	(19.25)		
(b) Unquoted			
(i) Subsidiaries			
(ii) Assoicates			
(iii) Joint Ventures			-
(iii) Others			
-Brij Gopal Construction Private Limited	2,533.00	2,533.00	
(1,70,000 Equity Shares of Rs.10)			
Add/Less:Fair Value gain/(loss) on remeasuremnet through OCI**	(1,302.37)	(1,198.45)	
Total	**1,342.63**	**1,433.03**	-
(i) Investments in India	1,342.63	1,433.03	-
(ii) Investments outside India			-
Total	**1,342.63**	**1,433.03**	-

*Company have subscribed 35,00,000 fully convertible shares warrants of TEAMO Productions HQ Limited via prefrential allotment on September 20, 2023 and paid 25% of the subscription amount as per the terms of the offer as on year end.
**Based on Fair Valuation duly certified by independent valuer.

b) Carrying value and market value of quoted and unquoted investments are as below:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Investment in subsidiary companies			
Aggregate carrying value of quoted investments		-	-
Aggregate market value of quoted investments		-	-
Aggregate carrying value of unquoted investments		-	-
(b) Investment in associate companies		-	-
(c) Investment in Others	1,342.63	1,433.03	-
Total	**1,342.63**	**1,433.03**	-

Note No.8 : Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advance (considered good)			
-To Suppliers	-	-	23.69
-To others	-	67.68	-
Unsecured, considered good	20.95	-	
Accrued Income	207.37	81.26	48.70
Less: reversal w.r.t. non performing asset	(47.27)		
Security Deposits*	174.81	99.34	67.75
Less:Fair Value Measurement	(14.58)		
Total	**341.29**	**248.28**	**140.14**

*Security deposits includes amount Rs. 99.59 to BSE Limited related to 2 right issue completed during FY 22-23 & FY 23-24 and Rs. 24 Lakhs given to Creative projects & contracts Pvt. Ltd in relation to share purchase agreement dated 08.02.2024 regarding acquistion of substantial stake in IITL Limited. The other amount comprises of security deposit w.r.t lease contracts (for details refer note no. 30) and security deposits primarily in relation to public utility services and/or with depositries, exchanges and other similar entities.

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.9 : Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(As valued and certified by the management)		-	
Securities held for trade	1,174.30	112.30	91.63
(As valued and certified by the management)	-	-	
Raw Materials	169.82	148.47	201.22
Work in Progress	-	-	
Finished Goods	83.40	88.55	64.46
Stores and Others	-	1.05	2.24
Total	**1,427.52**	**350.37**	**359.55**

Note: Inventories is valued at cost or NRV whcihever is lower

Note No.10 : Current Tax Assets/ (Liabilities) (Net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Income Tax Liabilities (Net)*	477.92	288.36	6.81
Total	**477.92**	**288.36**	**6.81**

* Income tax Payable of Rs. 348.73 relates to FY 22-23

Note No.11 : Deferred Tax Assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Deferred Tax Assets			
On account of Fair Value Measuremnet	3.67	4.41	
On Account of Depreciation of Property Plant and Equipment	2.47	0.59	1.10
On account of Fair Value Changes through OCI	327.81	301.63	
On account of Business Losses	14.30	6.85	
(b) Deffered Tax Liability	-	-	-
Net deferred tax assets/ (liability) (a-b)	**348.24**	**313.48**	**1.10**

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No 12 : Property, Plant and Equipment's

(Amount in Lakhs)

Gross Block	Tangible Assets								Intangible Assets (B)	Total (A+B)
	Land	Building	Plant & Machinery	Computer	Furniture and Fixtures	Office Equipment's	Vehicles	Total (A)		
As at March 31, 2021	-	111.28	182.14	13.51	6.53	13.02	45.80	372.28	-	372.28
Addition	-	-	0.16	-	-	1.88	-	2.04	-	2.04
Disposals	-	-	0.38	-	-	-	-	0.38	-	0.38
As at March 31, 2022	-	111.28	181.92	13.51	6.53	14.90	45.80	373.94	-	373.94
Addition	-	-	-	0.74	-	1.65	-	2.38	0.18	2.56
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	111.28	181.92	14.25	6.53	16.55	45.80	376.32	0.18	376.50
Addition	-	-	1.67	1.50	1.09	4.34	146.70	155.29		155.29
Disposals	-	-	15.00	-	-	-	-	15.00	-	15.00
As at March 31, 2024	-	111.28	168.59	15.75	7.62	20.88	192.50	516.62	0.18	516.80

Accumulated Depreciation	Tangible Assets								Intangible Assets (B)	Total
	Land	Building	Plant & Machinery	Computer	Furniture and Fixtures	Office Equipment's	Vehicles	Total (A)		
As at March 31, 2021	-	-	107.83	9.61	5.51	8.41	20.90	152.26	-	152.26
for the period	-	2.70	10.36	1.71	0.18	2.03	6.45	23.43	-	23.43
Adjustments	-	-	0.13	-	-	-	-	0.13	-	0.13
As at March 31, 2022	-	2.70	118.06	11.32	5.69	10.44	27.35	175.56	-	175.56
for the period	-	6.19	8.89	1.33	0.16	2.62	4.78	23.97	0.11	24.08
Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	8.89	126.95	12.65	5.85	13.06	32.13	199.53	0.11	199.64
for the period	-	9.73	7.54	0.93	0.34	2.75	31.16	52.44	0.04	52.48
Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	18.62	134.48	13.58	6.19	15.81	63.29	251.96	0.15	252.12

Net Carrying Value	Tangible Assets								Intangible Assets (B)	Total
	Land	Building	Plant & Machinery	Computer	Furniture and Fixtures	Office Equipment's	Vehicles	Total (A)		
As at March 31, 2022	-	108.58	63.86	2.19	0.84	4.46	18.45	198.38	-	198.38
As at March 31, 2023	-	102.39	54.97	1.60	0.68	3.48	13.67	176.80	0.07	176.87
As at March 31, 2023	-	102.39	54.97	1.60	0.68	3.48	13.67	264.65	0.03	264.68

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.13: Other Non Financial Assets

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
Balance with government authorities			
Goods and Services Tax	4.76	17.81	21.67
Others authorities	0.01	11.85	14.26
Advances with Trade Payable	-	-	15.42
Prepaid Expenses	-	-	44.65
Others	-	-	15.54
-Advance to Staff	3.36	-	-
-Advance to Suppliers	0.04	-	-
Total	**8.15**	**29.66**	**111.54**

Note No.14: Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
i) Micro and Small Enterprises	1.94	-	-
ii) Total outstanding dues other than MSME	11.20	279.79	54.37
Total	**13.14**	**279.79**	**54.37**

Trade Payables aging schedule

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises			
Disputed due-MSME	Nil	Nil	-
Disputed due- Others	Nil	Nil	8.54
Undisputed due- MSME	1.94	Nil	
Undisputed due- Others	11.20	279.79	45.83
Outstanding for following period from due date of payment			
Less than 1 Years	13.14	279.79	-
1-2 Years	Nil	Nil	54.37
2-3 Years	Nil	Nil	-
More Than 3 Years	Nil	Nil	-
Total	**13.14**	**279.79**	**54.37**

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Note No.15: Borrowings

(Amount In Rs.)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Long term Borrowings			
Secured Loans			
Term Loans from Banks			
Vehicle loans from Banks	6.29	13.24	19.88
Working Capital Loans from bank			
Unsecured Loans			
(a) Loan form Related Party			
Loan form Directors			108.70
(a) Loan form Others			
Loan from Banks			42.40
Intercorporate Loans	6,481.50	4,737.00	4.81
Others	-		-
Total	**6,487.79**	**4,750.24**	**175.79**
Less: Short term Borrowings	-	-	
Less: Current Maturities of Long term Debts	6.29	6.75	33.44
Total(A)	**6,481.50**	**4,743.49**	**142.35**
Short Term Borrowings			
Secured Loans, Repayable on Demand			
Working Capital Loan form Banks	64.65	115.25	113.23
Unsecured Loans, Repayable on Demand	-		
Intercorporate Loans	914.50	2,463.50	180.00
Others	-		-
- From Banks(Current Maturities of Long term Debts)	6.29	6.75	33.44
- From Others	400.22	183.70	-
Total(B)	**1,385.66**	**2,769.20**	**326.67**
Total(A+B)	**7,867.16**	**7,512.69**	**469.02**
(a) Term Loans	6,487.79	4,750.24	62.28
(b) Repayable on demand*	1,379.37	2,762.45	406.74
Total	**7,867.16**	**7,512.69**	**469.02**
(a) With in India	7,867.16	7,512.69	469.02
(b) Outside India	-		
Total	**7,867.16**	**7,512.69**	**469.02**

* Loans without specifying any terms or period of repayment are considered as repayable on demand.

a) Principal Amount of instalment due in next following year on long term debts are separately disclosed under Short Term Borrowings as Current

b) Vehical Loans are secured with respective vehicles.

(c)The Company's borrowings w.r.t Advik Optoelectronics Limited are secured by (A) Primary Securities : (i) Hypothecation of the entire movable fixed assets of the company (ii) Hypothecation of the Current Assets, (B) Collateral Security of charge on Commercial land and Building situated at Unit No.308-B, 3rd

Note No.16: Other Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Creditors for other Liabilities/Expenses		0.23	2.66
Interest Payable	484.47	73.93	-
Salary and Bonus Payable	6.89	7.95	2.00
Expenses Payable	3.04	1.30	-
Security Received	-	-	0.84
Cheque Issued but not realised	-	-	45.50
Audit Fees Payable	1.22	1.41	-
Total	**495.63**	**84.82**	**51.00**

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.17 : Non-Financial Liabilities (Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Reserve for Bad & Doubtful Debts@	119.57	81.15	6.29
Statutory Dues Payable	74.62	31.79	5.63
Total	**194.20**	**112.94**	**11.92**

@ Reserve for Bad & Doubtful Debts As per Income Tax Provisions
Reserve for Bad & doubtful debts has been created as per provisions of Section 36(1)(viia)(d) of Income Tax Act,1961

Note No.18 : Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Authorized Share Capital			
75,00,00,000 Equity Shares (Year 2023: 25,00,00,000 , Year 2022: 25,00,00,000)			
Par Value of Each Equity Share is Re.1/-	7,500.00	2,500.00	2,500.00
	7,500.00	**2,500.00**	**2,500.00**
Issued Share Capital			
42,81,53,600 Equity Shares (Year 2023: 22,01,93,280 , Year 2022: 4,58,73,600)			
Par Value of Each Equity Share is Re.1/-	4,281.54	2,201.93	458.74
	4,281.54	**2,201.93**	**458.74**
Subscribed and Fully Paid-up			
42,81,53,600 Equity Shares (Year 2023: 22,01,93,280 , Year 2022: 4,58,73,600)			
Par Value of Each Equity Share is Re.1/-	4,281.54	2,201.93	458.74
TOTAL	**4,281.54**	**2,201.93**	**458.74**

a) The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Vikas Garg	3,35,63,523	7.84%	1,72,61,241	7.84%	-	-
Seema Garg	3,22,70,098	7.54%	1,65,96,051	7.54%	-	-
Sukriti Garg	2,74,84,424	6.42%	1,41,34,847	6.42%	-	-
Shyam Sunder Saraogi	-		1,40,00,000	6.36%	-	-
Virender Kumar Agarwal	-	-	-	-	1,38,00,000	30.08%
Shakul Kumar Agarwal	-	-	-	-	35,84,000	7.81%

b) Shareholding of promoters of the Company:

Name of the Shareholders	As at March 31, 20234		(%) of change during the year	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held		No. of shares	% held	No. of shares	% held
Vikas Garg	3,35,63,523	7.84%	-	1,72,61,241	7.84%	-	-
Seema Garg	3,22,70,098	7.54%	-	1,65,96,051	7.54%	-	-
Sukriti Garg	2,74,84,424	6.42%	-	1,41,34,847	6.42%	-	-
Virender Kumar Agarwal	-	-	-	-	-	1,38,00,000	30.08%
Shakul Kumar Agarwal	-	-	-	-	-	35,84,000	7.81%

c) The reconciliation of the number of shares outstanding as at year end is set out below :

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	No. of shares	No. of shares	No. of shares
Equity Shares at the beginning of the year	22,01,93,280	4,58,73,600	4,58,73,600
Add : Fresh Equity Shares allotted during the year	20,79,60,320	17,43,19,680	-
Add : Bonus Shares allotted during the year	-	-	-
Less : Equity Shares forfeited/ buy-back during the year	-	-	-
Equity Shares at the end of the year	**42,81,53,600**	**22,01,93,280**	**4,58,73,600**

During the financial year ending 31st March'2024, Company issued equity shares with respect to Right Issue (issue dated 11th Oct 2023) of Rs. 49,91,04,768/- consisting of 20,79,60,320 shares of Rs. 2.40 (F.V of Rs.1 at premium of Rs.1.40).

During the financial year ending 31st March'2023, Company issued equity shares with respect to Right Issue (issue dated 26 April, 2022) of Rs. 49,68, 11,000/- consisting of 17,43,19,680 shares of Rs. 2.85 (F.V of Rs.1 at premium of Rs.1.85).

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

a) The Company has not issued any Bonus Share's during the last two Financial Years.

b) The Company has not buy-back any Share's during the last two Financial Years.

c) The Company has not forfeited Share's during the last two Financial Years.

d) The company has not issued any securities, which convertible into equity shares.

e) Terms attached to Equity Shares

The rights, powers and preference relating to each class of share and the qualifications limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company.
The Company has only one class of Equity Shares having a par value of Rs.1 per share. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

In the event of winding up/ liquidation of the company, Equity Shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. For the said purpose, the liquidator may set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out between the members.

Note No.19 : Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(A) Reserves and Surplus			
(a) Amalgmation Reserve			
Opening Balance	44.17	44.17	44.17
Add : Received/ utilised during the year			-
Total (a)	**44.17**	**44.17**	**44.17**
(b) Security Premium			
Opening Balance	3,477.44	357.20	357.20
Add : Received/ utilised during the year	2,755.21	3,120.24	-
Total (b)	**6,232.65**	**3,477.44**	**357.20**
(c) Retained Earnings			
Balance at the beginning of the year	824.38	80.08	46.56
Add : Profit/(Loss) for the year	646.76	934.60	41.75
Less : Special Reserve	80.80	190.92	8.23
Less : Reserve for Bad & Doubtful Debts			-
Less : Contingency Reserve			-
Less: Prior Period Expenses	0.16	(0.62)	
Total (c)	**1,390.18**	**824.38**	**80.08**
(d) Special Reserve*			
Opening Balance	206.93	16.01	7.78
Add : Received/ utilised during the Year	80.80	190.92	8.23
Total (d)	**287.73**	**206.93**	**16.01**
Capital Reserve			
(e) Capital Reserve	1.60	1.60	1.60
Add : Received/ utilised during the Year			
Total (e)	**1.60**	**1.60**	**1.60**
Total (a+b+c+d+e)	**7,956.34**	**4,554.52**	**499.06**
(B)Equity Instruments through Other Comprehensive Income			
Opening Balance	(896.82)	-	
Add: Changes during the year (Net of Tax Effect)	(77.74)	(896.82)	
TOTAL(B)	**(974.56)**	**(896.82)**	-
(C) Other Items through Other Comprehensive Income			
(D) Non Controlling Interest			
Opening Balance	118.10	117.82	115.20
Add: Profit for the year	(11.15)	0.28	2.62
TOTAL(D)	**106.95**	**118.10**	**117.82**
TOTAL(A+B+C+D)	**7,088.72**	**3,775.80**	**616.88**

*Special Reserve as per RBI Norms

As per Section 45-IC (1) of Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

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Note No. 19A : Utilisation of Right Issue Proceeds

A. Proceeds from subscription to the Issue of Equity shares under Rights Issue of 2023-24, made during the year ended March 31, 2024

Objects of Right Issue		(In Lakh)
S.No.	**Particulars**	**Amounts**
1	To augment the capital base of Company	3,675.00
2	General Corporate Purposes	1,225.00
3	Issue related expenses	91.05
	Total	**4,991.05**

Sub Notes:

(1) During the financial year ending 31st March'2024, the holding cpmpany has completed 1 right issue (IPO) dated 11th October'2023 and issued 207960320 Shares @ Rs. 2.40 per share. The shares were allotted on 13th October'2023 & were listed on Bombay stock exchange & National Stock Exchange of India.

(2) The proceeds from right issues during the year for the purpose of meeting augment the capital base of our Company and general corporate purposes were majorly utilized collectively towards repayment of company's borrowings and advancement of loans in accordance with business objects of the company.

B. Proceeds from subscription to the Issue of Equity shares under Rights Issue of 2022-23, made during the year ended March 31, 2023

Objects of Right Issue		(In Lakh)
S.No.	**Particulars**	**Amounts**
1	Issue related expenses (refer note-2)	103.11
2	Meeting Working Capital Requirements (refer note-1)	3,650.00
3	General corporate purposes (refer note-1)	1,215.00
	Total	**4,968.11**

Sub Notes:

(1) During the financial year ending 31st March'2023, the holding company has completed 1 right issue (IPO) dated 26th April'2022 and issued 17,43,19,680 Shares @ Rs. 2.85 per share. The shares were allotted on 19th April'2022 & were listed on Bombay stock exchange & National Stock Exchange of India.

(2) The proceeds from right issues during the year for the purpose of meeting working capital requirements and general corporate purposes were utilized collectively towards business objects of the compoany i.e grant of loans which includes loans repayable on demand and Term loans both. The Loans granted by the company includes Terms Loans of Rs. 4300 Lakhs advanced to Jind Gohana Highway Private Limited and Loans which are repayable on Demand of Rs. 4300 lakhs advanced to various entitities.

(3) The amount of 103.11 Lakhs includes Rs. 44.64 Lakhs related to right issue expenses incurred in previous year 2021-22 i.e prior to receipts of proceeds and are disclosed under prepaid expenses as on 31.03.2022. The expenses were adjusted against securities premium amount during the year 2022-23.

ADVIK CAPITAL LIMITED DELHI

KSMC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.20: Revenue from Operations (Amounts In Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income*	1,445.44	699.01	54.10
Dividend Income	0.01	0.13	-
Rental Income	-	6.00	9.00
Fees and Commission Income	-	-	14.50
Sale of Securities	82,394.67	59,094.71	3,871.92
Sale of Services	0.10		-
Sale of Goods	118.78	629.07	696.38
Total	**83,958.99**	**60,428.92**	**4,645.90**

*Interest Income is net of reversal of interest income w.r.t. NPA

Note No.21: Other Incomes (Amount In Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Profit on Sale of Fixed Assets	-	-	0.25
Realised Profit on Sale of Investments	828.94		
Gain on Revaluation of Investments	-		
Interest on Income Tax Refund	-	0.21	
Interest Income	-		
From Banks	0.09	-	1.18
From Others	-	-	0.08
Foreign Exchange Fluctuation Gain (Net)	-	0.17	0.25
Other Non-Operating Incomes	17.84	7.60	10.06
Total	**846.88**	**7.98**	**11.82**

Note No. 22 : Finance Costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Loans & working capital Limit	692.93	294.82	19.46
Other Financial Charges	0.87	2.23	1.05
Interest on Statutory Dues	61.45	-	-
Bank Charges	0.02	-	-
Total	**755.26**	**297.05**	**20.51**

Note No. 23 : Net gain/(loss) on fair value changes**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(A) Net gain/(loss) on financial instruments at fair value through profit or	-		
(B) Others(to be specified)	-		
-Security Deposits	(2.92)	17.50	-
-Change in Fair Value of Investments	(4.08)	23.33	-
Total Net gain/(Gain) on fair value changes	**(7.00)**	**40.83**	-
Fair Value Changes:			
-Realised			
-Unrealised	(7.00)	40.83	-
Total Net gain/(Gain) on fair value changes	**(7.00)**	**40.83**	-

**Fair Value Changes in the schedule are other than those arising on account of accured interest income/expense.

Note No. 24: Purchases of Stock-in-Trade

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of Securities	83,698.60	57,933.47	3,944.10
Total	**83,698.60**	**57,933.47**	**3,944.10**

Note No. 25 : Change in Inventories of Finished Goods, WIP and Stock-in-Trade

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock			
Finished Goods		64.46	69.02
Securities held for trade	112.30	91.63	-
	200.85	156.09	69.02
Closing Stock			
Finished Goods		88.55	64.46
Securities held for trade	1,174.30	112.30	91.63
	1,257.71	200.85	156.09
Total	**(1,056.86)**	**(44.76)**	**(87.07)**

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No. 26 : Employee Benefit Expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Bonus	46.21	47.51	34.89
Director Remuneration	46.05	20.45	27.00
Staff Welfare and Other Expense	0.78	1.41	1.72
Keyman Insurance Expenses	2.22		
Total	**96.06**	**69.36**	**63.61**

Note No. 27 : Depreciation and Amortisation Expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Tangible Assets	52.44	23.97	23.43
Depreciation on Intangible Assets	0.04	0.11	-
Total	**52.49**	**24.08**	**23.43**

Note No. 28 : Other Expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and Spares	-	2.30	1.01
Power and Fuel	4.29	6.40	9.21
Repair & Maintenance to Building	6.12	0.52	0.90
Repair & Maintenance to Machinery	2.36	6.79	2.76
Rent	5.00	6.28	14.09
Repair & Maintenance to others	0.93	0.42	0.08
Insurance Expenses	0.74	1.13	0.97
Rates and Taxes	70.11	20.69	1.13
Other Manufacturing Expenses	(0.67)	10.90	12.48
Audit Fee	3.30	3.21	0.42
Business Promotional Expenses	0.15	0.90	1.10
Fee and Subscriptions	0.44	1.60	3.71
Freight outward	0.06	0.33	1.03
Rebate and Discount	-	0.08	1.61
Security Charges	0.31	0.28	0.03
Donation & CSR Expenditure	12.45		
Vehicle Running & Maintenance	4.75	3.35	4.65
Professional, Consultancy and Legal Expenses	18.32	31.82	2.53
Telephone and Internet Expenses	0.70	0.74	0.86
Travelling and Conveyance	21.65	3.14	1.58
Director Sitting Fees	5.60	6.39	-
Electricity Expenses	-	0.65	-
Reserve for Bad & Doubtful Debts	38.42	74.86	2.06
Demate Expenses	0.00	0.05	
Advertisement Expenses	1.55	1.14	-
Website Maintence Charges	0.67		
Other Miscellaneous Expenses	1.45	2.76	4.58
Total	**199.60**	**186.73**	**66.79**

Note: Payment to statutory auditors

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Statutory audit	3.30	3.21	0.21
Other Matters	4.68	0.11	-
Total	**7.98**	**3.32**	**0.21**

Note No. 29: Earning per Share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Basic			
Weighted average no. of Equity Shares outstanding	3,170.52	2,202	458.74
Net profit after tax	646.76	934.60	41.75
Basic Earnings per Share (Rs.)	**0.20**	**0.42**	**0.09**
Diluted Earnings per Share			
Weighted average no. of Diluted Equity Shares	3,170.52	2,202	458.74
Adjusted profit After tax attributable to equity shareholders(Rs.)	646.76	934.60	41.75
Diluted Earnings per Share (Rs.)	**0.20**	**0.42**	**0.09**
Nominal Value per Share (Rs.)	**1.00**	**1.00**	**1.00**

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.30 : Contingent liabilities and commitments (to the extent not provided for)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Contingent liabilities			
Claims against the Company not acknowledged as debt	Nil	Nil	Nil
Gurantee in favour of Subsidiaries comapany by holding company	142.84	142.84	142.84
Collateral Security against subsidiaries	Nil	Nil	Nil
Other money for which the Company is contingently liable	Nil	Nil	Nil
Capital Commitment	Nil	Nil	Nil

-During the year the holding company entered into share purchase agreement dated 08th February 2024 along with others parties for purchase of equity shares of Industrial Investment Trust Limited. In pursuance of this agreement the company Advik Capital Limited is required to acquire 14,07,067 shares at the consi deration price of Rs. 38,69,43,425 (at the rate of Rs. 275 per share). The company has deposited 24.00 Lacs as refundable security deposit to Creative Projects & Contracts Pvt Ltd in accordance with regulation 17 of Securities and exchange board of india (Substantial Acquisition of Shares and Takeovers) Regulation, 2011

- As per contractual terms of sanction letter the company have a commitment to further disburse the loan amount of 510 Lakhs out of total loan of Rs. 5510 lakhs sanctioned to Jind Gohana Highway Private Limited. As on year end 31st March 24, the company have disbursed loan to the value of Rs. 5000 Lakhs.

-As per contractual terms of sanction letter the company have a commitment to further disburse the loan amount of 17 Lakhs out of total loan of Rs. 5000 lakhs sanctioned to Gohana Sonepat Highway Private Limited. As on year end 31st March 24, the company have disbursed loan to the value of Rs. 4983 Lakhs.

B) Lease Commitment: Lease yet not commenced:

The holding company entered in to LOI with M/s Indian Realtors Private Limited with respect to lease of under construction property of which possession is expected to be received by 31st March 2028. The lease rental of Rs. 10.00 Lakhs per month shall be commenced three months after handing over of posession. The security deposit of 50 Lakhs given by the company in relation to said lease agreement has been shown as security deposit at discounted value as other financial asset in Note no. 8

Note No.31 : Foreign Currency Transactions Details

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Expenditure in Foreign Currency:			
Raw Materials	Nil	34.04	92.15
Travelling Expenses	17.05	Nil	Nil
Professional and Consultancy	Nil	Nil	Nil
Other Matters	Nil	Nil	Nil
Earning In Foreign Currency:			
Professional and Consultancy	Nil	Nil	
Other Matters	Nil	Nil	Nil
Asstes	Nil	Nil	Nil
Liabilities	Nil	Nil	Nil

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.32: Tax Expenses

(Amount in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	271.22	358.50	15.06
Income Tax for Earlier years			-
Deferred Tax (Credit)/ charge	(8.59)	(10.75)	1.47
Tax Expenses reported in the Statement of Profit and Loss Account	**262.63**	**347.75**	**16.53**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2022: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Accounting (loss)/ profit before tax expenses	898.25	1282.63	60.90
Income tax rate	25.168%	25.168%	25.168%
Expected tax expenses	226.07	322.81	15.33
Tax Impact due to temporary differences	26.81	35.44	-
Tax Impact due to Permanent differences	18.35	0.25	-
Tax impact on items exempt under income tax		-	-
Impact of change in tax rates		-	-
Income tax for earlier years		-	-
Others	(8.59)	(10.75)	1.20
Tax Expenses	**262.63**	**347.75**	**16.53**

Note No. 33 :

Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	1.94	Nil	Nil
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil	Nil
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .	Nil	Nil	Nil
The amount of interest due and payable for the year.	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	Nil	Nil	Nil

*Interest due on Micro and small Enterprises is nil, as confirmation from MSME creditors is received that no interest would be claimed or charged on outstanding balance with the company.

Note No.34: Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with capital adequacy requirements required by the Reserve Bank of India and maintain strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders value.

The Company's capital management objectives are :

-to ensure the Company's ability to continue as a going concern

-to comply with externally imposed capital requirement and maintain strong credit ratings

-to provide an adequate return to shareholders

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub–ordination levels of the Company's various classes of debt. 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 (including investments in Subsidiary companies). In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Net Debt*	8,242.63	7,442.53	441.81
Total Equity	11370.26	5977.73	1075.62
Net debt to equity ratio	0.72	1.25	0.41

* Net debt includes debt securities + borrowings other than debt securities + sub–ordinated liabilities + interest accrued – cash and cash equivalents – bank balances other than cash and cash equivalents.

Note No. 35: Maturity Analysis Of Assets And Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months	Vithin 12 Months	12 Months
ASSETS						
Financial Assets						
(a) Cash and Cash Equivalents	107.69	-	142.86	-	26.06	-
(b) Bank Balances other than Cash and cash	1.32	-	1.23	-	1.15	-
(c) Trade Receivables	5.44	-	340.00	-	101.77	-
(d) Loans	6,630.55	9,940.79	4,363.38	6,857.18	729.05	-
(e) Investments	-	1,342.63		1,433.03	-	-
(f) Others Financial Assets	305.86	35.42	148.94	99.34	72.39	67.75
	7,050.86	**11,318.84**	**4,996.41**	**8,389.54**	**930.42**	**67.75**
Non-Financial Assets						
(a) Inventories	1,427.52	-	350.37	-	359.55	-
(b) Current Tax Assets (Net)	-	-	-	-	-	-
(c)Deferred Tax Assets(Net)	-	348.24	-	313.48	-	1.10
(d) Property, Plant and Equipment	-	264.68	-	176.87	-	198.38
(e) Other Non-Financial Assets	8.15		29.66	-	111.54	
	1,435.68	**612.92**	**380.04**	**490.34**	**471.09**	**199.48**
TOTAL ASSETS	**8,486.54**	**11,931.76**	**5,376.45**	**8,879.89**	**1,401.51**	**267.23**
LIABILITIES AND EQUITY						
Liabilities						
Financial Liabilities						
(a) Trade Payables						
(i) Total Outstanding of MSME	1.94	-	-	-	-	-
(ii) Total Outstanding other than MSME	11.20	-	279.79	-	54.37	-
(b) Borrowings	1,385.66	6,481.50	2,769.20	4,743.49	435.37	33.65
(c) Other Financial Liabilities	495.63	-	84.82	-	51.00	-
	1,894.43	**6,481.50**	**3,133.80**	**4,743.49**	**540.74**	**33.65**
Non Financial Liabilities						
(a) Current Tax Liabilities (Net)	477.92	-	288.36	-	6.81	-
(b) Deferred Tax Liabilities (Net)	-	-	-	-	-	
(c) Other Non-Financial Liabilities	194.20	-	112.94	-	11.92	-
	672.12	-	**401.30**	-	**18.73**	-
Total Liabilitites	**2,566.55**	**6,481.50**	**3,535.11**	**4,743.49**	**559.47**	**33.65**
Net Equity	**5,919.99**	**5,450.26**	**1,841.34**	**4,136.40**	**842.04**	**233.58**

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K S G & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.36: Related Party Disclosures

a) **List of related parties and relationship (as identified by the management).**

i) Subsidiaries

Advik Optoelectronics Ltd.
Advikca Finvest Ltd.

ii) Key Management Personnel's (KMP) :

Advik Capital Limited

Mr. Virender Kumar Agarwal	(Director, Ceased w.e.f 22.03.2023)
Mr. Ashwini Kumar	(Whole Time Director & CFO, w.e.f 01.07.2022), ceased w.e.f 01.07.2023
Mr. Shakul Kumar Aggarwal	(Excecutive Director, Ceased w.e.f 22.03.2023)
Mrs. Manju Agarwal	(Director, Ceased w.e.f 22.03.2023)
Mr. Rishabh Aggarwal	(Chief financial officer,ceased from 07.04.2022)
Mr. Madhur Bansal	(Director cum CFO, w.e.f from 07.04.2022, ceased w.e.f 01.07.2022)
Mr. Vikas Garg	(Director, w.e.f 22.02.2023)
Ms. Rashika Gupta	(Company Secretary, w.e.f from 28.12.2021, ceased w.e.f 07.01.2023)
Mr. Pankaj	(Whole Time Director w.e.f 21.06.2023 & CFO, w.e.f 01.07.2023)
Mr. Karan Bagga	(Director, w.e.f 22.03.2023)
Ms. Deepika Mishra	(Company Secretary w.e.f 12.01.2023)
Ms. Poonam Mehta	(Company Secretary, ceased from 28.12.2021)

Advik Optoelectronics Limited

Mr. Shakul Kumar Aggarwal	(Director)
Mrs. Manju Agarwal	(Spouse of Director)
Mr. Virender Kumar Agarwal	(Managing Director)
Mr. Rishabh Aggarwal	(Director)

iii) Enterprise over which KMP and their relatives exercise significant influence

w.r.t Advik Capital Limited

Advik Global Limited
Vikas Ecotech Limited
Genesis Gas Solutions Private Limited
Igl Genesis Technologies Limited

W.r.t Advik Optoelectronics Limited

Altolite Electro Signs Private Limited
Arrow Signs Private Limited
Vamar Ventures Private Limited
Vamar Lifestyles Private Limited

b) **Transactions with related parties:**

Nature of Transaction	Related Party Name	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Remunerations	Mr. Virender Kumar Agarwal	-	15.00	12.00
	Mr. Ashwini Kumar	4.50	12.46	
	Mr. Pankaj	8.35		
	Ms. Rashika Gupta		4.61	1.30
	Mr. Karan Bagga	24.00		
	Ms. Deepika Mishra	4.80		
	Mrs. Manju Agarwal	-	4.50	9.00
	Mr. Shakul Kumar Agarwal	-	2.00	1.50
	Ms. Poonam Mehta			1.10
	Mr. Rishabh Aggarwal	10.00	9.00	10.50
Interest Expenses				
	Mr. Vikas Garg	0.83	-	
Loan Given				
	Mr. Rishabh Agarwal	4.50	-	
Receipt of Loan Given	Mr. Rishabh Agarwal	4.50		

Vikas Garg

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Reimbursement of Expenses				
	Mr. Pankaj	2.22	-	
	Ms. Deepika Mishra	0.01	-	
	Mr. Rishabh Agarwal	0.36	-	
	Advik Global Limited	0.04	-	
	Mr. Shakul Kumar Agarwal	1.20	-	
	Altolite Electro Signs Private Limited	0.06	-	
	Advik Global Limited	0.04	-	
	Vamar Lifestyles Private Limited	0.05	-	
Purchases				
	Vamar Ventures Private Limited	102.18	-	
Advance Against Remuneration				
	Mr. Karan Bagga	1.80	-	
Interest on Unsecured Loan	Mr. Virender Kumar Agarwal	-	4.49	
	Mrs. Manju Agarwal	-	1.92	
Receiveing of Loan	Mr. Virender Kumar Agarwal (including Reimbursement of Expenses)	11.53	51.42	140.20
	Mrs. Manju Agarwal	3.71	44.00	20.00
	Advik Global Limited	-	9.00	
	Altolite Electro Signs Private Limited	18.00	5.00	
	Vamar Ventures Private Limited (including Reimbursement of Expenses)	22.32	-	
	Mr. Shakul Kumar Agarwal	2.10	-	
	Mr. Vikas Garg	500.00	-	
			-	
Repayment of Loan	Mr. Virender Kumar Agarwal (including Reimbursement of Expenses)	11.53	11.42	92.50
	Mrs. Manju Agarwal	3.71	9.00	4.00
	Advik Global Limited		9.00	14.50
	Altrolite Electro Signs Private Limited	18.00	5.00	25.70
	Mr. Vikas Garg	500.00		
	Mr. Shakul Kumar Agarwal	2.10	-	
	Vamar Ventures Private Limited (including Reimbursement of Expenses)	22.32	-	
Rent Expenses	Mr. Shakul Kumar Agarwal	-	4.00	12.00
Security Deposit Repaid	Mr. Shakul Kumar Agarwal	16.00	-	
	Advik Optoelectronics Ltd.			2.50

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

c) Balance as at the end of the year:

Nature of Balance		Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Remuneration Payable				
Ms. Rishabh Agarwal		-	1.00	1.00
Mr. Ashwini Kumar		-	1.07	
Mr. Virender Kumar Agarwal		-	4.95	
Mr. Karan Bagga		2.78		
Mr. Pankaj		0.70	-	
Ms. Deepika Mishra		0.40	-	
Ms. Rashika Gupta				0.43
Mrs. Manju Agarwal				0.25
Advance Against Remuneration				
Mr. Karan Bagga		1.80	-	
Reimbursement of Expenses				
Mr. Pankaj		0.01		
Interest on Unsecured Loan				
Mr. Virender Kumar Agarwal		-	4.04	
Mrs. Manju Agarwal		-	1.73	
Reimbursement Account				
Vamar Lifestyles Private Limited		0.05		
Vamar Ventures Private Limited		0.20		
Security Deposits	Mr. Shakul Kumar Agarwal	-	16.00	16.00
Unsecured Loan				
Mr. Virender Kumar Agarwal		-	128.70	88.70
Mrs. Manju Agarwal		-	55.00	20.00

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.37: Financial Instruments

(A) Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Financial assets measured at fair value				
Investments	7	1342.63	1433.03	NIL
Security Deposits		35.42	32.50	
Financial assets measured at amortized cost				
Cash and Cash Equivalents	3	107.69	142.86	26.06
Bank Balance other than Cash and cash equivalents	4	1.32	1.23	1.15
Trade Receivables	5	5.44	340.00	101.77
Loans	6	16571.34	11220.56	729.05
Other Financial Assets	8	305.86	215.78	140.14
Total		18,369.70	13,385.95	998.17

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Financial Liability measured at fair value				
Financial liabilities measured at amortized cost				
Trade Payables	14	13.14	279.79	54.37
Borrowings	15	7867.16	7512.69	469.02
Other Financial Liabilities	16	495.63	84.82	51.00
Total		8,375.93	7,877.29	574.39

(B) Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs;

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with credit risk-adjusted discounting rate for the remaining portfolio tenor. The Company has considered the average valuation impact arrived using risk free, cost of funds and yield free securitization approach.

The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(C) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 Inputs:

Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Financial Assets measured at amortized cost

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair Value	Carrying value	Fair Value		
(a) Cash and Cash Equivalents	107.69	107.69	142.86	142.86	26.06	26.06
(b) Bank Balance other than Cash and cash equivalents	1.32	1.32	1.23	1.23	1.15	1.15
(c) Trade Receivables	5.44	5.44	340.00	340.00	101.77	101.77
(d) Loans	16,571.34	16,571.34	11,220.56	11,220.56	729.05	729.05
(e) Other Financial Assets	305.86	305.86	215.78	215.78	140.14	140.14
Total	**16,991.65**	**16,991.65**	**11,920.43**	**11,920.43**	**998.17**	**998.17**

Financial Liabilities measured at amortized cost

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair Value	Carrying value	Fair Value	Carrying value	Fair Value
(a) Trade Payables	13.14	13.14	279.79	279.79	54.37	54.37
(b) Borrowings	7867.16	7,867.16	7512.68	7,512.68	469.02	469.02
(c) Other Financial Liabilities	495.63	495.63	84.82	84.82	56.63	56.63
Total	**8,375.93**	**8,375.93**	**7,877.29**	**7,877.29**	**580.02**	**580.02**

Financial Assets Measured at Fair Value

Particulars	As at March 31, 2024				
	Carrying value	Fair Value			
	Total	Level 1	Level 2	Level 3	Total
Investments	2,664.25	112.00	1,230.63		1,342.63
Security Deposits	50.00		35.42		35.42
Total	**2,714.25**	**112.00**	**1,266.05**		**1,378.05**

Financial Assets Measured at Fair Value

Particulars	As at March 31, 2023				
	Carrying value	Fair Value			
	Total	Level 1	Level 2	Level 3	Total
Investments	2,654.80	98.48	1,334.55		1,433.03
Security Deposits	50.00		32.50		32.50
Total	**2,704.80**	**98.48**	**1,367.05**		**1,465.53**

Financial Assets Measured at Fair Value

Particulars	As at March 31, 2022				
	Carrying value	Fair Value			
	Total	Level 1	Level 2	Level 3	Total
Investments	-		-		-
Total	-				-

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables, loans, borrowings, other financial assets and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments.

Note No.38: Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company manages the risk basis policies approved by the board of directors. The board of directors provides written principles for overall risk management.

A) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit Risk Management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following Credot ratings to each class of financial assets based on the assumption, input and factor specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Loans and other	Life time
High credit risk	Loans	Life time

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets (other than Loans) in the balance sheet

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Cash and Cash Equivalents	3	107.69	142.86	26.06
(b) Bank Balance other than Cash and cash equivalents	4	1.32	1.23	1.15
(c) Trade Receivables	5	5.44	340.00	101.77
(d) Investments	7	1342.63	1433.03	0.00
(e) Other Financial Assets	8	341.29	248.28	140.14

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.
Credit risk on cash and cash equivalents and bank deposits is generally limited as the Company transacts with Banks having a high credit ratings assigned by domestic credit rating agencies.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) 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 due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

	As at 31 March 2024					
	Carrying amount	Less than 6	6 to 12 months	1 to 2 years	> 2 years	Total
(a) Trade Payables	13.14	13.14				13.14
(b) Borrowings	7867.16		1,385.66	6,481.50		7,867.16
(c) Other Financial Liabilities	495.63		495.63			495.63

	As at 31 March 2023					
	Carrying amount	Less than 6	6 to 12 months	1 to 2 years	> 2 years	Total
(a) Trade Payables	279.79	279.79	-	-	-	279.79
(b) Borrowings	7512.69	-	2,769.20	4,743.49	-	7,512.69
(c) Other Financial Liabilities	84.82	-	84.82	-	-	84.82

	As at 31 March 2022					
	Carrying amount	Less than 6 mont	6 to 12 months	1 to 2 years	> 2 years	Total
(a) Trade Payables	54.37	54.37	-	-	-	54.37
(b) Borrowings	469.02	435.37	-	33.65	-	469.02
(c) Other Financial Liabilities	51		51.00	-	-	51.00

c) Market Risk – 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 exposure to the

D) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the company is Indian Rupee.

The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar & Euro. The Company manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.The company does not have borrowings, receivables and other payables in foreign currency and hence does not have any currency risk.

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SEGMENT REPORT OF THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No.39: Segment Reporting

The Company operates in three reportable segment based on the regular review by the CODM of respective companies i.e. Financing, Trading in securities and Manufacturing, for the purpose of Ind AS 108 "Operating segments" infromations related to such business segments have given below. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company operates only in India which is considered as a single geographical segment.

Operating segments:
Securities/Share Divison
Loan Division
Manufacturing
Others

1. Revenue by Geographical Location

(Amounts in Lakhs)

	Particulars	31-Mar-24	31-Mar-23	31-Mar-22
		(Audited)	(Audited)	(Audited)
	Domestic	83,958.99	60,428.92	4,645.90
	Export:-			
	Total	**83,958.99**	**60,428.92**	**4,645.90**

2. Revenue by nature of products

	Particulars	31-Mar-24	31-Mar-23	31-Mar-22
(a)	Securities/Share Divison	82,394.67	59,094.71	3871.92
(b)	Loan Division	1,445.44	699.01	54.1
(c)	Others	0.01	6.13	719.88
(c)	Manufacturing Division	118.88	629.07	
	Total	**83,958.99**	**60,428.92**	**4,645.90**

2. Segment Results before tax and interest

	Particulars	31-Mar-24	31-Mar-23	31-Mar-22
(a)	Securities/Share Divison	(195.61)	776.32	21.32
(b)	Loan Division	1,367.48	499.30	50.42
(c)	Others	-	6.13	-10.84
(b)	Manufacturing Division	(39.94)	0.89	
	Sub Total	**1,131.93**	**1,282.64**	**60.90**
Add: Other Income		846.88		-
Less: Unallocated Expenses		1,080.55	-	-
Profit before tax		**898.25**	**1,282.64**	**60.90**
Less: Tax expenses		262.63	347.75	16.53
Net profit/(loss) for the Period		**635.62**	**934.88**	**44.37**

3. Segment Assets and Liabilties

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Assets			
Assets -Loan Division	16,948.30	11,405.90	781.4
Assets -Securities/Share Divison	1,328.98	233.81	111.43
Assets-Manufacturing Divison	334.91	690.42	
Unalloacted	1,806.11	1,926.20	775.91
Total Assets	**20,418.31**	**14,256.33**	**1,668.74**
Liabilities			
Liabilities-Securities/Share Divison	8,374.70	7,460.02	80.85
Liabilities-Loan Division			109.04
Manufacturing Divison	80.31	409.30	
Unalloacted	11,963.30	6,387.01	1478.85
Total Liabilities	**20,418.31**	**14,256.33**	**1,668.74**

Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.40: Significant Accounting Ratios

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023	% Change 2023-2024	As at March 31, 2022	% Change 2022-2023	Reason of Variance for 23-24	Reason of Variance for 22-23
(a)	Current Ratio,	3.31	1.52	117.47%	2.51	-39%	Current Assets increased during the year and current liabilities also decreased	Current Liabilities for the year increased significantly in comaprison to previous year
(b)	Debt-Equity Ratio,	0.69	1.26	-44.95%	0.44	188%	The increase in shareholder's funds is significant as compare to increase in borrowings of the company	The borrowings of the company increased more than the increase in shareholder's funds.
(c)	Debt Service Coverage Ratio,	2.35	5.31	-55.74%	1.96	171%	Due to major increase in interest on borroings during the year	N/A
(d)	Return on Equity Ratio,	0.06	0.16	-64.26%	0.04	279%	The net profit of the company declined sharply and also total equity has been increased.	The net profit of the company rose sharply in comaprison to Previous year profits due to sharp increase in revenue from operations
(e)	Inventory turnover ratio,	28.78	84.65	-66.00%	10.32	720%	Inventory average value increased significantly during the year in proportion to increase in revenue from operations	Revenue from operations of the company rose sharply in comparison to the previous year.
(f)	Trade Receivables turnover ratio,	121.52	68.39	77.68%	6.86	897%	Revenue from operations of the company increased during the year and averagetrade receivables also declined.	Revenue from operations of the company rose sharply in comparison to the previous year.
(g)	Trade payables turnover ratio,	142.86	86.69	64.81%	12.58	589%	Purchase of stock in trade of the company rose sharply in comaprison to the previous year.	Purchase of stock in trade of the company rose sharply in comaprison to the previous year.
(h)	Net capital turnover ratio,	14.18	32.82	-56.78%	5.52	495%	Working Capital of the company significantly increased in comaprison to the previous year in proportion to increase in revenue from operations	Working Capital of the company reduced significantly in comparison to the previous year and also increase in revenue from operations
(i)	Net profit ratio,	0.01	0.02	-51.07%	0.01	62%	Net profit of the company decreased during the year and revenue from operations increased during the year.	Net profit of the comapany increases due to increase in revenue from operations in more proportion in comparison to increase in expenses.
(j)	Return on Capital employed,	0.09	0.15	-37.12%	0.07	106%	There is significant increase in equity and long term debt during the year as compare to previous year.	The net profit of the company rose sharply in comaprison to Previous year profits due to sharp increase in revenue from operations
(k)	Return on Investment	-	-	-		0%		

Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / (Total Equity)
3. Debt Service Coverage Ratio = EBITDA / (Finance Cost+Repayment of Long term borrowings)
4. Return on Equity Ratio = (Profit After Tax-Contingent Reserve) / (Total Equity-Contingent Reserve)
5. Inventory Turnover Ratio = Sale / (Average Inventory)
6. Trade Receivable Turnover Ratio = Revenue from Operations / Trade Receivable
7. Trade Payable Turnover Ratio = Purchase / Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
9. Net Profit Ratio = Profit After Tax / Revenue
10 Return on Capital Employed= EBIT/ (Total Equityholder's Funds+Long term debt)
11 Return on Investment= Income from Investments/ Net Investment

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No.41: Additional Regulatory Information

i All the Title deeds of Immovable properties are held in the name of company.

ii The Company has neither any capital work in progress of Property, Plant and Equipment nor any intangible assets under development.

iii During the year, the member of the Group company Advik Optoelectronics Limited have a working capital limit from Indusi nd bank. As per Master Circular DOR.CRE.REC.No.17/13.05.000/2022-23 dated April 8, 2022, working capital requirement of borrowers, other then micro and small enterprises, requiring fund based working capital limits up to ₹1 crore and micro and small enterprises requiring fund based working capital limits up to ₹5 crore from the banking system may be made on the basis of their projected annual turnover. Therefore, the company is not required to submit monthly stock statements with Bank.

iv During the year, the company has not revalued its Property, Plant and Equipment's and Intangibles.

v During the year, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

vi The Company has not provided any Loan to any person on behalf of other person other than its ordinary course of its NBFC business, hence disclosure under section 186 is not applicable to the company.

vii During the year, the company has not been declare wilful defaulter by any bank or financial institution or any other lender.

viii There is charge on movable property amount to Rs. 3.5 Lacs whose satisfaction is yet to be registered with ROC.

ix There have been no material changes and commitments affecting the financial position of the company occurring after the end of the financial year.

x The Company does not have any Scheme of Arrangements, which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xi The company has utilized funds raised from the issue of securities or borrowings from banks & financial institutions for the specific purposes, for which they were issued/taken.

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities

xii 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 guarantees, securities or the like or on behalf of the ultimate beneficiaries

xiii The Group has not received any funds from any person(s) or entity(ies), including foreign entity(ies) (funding party) with the

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

ii.Provide any guarantees, securities or the like or on behalf of the ultimate beneficiaries.

xiv During the year, the company has not traded, invest or perform any transaction in crypto or other virtual currency.

xv In the opinion of the management, the realizable value of current assets, loans & advances, in the ordinary course of business,

xvi Capital to Risk Assets Ratio (CRAR): w.r.t holding company

Particulars	Mar-24	Mar-23	Mar-22
(a) capital to risk weighted assets ratio:	56.40%	44.33%	75.57%
(b) Tier I CRAR	56.40%	44.33%	75.57%
(c)Tier II CRAR	-	-	-
(d) Liquidity Coverage Ratio#	N/A#	244.02%	N/A#

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Estimated cash inflows exceeds the estimated cash outflows for the year ended March 2024 & March 2022 over the next 30 days. Hence, ratio is not applicable.

Methodology:

(a) capital to risk weighted assets ratio-(Tier I Capital+ Tier II capital)/Total Risk Weighted Assets

(b) Tier I CRAR-Tier I Capital/Total Risk Weighted Assets

(c)Tier II CRAR-Tier II capital/Total Risk Weighted Assets

(d) Liquidity Coverage Ratio-High Quality Liquid Assets/Net Cash flow over 30 days period

There have been no material changes and commitments affecting the financial position of the company occurring after the end of the financial year.

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No. 42:

Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms : For the Year 2024

Asset Classification as per RBI Norms	Assets classifiction as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage-1	16,380.65	76.31	16,304.34	76.31	-
Subtotal		**16,380.65**	**76.31**	**16,304.34**	**76.31**	-
Non-Performing Assets (NPA)						
Substandard	Stage-3	356.00	89.00	267.00	89.00	-
Doubtful – up to 1 year	Stage-3	-	-	-	-	-
1 to 3 years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Subtotal for doubtful	Stage-3	-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		**356.00**	**89.00**	**267.00**	**89.00**	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**16,736.65**	**165.31**	**16,571.34**	**165.31**	-

Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms : For the Year 2023

Asset Classification as per RBI	Assets	Gross	Loss	Net Carrying	Provisions	Difference
Performing Assets						
Standard	Stage-1	11,320.56	100.00	11,220.56	100.00	-
Subtotal		**11,320.56**	**100.00**	**11,220.56**	**100.00**	-
Non-Performing Assets (NPA)						
Substandard	Stage-3	-	-	-	-	-
Doubtful – up to 1 year	Stage-3	-	-	-	-	-
1 to 3 years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Subtotal for doubtful	Stage-3	-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**11,320.56**	**100.00**	**11,220.56**	**100.00**	-

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Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms : For the Year 2022

Asset Classification as per RBI	Assets	Gross	Loss	Net Carrying	Provisions	Difference
Performing Assets						
Standard	Stage-1	731.00	1.95	729.05	1.95	-
Subtotal		**731.00**	**1.95**	**729.05**	**1.95**	-
Non-Performing Assets (NPA)						
Substandard	Stage-3	-	-	-	-	-
Doubtful – up to 1 year	Stage-3	-	-	-	-	-
1 to 3 years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Subtotal for doubtful	Stage-3	-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**731.00**	**1.95**	**729.05**	**1.95**	-

Note No. 43: Disclosures Related to Non performing Assets

(a) Sector wise Non performing Assets

Particulars	(Percentage of NPAs to total advance to that sector) As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1 Agriculture and allied activities	-	-	-
2 MSME	-	-	-
3 Corporate borrowers*	50.00	-	-
4 Services	-	-	-
5 Unsecured personal loans	306.00	-	-
6 Auto loans	-	-	-
7 Other personal loans	-	-	-

* Unsecured and Repayable on Demand

(b) Movement of NPAs

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
i) Net NPAs to net advance (%)	1.61%	-	-
ii) Movement of NPAs			
a) Opening balance	-	-	-
b) Addition during the year	356.00	-	-
c) Reduction/ write off during the year	-	-	-
d) Closing balance	356.00	-	-
iii) Movement of provisions for NPAs			
a) Opening balance	-	-	-
b) Addition during the year	89.00	-	-
c) Reduction/ write off during the year	-	-	-
d) Closing balance	89.00	-	-

(C) Detail of non-performing financial asset purchased/sold

The Company has not purchased/sold non-performing financial asset in the current and previous year.

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Restated Notes on Consolidated Financial Statements for the year ended March 31, 2024

Note No. 44:Details of significant investments in subsidiaries and associates

(Amount in Lakhs.)

Investment in Subsidiary	Country of Incorporation	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advik Optoelectronic Limited (Stated at Cost)	India	148.44	148.44	148.44
Advikca Finvest Limited (Stated at Cost)	India	1,014.80	15.00	-

Note No. 45: Additional Disclosures for RBI

(a) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil (Previous year: Nil)

(b) Draw down from reserves:- Nil (Previous year Nil)

(c) Disclosure of Penalties imposed by RBI & other regulators: Nil (Previous year: Nil)

(d) Registration obtained from other financial sector regulators:

The Company is registered with following other financial sector regulators:

(i) Ministry of Corporate Affairs (MCA))

(ii) Ministry of Finance (Financial Intelligence Unit)

(iii) Securities and Exchange Board of India (SEBI)

(iv) Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)

(e) Details of financing of parent Company product

This disclosure is not applicable as the Company does not have any holding/parent Company.

(f) Exposures

(i) Exposure to real state sector:-As per Table Below

Loans & Advances	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
	Amount	Amount	Amount
Basant Projects Ltd	750.00	749.56	-
Fun City Developers Pvt Ltd	275.00	275.00	-
Indian Realtors Pvt Ltd	250.00	200.00	-
J P Shastri Construction Pvt Ltd*	90.00	90.00	-
New Horizon Bullwell Pvt Ltd	350.00	350.00	-
Uniexcel Developers Pvt Ltd	82.65	95.00	-
Tarvinder Buildprop Pvt. Ltd	-	190.00	-

(ii) Exposure to capital market:-Nil (Previous Year : Nil

Note No.46 : Re- Grouping

Cretain reclassification have been to the comparitive period Financial statements to enhance comparability with the current financial year As a result, cretain line items have been reclassified in the Balance sheet as at 31st March,2023 the details of which are as under.

Other Financial Liabilities	Before Reclassification	Reclassification	Reclassification
Statutory Dues Payable	31.26	(31.26)	-

Other Non Financial Liabilities	Before Reclassification	Reclassification	Reclassification
Statutory Dues Payable	-	31.26	31.26

Cretain reclassification have been to the comparitive period Financial statements to enhance comparability with the current financial year financial statements & enhance compliance with guidance note on the Division-II- Ind AS Shedule III to the companies Act.

As a result, cretain line items have been reclassified in the Balance sheet as at 31st March,2022 the details of which are as under.

Other Equity	Before Reclassification	Reclassification	Reclassification
Reserve for Doubtful Debts	6.29	(6.29)	-
Contigency Reserve	1.95	(1.95)	-

Other Non Financial Liabilities	Before Reclassification	Reclassification	Reclassification
Reserve for Doubtful Debts	-	6.29	6.29

Financial Assets	Before Reclassification	Reclassification	Reclassification
Impairmemt Loss Allowance*	-	1.95	1.95

*Netted off from Loans under Financial Assets

Other Financial Assets	Before Reclassification	Reclassification	Reclassification
Security Deposits	-	67.75	67.75

Other Non Financial Assets	Before Reclassification	Reclassification	Reclassification
Security Deposits	67.75	(67.75)	-

Other Financial Liabilities	Before Reclassification	Reclassification	Reclassification
Salary & Bonus Payable	-	2.00	2.00
Security Received	-	0.84	0.84

Other Non Financial Liabilities	Before Reclassification	Reclassification	Reclassification
Salary & Bonus Payable	2.00	(2.00)	-
Security Received	0.84	(0.84)	-

Note No.47 :Reconciliation between audited profit and restated profit

Particulars	As at March 31, 2024	As at March	As at March 31,
A. Profit after tax (as per audited	557.88	38.06	47.38
B. Add/(Less): Adjustment on accounts of-			
1. Provision of Income Tax for prior period	-	-	-
2. Provision for impairment on financial instruments	-	-	(0.62)
3. Reserve for Bad & Doubtful Debts	-	-	(0.33)
4. Transfer to Special Reserve	-	-	(2.06)
5. Other Financial Charges	-		-
6. Other Miscellaneous Expenses	-		-
	-	-	(3.01)
C. Restated Profit After Tax (A+B)	557.88	38.06	44.37

Note No. 48: Others

(a) Pursuant to section 135 of the Companies Act, 2013, CSR is applicable to every company having net worth of Rs 500 crore or more, or a turnover of over Rs 1,000 crore or a net profit exceeding Rs 5 crore in any financial year. Since the Company has exceeded the limits specified above, provisions of Section 135 of the Companies Act, 2013 is applicable to the Company. The company has spends 12.45 Lakhs within the specified duration under CSR which exceeds the limits specified under the provisions of Section 135 of companies Act, 2013.

(b) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section

(c) The company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act'1961.

(d) Other additional information pursuant to Schedule III to the Companies Act 2013 are either nil or not applicable.

(e) The Previous year's figures have been reclassified /re-grouped and / or rearranged wherever considered necessary.

(f) Figures have been rounded off to the nearest lakh and two decimal thereof.

NEW DELHI

Note No.49 :Additional information pursuant to General Instructions for the preparation of Consolidated Financial statements as per Schedule III of the Companies Act, 2013

A. For the year ended March 31, 2024

Name of the Entity	Net assets (Total assets minus Total liabilities)		Share in profit or Loss		Share in Other comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount's	As % of Consolidated profit or loss	Amounts	As % of consolidated Other comprehensive income	Amounts	As % of consolidated Total Comprehensive Income	Amounts
Parent								
Advik Capital Limited	87.74%	9,881.88	52.37%	338.74	100.00%	(77.74)	45.87%	261.00
Subsidiaries								
Indian								
Advik Optoelectronic Limited	2.26%	254.61	-4.10%	-26.51			-4.66%	-26.51
Advikca Finvest Limited	10.95%	1,233.78	50.00%	323.40			56.83%	323.40
Less:								
NCI	0.95%	106.95	-1.72%	(11.14)			-1.96%	(11.14)
Total Parent Share		**11,263.31**		**646.76**		**(77.74)**		**569.02**

In terms of our report of even date annexed hereto
For KSMC & Associates

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN :24505732BKEGJV9149

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

KSMC & ASSOCIATES
Chartered Accountants

Auditors' Report on the restated summary statements of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, summary statement of profits and losses (including other comprehensive income), summary statement of cash flows and changes in equity for the period ended March 31, 2024 and each of the years ended March 31, 2023 and March 31, 2022 of Advik Capital Limited (collectively, the "Restated Summary Statements")

To
The Board of Directors
Advik Capital Limited.

Dear Sirs:

1. We have examined the attached Restated Summary Statements of Advik Capital Limited (the" Company") annexed to this report and prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with its Right Issue. The Restated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

   a) Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

   b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note")

Management's Responsibility for the Restated Summary Statements

2. The preparation of the Restated Summary Statements, which are to be included in the Offer documents is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Summary Statements taking into consideration:

   a. The terms of reference and terms of our engagement agreed with you vide our engagement letter dated April 29, 2024, requesting us to carry out the assignment, in connection with the proposed Right Issue of the Company;

   b. The Guidance Note; The Guidance Note also requires that we comply with the ethical requirement of the Code of Ethics issued by the ICAI.

   c. Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Unconsolidated Summary Statements; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations;

KSMC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

G-5, Vikas House, 34/1, East Punjabi Bagh, New Delhi-110026 (India)
Ph : 011- 41440483, 42440483, 45140483 | E-mail : info@ksmc.in, admin@ksmc.in | Website : www.ksmc.in

Our work was performed solely to assist you in meeting your responsibilities in relation to your Compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Right Issue.

Restated Summary Statements as per audited Financial Statements

4. These Restated Summary Statements have been compiled by the management of the Company from:

   a. Audited financial statements of the Company as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, which were prepared in accordance with Ind AS as prescribed under section 133 of the Act, read with relevant rules thereunder and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 18th April 2024, April 29,2023 and May 28, 2022 respectively; and

5. For the purpose of our examination, we have relied on:

   - Auditors' reports issued by us dated 18th April 2024 and 29 April 2023 on the financial statements of the company for the year ended March 31, 2024 and ended March 31, 2023 respectively as referred in Paragraph 4(a) above and

   - Auditor's Report dated May 28, 2022 issued by the previous auditor, on the financial statements of the Company as at and for the years ended March 31, 2022 as referred in Paragraph 4(a) above;

6. Based on the above and according to the information and explanations given to us, we report that the Restated Summary Statements of the Company, as attached to this report read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, ICDR Regulations, Guidance Note, and these Restated Summary Statements:

   i. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

   ii. does not have any qualifications in the auditors' reports on the audited financial statements of the company as at March 31, 2024, March 31, 2023 and March 31, 2022 which require any adjustments to the Restated Consolidated Financial Information.

7. In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

   i) The Restated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022 examined by us, as set out under Annexure to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements' are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements. As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

   ii) The Restated Statement of Profit and Loss of the Company for the year ended March 31, 2024, 2023 and 2022 examined by us, as set out under Annexure to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements are after making such adjustments and regrouping/re-classification as in our opinion we re-appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements. As a result of these adjustments, the

KSMC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(ii) The Restated Statement of Cash flows of the Company for the year ended March 31, 2024, 2023 and 2022 examined by us, as set out under Annexure to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements. As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

8. We have not audited any financial statements of the Company for period ending March 31, 2022. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company for period ending March 31, 2022.

9. The Restated Summary Statements do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. In our opinion, the above Restated Financial Information contained in Annexure to this report read along with the Basis of Preparation and Significant Accounting policies after making adjustments and regrouping/re-classification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer documents to be filed with recognized Stock Exchange in connection with the proposed Right Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 KSMC & Associates
Chartered Accountants
FRN.003406N

KSMC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

CA Sachin Singhal
(Partner)
M. No: 505732

UDIN: 24505732BKEGJW6924

Place: New Delhi
Date: 02.05.2024

ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
CIN: L65100DL1985PLC022505 | www.advikcapital.com

Restated Standalone Balance Sheet for the year ended as at March 31, 2024 (Amount in lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. ASSETS				
Financial Assets				
(a) Cash and Cash Equivalents	3	80.25	134.21	6.79
(b) Loans	4	16,571.34	11,220.56	729.05
(c) Investments	5	2,393.87	1,497.99	148.44
(d) Other Financial Assets	6	319.11	220.76	100.79
		19,364.57	**13,073.52**	**985.07**
Non-Financial Assets				
(a) Inventories	7	1.20	112.30	91.63
(b) Deferred Tax Assets (Net)	14	330.41	303.19	-
(c) Property, Plant and Equipment	8	216.86	104.08	109.11
(d) Other Non-Financial Assets	9	5.82	14.76	66.23
		554.29	**534.33**	**266.97**
Total Assets		**19,918.86**	**13,607.85**	**1,252.04**
II. LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
(a) Trade Payables				
(i) Total outstanding dues of MSME		1.94	-	-
(ii) Total outstanding dues other than MSME	10	2.17	0.80	-
(b) Borrowings	11	7,796.22	7,259.20	288.70
(c) Other Financial Liabilities	12	494.48	81.68	2.99
		8,294.81	**7,341.68**	**291.69**
Non-Financial Liabilities				
(a) Current Tax Liabilities (Net)	13	390.44	288.32	3.71
(b) Deferred Tax Liabilities (Net)	14	-	-	2.03
(c) Other Non-Financial Liabilities	15	188.50	112.41	10.39
		578.94	**400.73**	**16.13**
Equity				
(a) Equity Share Capital	16	4,281.54	2,201.93	458.74
(b) Other Equity	17	6,763.57	3,663.51	485.48
		11,045.10	**5,865.44**	**944.22**
Total Liabilities and Equity		**19,918.86**	**13,607.85**	**1,252.04**

Summary of significant accounting policies 2
Notes to Accounts 1-45
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For KSMC & Associates
Chartered Accountants

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN: 24505732BKEGJW6924

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
CIN: L65100DL1985PLC022505 | www.advikcapital.com

Restated Standalone Profit & Loss for the year ended as at March 31, 2024 (Amount in lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
I. Revenue from Operations	19	2,745.92	34,927.12	3,949.52
II. Other Income	20	4.75	7.15	-
III. Total Income (I+II)		**2,750.67**	**34,934.26**	**3,949.52**
IV. Expenses				
(a) Finance costs	21	741.64	277.73	0.02
(b)Provision for impairment on financial Instruments		65.31	98.05	0.33
(c) Loss in fair value Measurement	22	(2.92)	17.50	-
(d) Purchases of stock-in-trade	23	988.79	33,066.35	3,944.10
(e) Changes in inventories of stock-in-trade	24	111.09	(20.67)	(91.63)
(f) Employee benefits expenses	25	77.50	43.85	31.15
(g) Depreciation and amortization exepenses	26	39.47	7.59	2.89
(h) Others expenses	27	143.09	134.87	11.07
Total Expenses (IV)		**2,163.97**	**33,625.28**	**3,897.93**
V. Profit/(Loss) before exceptional items and tax (III-IV)		586.70	1,308.99	51.59
VI. Exceptional items			-	-
VII. Profit/ (Loss) before tax (V-VI)		586.70	1,308.99	51.59
VIII. Tax Expense:				
Current tax		183.74	357.98	11.46
Deferred tax liability/(assets)		(1.04)	(3.60)	1.39
IX. Profit/ (Loss) for the period from continuing operations (VII-		**403.99**	**954.61**	**38.74**
X. Profit/ (Loss) from discontinued operations				-
XI. Profit/ (Loss) for the period (IX+XII)		**403.99**	**954.61**	**38.74**
XII. Other Comprehensive Income				
(A) (i) Items that will not be reclassified to profit or loss		(103.92)	(1,198.45)	-
(ii) Income Tax effect on herein above		26.18	301.63	-
(B) (i) Items that will be reclassified to profit or loss			-	-
(ii) Income Tax effect on herein above				-
Total Other Comprehensive Income (A+B)		**(77.74)**	**(896.82)**	**-**
XIII. Total Comprehensive Income/ (Loss) for the period (XI+XII)		**326.26**	**57.79**	**38.74**
Nominal Value per Equity Share		1	1	1
Earning per Equity Share - Basic	28	0.10	0.03	0.08
Earning per Equity Share - Diluted	28	0.10	0.03	0.08
Summary of significant accounting policies	2			
Notes to Accounts	1-45			

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For KSMC & Associates .
Chartered Accountants

NEW DELHI

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN: 24505732BKEGJW6924

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

DELHI

ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
CIN: L65100DL1985PLC022505 | www.advikcapital.com

Restated Standalone statement of Cash flow Statement for the year ended as at March 31, 2024

(Amount in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(A) CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit/ (Loss) before tax	586.70	1308.99	51.59
Adjustments for:		-	-
Provision for impairment on financial Instruments	65.31	98.05	0.33
Prior Period Expenses	-0.16		
Loss in fair value Measurement	(2.92)	17.50	-
Reserve for Bad & Doubtful Debts	38.42	74.86	2.06
Finance Cost	680.18	277.73	0.02
Depreciation and Amortisation Expenses	39.47	7.59	2.89
Operating profit/ (loss) before working capital changes	**1407.00**	**1784.72**	**56.89**
Changes in working capital:			
(increase)/ decrease in Loans	(5,416.09)	(10,589.56)	(126.00)
(increase)/ decrease in Other Financial Assets	(95.43)	(137.47)	(51.99)
(increase)/ decrease in Inventories	111.09	(20.67)	(91.63)
(increase)/ decrease in Other Non-Financial Assets	(72.70)	(18.16)	(66.23)
increase/ (decrease) in Other Financial Liabilities	412.80	74.56	(0.97)
increase/ (decrease) in Trade Payable/ Other Non-Financial Liabilities	40.98	32.06	1.60
Cash generated from operations	**(3,612.34)**	**(8,874.50)**	**(278.33)**
Net income tax paid (Net of refunds)		(3.71)	(5.17)
Net Cash from Operating Activities	**(3,612.34)**	**(8,878.21)**	**(283.50)**
(B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Property, Plant and Equipment		-	-
Purchase of Property, Plant and Equipment	(152.25)	(2.56)	-
(Increase)/, decrease in Investments	(999.79)	(2,548.00)	-
(Increase)/ Decrease in Other Bank Balances		-	-
Net Cash Generated/(Used) In Investing Activities	**(1,152.04)**	**(2,550.56)**	-
(C) CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Share Capital	2079.60	4863.44	
Proceeds from Securities Premium	2773.97		
Increase/ (Decrease) in Borrowings	537.02	6970.48	288.70
Finance Cost	(680.18)	(277.73)	-0.02
Net Cash from Financing Activities	**4710.42**	**11556.19**	**288.68**
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	-53.97	127.42	5.18
Cash and cash equivalents at the beginning of the year	134.21	6.79	1.61
Cash & Cash Equivalents at the end of the year	**80.25**	**134.21**	**6.79**

Components of Cash and Cash Equivalents

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Cash in hand	10.56	10.35	4.07
Balances with banks and financial institutions			
Balance with banks in current accounts	69.69	123.86	2.72
Deposit with Original Maturity of less than three months			
Total	**80.25**	**134.21**	**6.79**

The above statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

As per our report of even date attached
For KSMC & Associates .
Chartered Accountants

NEW DELHI

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN: 24505732BKEGJW6924

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

ADVIK CAPITAL LIMITED

Regd. Office: G-3, 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026
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Restated Standalone Statement of change in equity for the year ended as at March 31, 2024

A. Equity Share Capital

(Amount in lakhs)

Particulars	No. of Shares	Amount
As at March 31, 2021	**4,58,73,600**	**458.74**
Changes in Equity Share Capital due to prior period errors		
Restated balance at the beginning of the current reporting period	4,58,73,600	458.74
Changes in the equity share capital during the year	-	-
As at March 31, 2022	**4,58,73,600**	**458.74**
Balance at the beginning of the current reporting period	4,58,73,600	458.74
Changes in the equity share capital during the year	17,43,19,680	1,743.20
As at March 31, 2023	**22,01,93,280**	**2,201.93**
Balance at the beginning of the current reporting period	22,01,93,280	2,201.93
Changes in the equity share capital during the year	20,79,60,320	2,079.60
As at March 31, 2024	**42,81,53,600**	**4,281.53**

B. Other Equity

Particulars	Amalgamation Reserve	Security Premium	Retained Earnings	Special Reserve as per RBI Norms
	(A)	(B)	(C)	(D)
As at March 31, 2021	**44.17**	**357.20**	**37.59**	**7.78**
Profit for the Year	-	-	38.74	-
Other Comprehensive Income for the year	-	-	-	-
Dividends	-	-	-	-
Transfer to Special Reserve	-	-	(8.23)	-
Transfer to Contingency Reserve	-	-	-	-
Transfer to Reserve for Bad & Doubtful Debts	-	-	-	-
Transfer from Retained Earnings	-	-	-	8.23
As at March 31, 2022	**44.17**	**357.20**	**68.10**	**16.01**
Profit for the Year	-	-	954.61	-
Received during the year		3,120.25	-	-
Transfer to Special Reserve	-	-	(190.92)	-
Transfer from Retained Earnings	-	-	-	190.92
As at March 31, 2023	**44.17**	**3,477.45**	**831.79**	**206.93**
Profit for the Year			403.99	
Received during the year		2,773.96		
Transfer to Special Reserve			(80.80)	
Prior Period Adjustments			(0.16)	
Transfer from Retained Earnings				80.80
As at March 31, 2024	**44.17**	**6,251.41**	**1,154.82**	**287.73**

Particulars	Other Items of Other Comprehensive Incomes	Total
	(G)	
As at March 31, 2021		
Profit for the Year	-	-
Other comprehensive income for the year	-	-
Dividends	-	-
Transfer to Special Reserve	-	-
Transfer to Contingency reserve	-	-
Transfer to Reserve for Bad & Doubtful Debts	-	-
Transfer from Retained Earnings	-	-
As at March 31, 2022	-	-
Other Comprehensive Income for the year	(896.82)	(896.82)
As at March 31, 2023	**(896.82)**	**(896.82)**
Other Comprehensive Income for the year	(77.74)	
As at March 31, 2024	**(974.56)**	**(896.82)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Amalgamation Reserve	44.17	44.17	44.17
Security Premium	6,251.41	3,477.45	357.20
Retained Earnings	1,154.82	831.79	68.10
Special Reserve as per RBI Norms	287.73	206.93	16.01
Other Items of Other Comprehensive Incomes	(974.56)	(896.82)	-
As at March 31, 2024	**6,763.57**	**3,663.51**	**485.48**

Notes to Accounts

The accompanying notes form an integral part of the financial statements.

For KSMC & Associates .

As per our report of even date attached

For KSMC & Associates

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN: 24505732BKEGJW6924

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
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CIN: L65100DL1985PLC022505 | www.advikcapital.com

1. (A) BACKGROUND

Our Company, Advik Capital Limited (thereafter "Advik Capital/ Company", was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 7, 2003 bearing No. B- 14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934. Advik Capital is currently a company listed on BSE. Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of financial activities namely granting of financial loans and trading in Securities/shares,

(B) STATEMENT OF COMPLIANCE

The financial statements for the year ended March 31, 2024 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and other applicable regulatory norms/guidelines/framework. The Standalone Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented as per the requirements of Division III of Schedule III to the Companies Act, 2013 applicable for Non-

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of the Standalone Financial Statements are as given below:

2.1 Basis of Preparation of Financial Statements

These Standalone Financial Statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, defined benefit plan – plan assets measured at fair value, assets held for sale which is measured it lower of cost or fair value less cost of sale. Historical cost is generally based on the fair value of the consideration given for goods and services.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment and Investment Property

Recognition and Measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets having individual value of less than `5,000/- are charged to statement of

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation

Depreciation is provided using the written down value method over the useful life as prescribed under Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold improvements are amortised over the underlying lease term on a straight line basis. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets 'Nil'.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of property, plant and equipment or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is

Capital work-in-progress

Capital work–in–progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets that are not ready to intended use are also shown under capital work– in–progress.

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2.4 Intangible Assets

Recognition and measurement

Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de- recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is de-recognized.

2.5 Revenue Recognition

Interest income on loans

The Company recognizes interest income subject to Prudential norms specified by RBI using Effective Interest Rate (EIR) on all fina ncial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit–impaired assets. In case of credit–impaired financial assets regarded as 'Stage 3',the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit–impaired Company reverts tocalculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognized only when it is reasonably certain that the ultimate collection will be made.

Commission income

Income from business correspondent services is recognized as and when the services are rendered as per agreed terms and conditions of the contract.

Dividend Income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Rental Income

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leasing is also recognised in a similar manner and included under other income.

Sale of Securities

Revenue from sale of securities (includes delivery and intra day both) is recognised to the extent that it can be reliably measured and is probable that the economic benefits will flow to the company.

Miscellaneous Income

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

2.6 Borrowing costs

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

2.7 Income Taxes

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets/liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.8 Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any gains or losses are recognized in profit or loss in the period in which they

2.9 Cash and Cash Equivalent

Cash and comprises cash on hand and demand deposits. The Company considers cash equivalents as all short- term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Equity Investment in Subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

2.11 Provisions contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for, Possible obligations which will be confirmed only by future events not wholly within the control of the Company or Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

2.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost in creases, such increases are recognised in the year in which such benefits accrue.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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2.13 Foreign currency

Functional And presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non– monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

2.14 Segment reporting

The Company identifies segment basis of the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for whichoperating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basisof their relationship with the operating activities of the segment.

2.15 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.16 Earning Per Share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

2.18 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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2.19 Impairment of Financial Assets

The Company recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL: Financial assets that are debt instruments Lease receivables, Financial guarantee contracts issued, Loan commitment issued. No impairment loss is recognised on equity investments.ECL are probability weighted estimate of credit losses. They are measured as follows:

-Financial assets that are not credit impaired- as the present value of all cash shortfalls that are possible within12 months after the reporting

-Financial assets that are credit impaired – as the difference between the gross carrying amount and the presentvalue of estimated cash flows With respect to trade receivables and other financial assets, the Company measures the loss allowance at anamount equal to lifetime expected credit losses.Loss allowances for financial assets measured at amortised cost are deducted from the gross carryingamount of the

-For financial assets at FVTOCI, the loss allowance is recognised in OCI.

-Loan assets- The Company follows a 'three–stage' model for impairment based on changes in credit qualitysince initial recognition as summarized below:

Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12–month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.

Write-off

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

2.20 Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

(A) Non-derivative financial assets

Subsequent Measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized costif both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) onthe principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

Financial assets (debt instruments e.g. loans) are measured at FVOCI when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.

The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized

Financial assets measured at FVPL – FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the

Derecognition of Financial Assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de– recognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de–recognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

(B) Non Derivatives Financial Liabilities

Subsequent Measurement

Subsequent to initial recognition, all non–derivative financial liabilities are measured at amortized cost using the effective interest method.

Derecognition of Financial Liabilities

A financial liability is de–recognized when the obligation under the liability is discharged or canceled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de– recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.21 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

2.22 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No.3: Cash and Cash Equivalents (Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash in hand	10.56	10.35	4.07
Balances with banks and financial institutions	-		
Balance with banks in current accounts	69.69	123.86	2.72
Total	**80.25**	**134.21**	**6.79**

Note No.4: Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
At Amortised cost			
Unsecured, considered good			
Loans repayable on demand	6,753.65	4,150.56	731.00
Term loans	9,983.00	7,170.00	-
Total	16,736.65	11,320.56	731.00
Less: Impairment loss allowance*	165.31	100.00	1.95
Net	**16,571.34**	**11,220.56**	**729.05**

a) Other Details

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured by property, plant and equipment including land and building	-	-	-
Secured by book debts, inventories, margin money and other working	-	-	-
Unsecured	16,736.65	11,320.56	731.00
Less: Impairment loss allowance*	165.31	100.00	1.95
Total	**16,571.34**	**11,220.56**	**729.05**

Loans in India

Public Sector			
Others	16,736.65	11,320.56	731.00
Less: Impairment loss allowance*	165.31	100.00	1.95
Total	**16,571.34**	**11,220.56**	**729.05**

b) Loans with specified parties:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Promoters	Nil	Nil	Nil
Directors	Nil	Nil	Nil
Key Management Personnel's	Nil	Nil	Nil
Other Related Parties	Nil	Nil	Nil
Total	**Nil**	**Nil**	**Nil**

Note No.5 : Investments

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Investment in Equity Instruments	2,393.87	1,497.99	148.44
Investment in Other Instruments		-	-
Total	**2,393.87**	**1,497.99**	**148.44**

* Impairment Loss

The provision towards standard assets based on IRACP norms of RBI. (Refer Note 41 for details)

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

a) Investments in subsidiaries, associates and joint ventures

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
(a) Quoted	-	-	-
(b) Unquoted			
(i) Subsidiaries			
Advik Optoelectronics Limited	148.44	148.44	148.44
(869800 Equity Shares of Rs.10 representing 57.99% holding)*			
Advikca Finvest Limited			
(594000 Equity Shares of Rs.10 representing 100% holding)**	1,014.80	15.00	
(ii) Assoicates			
(iii) Others			-
	1,163.24	163.44	148.44
Investments measured at Amortised Fair Value through Other comprehensive Income			
(a) Quoted		-	-
(b) Unquoted			
(ii) Assoicates			
(iii) Others			-
(Brij Gopal Construction Private Limited)	2,533.00	2,533.00	
(1,70,000 Equity Shares of Rs.10)			
Add/Less:Fair Value gain/(loss) on remeasuremnet through OCI***	(1,302.37)	(1,198.45)	
	1,230.63	1,334.55	-
Total	**2,393.87**	**1,497.99**	**148.44**
(i) Investments in India	2,393.87	1,497.99	148.44
(ii) Investments outside India			-
Total	**2,393.87**	**1,497.99**	**148.44**

* Includes 400 Equity Shares held by Nominee Share Holders as follows:
100 Equity Shares (P.Y. 100) by Virender Kumar Agarwal
100 Equity Shares (P.Y. 100) by Rishab Kumar Agarwal
100 Equity Shares (P.Y. 100) by Shakul Kumar Agarwal
100 Equity Shares (P.Y. 100) by Manju Agarwal

** It Includes equity shares 4.44 Lakhs Shares acquired during the year at price of Rs. 225.18 per share in lieu of conversion of the loan given by the company. The price per share is based on the valuation report given by Certified independent valuer based on NAV Method.

The number of shares Includes 6 Equity Shares held by Nominee Share Holders as follows:
1 Equity Shares (P.Y. 1) by Mohit Bindal
1 Equity Shares (P.Y. 1) by Deepika Mishra
1 Equity Shares (P.Y. 1) by Pradeep Kumar Gussain
1 Equity Shares (P.Y. 1) by Ashwini Kumar
1 Equity Shares (P.Y. 1) by Manju Agarwal
1 Equity Shares (P.Y. 1) by Shakul Kumar Agarwal

*** Based on Fair Valuation duly certified by independent valuer.

b) Carrying value and market value of quoted and unquoted investments are as below:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
(a) Investment in subsidiary companies			
Aggregate carrying value of quoted investments		-	-
Aggregate market value of quoted investments		-	-
Aggregate carrying value of unquoted investments	1,163.24	163.44	148.44
(b) Investment in associate companies		-	-
(c) Investment in Others		-	-
Aggregate carrying value of unquoted investments	2,533.00	2,533.00	-
Add/Less:Fair Value gain/(loss) on remeasuremnet through OCI	(1,302.37)	(1,198.45)	-
Aggregate market value of unquoted investments	1,230.63	1,334.55	-
Total	**2,393.87**	**1,497.99**	**148.44**

Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No.6 : Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			-
Accrued Income	207.37	81.26	48.70
Less: reversal w.r.t. non performing asset	(47.27)		
Security Deposits*	173.59	99.68	49.68
Less:Fair Value Measurement	(14.58)	(17.50)	-
	319.11	82.18	49.68
Income Tax Refund	-	-	2.41
Other Receivables	-	57.32	-
Total	**319.11**	**220.76**	**100.79**

*Security deposits includes amount Rs. 99.59 to BSE Limited related to 2 right issue completed during FY 22-23 & FY 23-24 and Rs. 24 Lakhs given to Creative projects & contracts Pvt. Ltd in relation to share purchase agreement dated 08.02.2024 regarding acquistion of substantial stake in IITL Limited. The other amount pretains to security deposit w.r.t lease contracts, for details refer note no. 29

Note No.7 : Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(As valued and certified by the management)		-	-
Securities held for trade	1.20	112.30	91.63
Total	**1.20**	**112.30**	**91.63**

Note: Inventories is valued at cost or NRV whcihever is lower

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No 8 : Property, Plant and Equipment's

(Amount in lakhs)

Gross Block	Tangible Assets								Intangible Assets (B)	Total (A+B)
	Land	Building	Plant & Machinery	Computer	Furniture and Fixtures	Office Equipment's	Vehicles	Total (A)		
As at March 31, 2021	-	111.28	-	2.91	0.89	3.78	-	118.86	-	118.86
Addition	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	111.28	-	2.91	0.89	3.78	-	118.86	-	118.86
Addition	-			0.74		1.65		2.38	0.18	2.56
Disposals	-							-		
As at March 31, 2023	-	111.28	-	3.65	0.89	5.43	-	121.24	0.18	121.42
Addition	-			1.50	1.09	2.97	146.70	152.25		152.25
Disposals	-							-		
As at March 31, 2024		111.28	-	5.15	1.98	8.39	146.70	273.50	0.18	273.68

Accumulated Depreciation	Tangible Assets								Intangible Assets (B)	Total
	Land	Building	Plant & Machinery	Computer	Furniture and Fixtures	Office Equipment's	Vehicles	Total (A)		
As at March 31, 2021	-	-	-	2.81	0.84	3.21	-	6.86	-	6.86
for the period	-	2.70	-	-	0.01	0.18	-	2.89	-	2.89
Adjustments	-	-	-	-	-	-	-	-		
As at March 31, 2022	-	2.70	-	2.81	0.85	3.39	-	9.75	-	9.75
for the period	-	6.19		0.39	0.01	0.89		7.48	0.11	7.59
Adjustments	-									
As at March 31, 2023	-	8.89	-	3.20	0.86	4.28	-	17.23	0.11	17.34
for the period	-	9.73		0.72	0.17	1.19	27.62	39.43	0.04	39.47
Adjustments	-									
As at March 31, 2024	-	18.62	-	3.93	1.03	5.47	27.62	56.66	0.15	56.82

Net Carrying Value	Tangible Assets								Intangible Assets (B)	Total
	Land	Building	Plant & Machinery	Computer	Furniture and Fixtures	Office Equipment's	Vehicles	Total (A)		
As at March 31, 2022	-	108.58	-	0.10	0.04	0.39	-	109.11	-	109.11
As at March 31, 2023	-	102.39	-	0.44	0.03	1.15	-	104.01	0.07	104.08
As at March 31, 2024		92.66	-	1.22	0.95	2.92	119.08	216.83	0.03	216.86

Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No.9 : Other Non Financial Assets

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
Balance with government authorities			
Goods and Services Tax	2.43	14.76	3.75
Others	-	-	2.41
-Advance to Staff	3.36		
Prepaid Expenses			44.65
-Advance to Suppliers	0.04		15.42
Total	**5.82**	**14.76**	**66.23**

Note No.10 : Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of MSME	1.94		
(b) Total outstanding dues other than MSME	2.17	0.80	-
Total	**4.12**	**0.80**	-

Ageing

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Disputed due - MSME	Nil	Nil	Nil
Disputed due - Others	Nil	Nil	Nil
Undisputed due - MSME	1.94	Nil	Nil
Undisputed due - Others	2.17	0.80	Nil
Outstanding for following period from due date of payment			
Less than 1 year	4.12	0.80	Nil
1-2 years	Nil	Nil	Nil
2-3 years	Nil	Nil	Nil
More than 3 years	Nil	Nil	Nil
Total	**4.12**	**0.80**	-

Note No.11 : Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured Loans			
(a) Loan form Related Party			
Loan form Directors	-	183.70	108.70
(b) Others		-	-
Intercorporate Loans	7,396.00	7,075.50	180.00
Others	400.22		
Total	**7,796.22**	**7,259.20**	**288.70**
(a) Repayable on demand*	1,314.72	2,522.20	288.70
(b) Terms Loans	6,481.50	4,737.00	
Total	**7,796.22**	**7,259.20**	**288.70**
(a) With in India	7,796.22	7,259.20	288.70
(b) Outside India	-	-	-
Total	**7,796.22**	**7,259.20**	**288.70**

* Loans without specifying any terms or period of repayment are considered as repayable on demand.

Note No.12: Other Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Interest Payable	484.47	73.93	-
Salary and Bonus Payable	6.89	6.95	2.00
Expenses Payable	2.55	0.05	-
Creditors for other Liabilities/Expenses	-	-	0.99
Statutory Dues Payable	-	-	
Audit Fees Payable	0.56	0.75	-
Total	**494.48**	**81.68**	**2.99**

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

(Amount in lakhs)

Note No.13 : Current Tax Assets/ (Liabilities) (Net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Income Tax Liabilities (Net)*	390.44	288.32	3.71
Total	**390.44**	**288.32**	**3.71**

* Income tax Payable of Rs. 348.73 relates to FY 22-23

(Amount in lakhs)

Note No.14 : Deferred Tax Liability (Net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Deferred Tax Assets			
On Account of Fair Value Measurement	3.67	4.41	
On account of Fair Value Changes through OCI	327.81	301.63	-
(b) Deffered Tax Liability			
On Account of Depreciation of Property Plant and Equipment	1.07	2.84	2.03
On account of Fair Value Changes through OCI			
Net deferred tax assets/ (liability) (a-b)	**330.41**	**303.19**	**(2.03)**

Note No.15 :Other Non-Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Reserve for Bad & Doubtful Debts*	119.57	81.15	6.29
Statutory Dues Payable			4.10
-TDS	68.92	28.72	
-Goods & Services Tax	-	2.53	
Total	**188.50**	**112.41**	**10.39**

*Reserve for Bad & Doubtful Debts as per Income Tax Provisions
Reserve for Bad & Doubtful Debts has been created as per provision of section 36(1)(vii)(d) of Income Tax Act, 1961

Note No.16 : Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Authorized Share Capital			
75,00,00,000 Equity Shares (Year ended 2023: 25,00,00,000 ,Year Ended 2022: 25,00,00,000) Par Value of Each Equity Share is Re.1/-	7,500.00	2,500.00	2,500.00
	7,500.00	**2,500.00**	**2,500.00**
Issued Share Capital			
42,81,53,600 Equity Shares (Year ended 2023: 22,01,93,000 , Year ended 2022: 4,58,73,600) Par Value of Each Equity Share is Re.1/-	4,281.54	2,201.93	458.74
	4,281.54	**2,201.93**	**458.74**
Subscribed and Fully Paid-up			
42,81,53,600 Equity Shares (Year ended 2023: 22,01,93,000 , Year ended 2022: 4,58,73,600) Par Value of Each Equity Share is Re.1/-	4,281.54	2,201.93	458.74
TOTAL	**4,281.54**	**2,201.93**	**458.74**

a) The details of Shareholders holding more then 5% shares :

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Virender Kumar Agarwal	-	-	-	-	1,38,00,000	30.08%
Shakul Kumar Agarwal	-	-	-	-	35,84,000	7.81%
Vikas Garg	3,35,63,523	7.84%	1,72,61,241	7.84%	-	-
Seema Garg	3,22,70,098	7.54%	1,65,96,051	7.54%	-	-
Sukriti Garg	2,74,84,424	6.42%	1,41,34,847	6.42%	-	-
Shyam Sunder Saraogi	-	-	1,40,00,000	6.36%	-	-

b) Shareholding of promoters of the Company:

Name of the Shareholders	As at March 31, 2024		(%) of change during the year	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held		No. of shares	% held	No. of shares	% held
Virender Kumar Agarwal		-	-	-	-	1,38,00,000	30.08%
Shakul Kumar Agarwal		-	-	-	-	35,84,000	7.81%
Vikas Garg	3,35,63,523	7.84%	-	1,72,61,241	7.84%	1,38,00,000	30.08%
Seema Garg	3,22,70,098	7.54%	-	1,65,96,051	7.54%	35,84,000	7.81%
Sukriti Garg	2,74,84,424	6.42%	-	1,41,34,847	6.42%		-

c) The reconciliation of the number of shares outstanding as at year end is set out below :

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	No. of shares	No. of shares	No. of shares
Equity Shares at the beginning of the year	22,01,93,280	4,58,73,600	4,58,73,600
Add : Fresh Equity Shares allotted during the year**	20,79,60,320	17,43,19,680	-
Add : Bonus Shares allotted during the year	-		-
Less : Equity Shares forfeited/ buy-back during the year	-		-
Equity Shares at the end of the year	**42,81,53,600**	**22,01,93,280**	**4,58,73,600**

During the financial year ending 31st March'2024, Company issued equity shares with respect to Right Issue (issue dated 11th Oct 2023) of Rs. 49,91,04,768/- con sisting of 20,79,60,320 shares of Rs. 2.40 (F.V of Rs.1 at premium of Rs.1.40).

During the financial year ending 31st March'2023, Company issued equity shares with respect to Right Issue (issue dated 26 April, 2022) of Rs. 49,68,11,000/- consisting of 17,43,19,680 shares of Rs. 2.85 (F.V of Rs.1 at premium of Rs.1.85).

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a) The company has not issued any Bonus share's during the last two financial years.

b) The company has not buy back any share's during the last two financial years

c) The company has not forfieted shares's during the last two financial years.

d) The company has not issued any securities, which convertible into equity shares.

e) Terms attached to Equity Shares

The rights, powers and preference relating to each class of share and the qualifications limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company.

The Company has only one class of Equity Shares having a par value of Rs.1 per share. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

In the event of winding up/ liquidation of the company, Equity Shareholders will be entitled to receive remaining assets of the company, after di stribution of all preferential amounts. For the said purpose, the liquidator may set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out between the members.

Note No.17 : Other Equity

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
(A) Reserves and Surplus			
(a) Amalgmation Reserve			
Opening Balance	44.17	44.17	44.17
Add : Received/ utilised during the year		-	-
Total (a)	**44.17**	**44.17**	**44.17**
(b) Security Premium			
Opening Balance	3,477.45	357.20	357.20
Add : Received/ utilised during the year (net of issue related expenses)	2,773.96	3,120.25	-
Total (b)	**6,251.41**	**3,477.45**	**357.20**
(c) Retained Earnings			
Balance at the beginning of the year	831.79	68.10	37.59
Add : Profit/(Loss) for the year	403.99	954.61	38.74
Less : Special Reserve	80.80	190.92	8.23
Less : Prior Period Adjustments	0.16	-	0
Total (c)	**1,154.82**	**831.79**	**68.10**
(d) Special Reserve*			
Opening Balance	206.93	16.01	7.78
Add : Received/ utilised during the Year	80.80	190.92	8.23
Total (c)	**287.73**	**206.93**	**16.01**
Total (a+b+c)	**7,738.13**	**4,560.33**	**485.48**
(B) Equity Instruments through Other Comprehensive Incomes			-
Opening Balance	(896.82)	-	
(i) Items that will not be reclassified to profit or loss	(103.92)	(1,198.45)	
(ii) Income Tax effect on herein above	26.18	301.63	
Total (B)	**(974.56)**	**(896.82)**	**-**
(C) Other Items of Other Comprehensive Incomes	-		-
Total (A+B+C)	**6,763.57**	**3,663.51**	**485.48**

*Special Reserve as per RBI Norms

As per Section 45-IC (1) of Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Note No. 18: Utilisation of Right Issue Proceeds

A. Proceeds from subscription to the Issue of Equity shares under Rights Issue of 2023-24, made during the year ended March 31, 2024

Objects of Right Issue as per Letter of Offer		(In Lakh)
S.No.	**Particulars**	**Amounts**
1	To augment the capital base of our Company	3,675.00
2	General Corporate Purposes	1,225.00
3	Issue related expenses	91.05
	Total	**4,991.05**

(1) During the financial year ending 31st March'2024, the company has completed 1 right issue (IPO) dated 11th October'2023 and issued 207960320 Shares @ Rs. 2.40 per share. The shares were allotted on 13th October'2023 & were listed on Bombay stock exchange & National Stock Exchange of India.
(2) The proceeds from right issues during the year for the purpose of meeting augment the capital base of our Company and general corporate purposes were majorly utilized collectively towards repayment of company's borrowings and advancement of loans in accordance with business objects of the company.

B. Proceeds from subscription to the Issue of Equity shares under Rights Issue of 2022-23, made during the year ended March 31, 2023

Objects of Right Issue as per Letter of Offer		(In Lakh)
S.No.	**Particulars**	**Amounts**
1	Issue related expenses (refer note-2)	103.11
2	Meeting Working Capital Requirements (refer note-1)	3,650.00
3	General corporate purposes (refer note-1)	1,215.00
	Total	**4,968.11**
	Less: Non Receipts of Call Money	-
	Net Proceeds from the Right Issue	**4,968.11**

Sub Notes:

(1) During the financial year ending 31st March'2023, the company has completed 1 right issue (IPO) dated 26th April'2022 and issued 17,43,19,680 Shares @ Rs. 2.85 per share. The shares were allotted on 19th April'2022 & were listed on Bombay stock exchange & National Stock Exchange of India.

(2) The proceeds from right issues during the year for the purpose of meeting working capital requirements and general corporate purposes were utilized collectively towards business objects of the compoany i.e grant of loans which includes loans repayable on demand and Term loans both. The Loans granted by the company includes Terms Loans of Rs. 4300 Lakhs advanced to Jind Gohana Highway Private Limited and Loans which are repayable on Demand of Rs. 4300 lakhs advanced to various entitities.

(3) The amount of 103.11 Lakhs includes Rs. 44.64 Lakhs related to right issue expenses incurred in previous year 2021-22 i.e prior to receipts of proceeds and are disclosed under prepaid expenses as on 31.03.2022. The expenses were adjusted against securtities premium amount during the year 2022-23.

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Note No.19 : Revenue From Operations

(Amount in lakhs)

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income*	1,510.69	698.94	54.10
Dividend Income	0.01	0.13	
Rental Income	-	6.00	9.00
Fees and Commission Income			14.50
Sale of Securities	1,235.22	34,222.04	3,871.92
Total	**2,745.92**	**34,927.12**	**3,949.52**

*Interest Income is net of reversal of interest income w.r.t. NPA

Note No.20 : Other Incomes

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Other Non-Operating Incomes	4.75	7.15	-
Total	**4.75**	**7.15**	-

Note No. 21 : Finance Costs

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Unsecured Loans	680.18	276.59	-
-Other Financial Charges	-	1.14	0.02
Interest on Statutory Dues	61.45		
Bank Charges	0.02		
Total	**741.64**	**277.73**	**0.02**

Note No. 22 : Net gain/(loss) on fair value changes**

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(A) Net gain/(loss) on financial instruments at fair value through profit or loss			
(B) Others(to be specified)			
-Security Deposits	(2.92)	17.50	-
-Others		-	-
Total Net gain/(Gain) on fair value changes	**(2.92)**	**17.50**	-
Fair Value Changes:			
-Realised			
-Unrealised	(2.92)	17.50	-
Total Net gain/(Gain) on fair value changes	**(2.92)**	**17.50**	-

** Fair Value Changes in the schedule are other than those arising on account of accured interest income/expense.

Note No. 23 : Purchases of Stock-in-Trade

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of Securities	988.79	33,066.35	3,944.10
Total	**988.79**	**33,066.35**	**3,944.10**

Note No. 24 : Change in Inventories of Finished Goods, WIP and Stock-in-Trade

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock			
Securities held for trade	112.30	91.63	-
	112.30	91.63	-
Closing Stock			
Securities held for trade	1.20	112.30	91.63
	1.20	112.30	91.63
Total	**111.09**	**(20.67)**	**(91.63)**

Note No. 25 : Employee Benefit Expenses

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Bonus	38.00	38.50	17.52
Director Remneuration	36.85	4.95	13.50
Staff Welfare and Other Expense	0.42	0.40	0.13
Keyman Insurance Expenses	2.22	-	
Total	**77.50**	**43.85**	**31.15**

Note No. 26 : Depreciation and Amortisation Expenses

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Tangible Assets	39.43	7.48	2.89
Depreciation on Intangible Assets	0.04	0.11	-
Total	**39.47**	**7.59**	**2.89**

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Note No. 27 : Other Expenses

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement Expenses	1.55	1.14	-
Audit Fee	2.50	2.50	0.21
Insurance Expenses	-	-	0.03
Business Promotional Expenses	-	-	0.05
Car Repair & Maintenance	1.65	-	-
Donation & CSR Expenditure	12.45	-	-
Electricity Expenses	-	0.65	-
Fee and Subscriptions	-	1.50	3.71
Other Miscellaneous Expenses	0.58	1.68	3.19
Professional, Consultancy and Legal Expenses	16.94	30.68	1.39
Rates and Taxes	40.34	13.31	0.12
Repair & Maintenance to others	0.61	0.17	-
Rent	1.38	-	-
Reserve for Bad & Doubtful Debts	38.42	74.86	2.06
Director Sitting Fees	5.60	6.39	-
Telephone and Internet Expenses	0.40	0.24	0.10
Travelling and Conveyance	20.00	1.74	0.21
Website Maintence Charges	0.67	-	-
Total	**143.09**	**134.87**	**11.07**

Note: Payment to statutory auditors

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Statutory audit	2.50	2.50	0.15
Tax Audit			0.06
Other Matters	3.20	0.11	-
Total	**5.70**	**2.61**	**0.21**

Note No. 28: Earning per Share

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Basic			
Weighted average no. of Equity Shares outstanding	3,170.52	2,201.93	459
Net Profit After Tax	326.26	57.79	38.74
Basic Earnings per Share (Rs.)	**0.10**	**0.03**	**0.08**
Diluted Earnings per Share			
Weighted average no. of Diluted Equity Shares	3,171	2,202	459
Net Profit After Tax	326.26	57.79	38.74
Diluted Earnings per Share (Rs.)	**0.10**	**0.03**	**0.08**
Nominal Value per Share (Rs.)	**1.00**	**1.00**	**1.00**

Note No.29 :A) Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Contingent liabilities			
Claims against the Company not acknowledged as debt	Nil	Nil	Nil
Gurantee in favour of Subsidiaries company	142.84	142.84	142.84
Collateral Security against subsidiaries	Nil	Nil	Nil
Other money for which the Company is contingently liable	Nil	Nil	Nil

Capital Commitment

-During the year the company entered into share purchase agreement dated 08th February 2024 along with others parties for purchase of equity shares of Industrial Investment Trust Limited. In pursuance of this agreement the company Advik Capital Limited is required to acquire 14,07,067 shares at the consideration price of Rs. 38,69,43,425 (at the rate of Rs. 275 per share). The company has deposited 24.00 Lacs as refundable security deposit to Creative Projects & Contracts Pvt Ltd in accordance with regulation 17 of Securities and exchange board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011

-As per contractual terms of sanction letter the company have a commitment to further disburse the loan amount of 510 lakhs out of total loan of Rs. 5510 lakhs sanctioned to Jind Gohana highway Private Limited. As on year end 31st March 2024 the company have disbursed loan to the value of Rs. 5000 lakhs.

-As per contractual terms of sanction letter the company have a commitment to further disburse the loan amount of 17 lakhs out of total loan of Rs. 5000 lakhs sanctioned to Gohana Sonipat Highway Private Limited. As on year end 31st March 2024 the company have disbursed loan to the value of Rs. 4983 lakhs.

B) Lease Commitment: Lease yet not commenced:

The company entered in to LOI with M/s Indian Realtors Private Limited with respect to lease of under construction property of which possession is expected to be received by 31st March 2028. The lease rental of Rs. 10.00 Lakhs per month shall be commenced three months after handing over of posession. The security deposit of 50 Lakhs given by the company in relation to said lease agreement has been shown as security deposit at discounted value as other financial asset in Note no. 6

Note No.30 : Foreign Currency Transactions Details

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Expenditure in Foreign Currency:			
Travelling Expenses	17.05	Nil	
Professional and Consultancy	Nil	Nil	Nil
Other Matters	Nil	Nil	Nil
Earning in Foreign Currency:			
Professional and Consultancy			
Other Matters	Nil	Nil	Nil
Asstes	Nil	Nil	Nil
Liabilities	Nil	Nil	Nil

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Restated Standalone Statement of change in equity for the year ended as at March 31, 2024

Note No.31: Tax Expenses (Amount in lakhs)

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	183.74	357.98	11.46
Deferred Tax (Credit)/ charge	(1.04)	(3.60)	1.39
Tax Expenses reported in the Statement of Profit and Loss Account	**182.71**	**354.38**	**12.85**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Comp any is 25.168% (March 31, 2023: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Accounting (loss)/ profit before tax expenses	586.70	1,308.99	53.98
Income tax rate	25.168%	25.168%	25.168%
Expected tax expenses	147.66	329.45	13.59
Tax Impact due to temporary differences	17.47	28.28	-
Tax Impact due to Permanent differences	18.61	0.25	-
Tax impact on items exempt under income tax	-	-	-
Impact of change in tax rates	-	-	-
Income tax for earlier years	-	-	-
Others	(1.03)	(3.60)	(0.74)
Tax Expenses	**182.71**	**354.38**	**12.85**

Note No. 32 :

Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	1.94	Nil	Nil
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil	Nil
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .	Nil	Nil	Nil
The amount of interest due and payable for the year.	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	Nil	Nil	Nil

*Interest due on Micro and small Enterprises is nil, as confirmation from MSME creditors is received that no interest would be claimed or charged on outstanding balance with the company.

Note No.33: Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with capital adequacy requirements required by the Reserve Bank of India and maintain strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders value.

The Company's capital management objectives are :

-to ensure the Company's ability to continue as a going concern

-to comply with externally imposed capital requirement and maintain strong credit ratings

-to provide an adequate return to shareholders

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Restated Standalone Statement of change in equity for the year ended as at March

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub-ordination levels of the Company's various classes of debt. 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 (including investments in Subsidiary companies). In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Net Debt*	8,200.45	7,198.92	281.91
Total Equity	11,045.10	5,865.44	944.22
Net debt to equity ratio	0.74	1.23	0.30

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued – cash and cash equivalents – bank balances other than cash and cash equivalents.

Note No. 34: Maturity Analysis Of Assets And Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months	ι 12 Months	12 Months
ASSETS						
Financial Assets						
(a) Cash and Cash Equivalents	80.25	-	134.21	-	6.79	-
(b) Bank Balances other than Cash and cash	-	-	-	-	-	-
(c) Trade Receivables	-	-	-	-	-	-
(d) Loans	6,630.55	9,940.79	4,363.38	6,857.18	729.05	-
(e) Investments	-	2,393.87	-	1,497.99	-	148.44
(f) Others Financial Assets	283.69	35.42	138.58	82.18	51.11	49.68
	6,994.49	**12,370.08**	**4,636.17**	**8,437.35**	**786.95**	**198.12**
Non-Financial Assets						
(a) Inventories	1.20	-	112.30	-	91.63	-
(b) Current Tax Assets (Net)	-	-	-	-	-	-
(c) Deferred Tax Assets (Net)		330.41		303.19		
(d) Property, Plant and Equipment	-	216.86	-	104.08	-	109.11
(e) Capital Work-in-Progress	-	-	-	-	-	-
(f) Other Non-Financial Assets	5.82	-	14.76	-	66.23	-
	7.02	**547.27**	**127.05**	**407.27**	157.86	109.11
TOTAL ASSETS	**7,001.51**	**12,917.34**	**4,763.22**	**8,844.63**	**944.81**	**307.23**
LIABILITIES AND EQUITY						
Liabilities						
Financial Liabilities						
(a) Trade Payables						
(i) Total Outstanding of MSME	1.94	-	-	-		
(ii) Total Outstanding other than MSME	2.17		0.80			
(b) Borrowings	1,314.72	6,481.50	2,522.00	4,737.00	288.70	-
(c) Other Financial Liabilities	494.48	-	81.68	-	2.99	-
	1,813.31	**6,481.50**	**2,604.48**	**4,737.00**	**291.69**	-
Non Financial Liabilities						
(a) Current Tax Liabilities (Net)	390.44	-	288.32	-	3.71	-
(b) Deferred Tax Liabilities (Net)	-	-	-	-	-	2.03
(c) Other Non-Financial Liabilities	188.50	-	112.41	-	10.39	-
	578.94	-	**400.73**	-	**14.10**	**2.03**
Total Liabilitites	**2,392.25**	**6,481.50**	**3,005.21**	**4,737.00**	**305.79**	**2.03**
Net Equity	**4,609.26**	**6,435.84**	**1,758.02**	**4,107.63**	**639.02**	**305.20**

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No.35: Related Party Disclosures

a) **List of related parties and relationship (as identified by the management).**

i) Subsidiaries

Advik Optoelectronics Ltd.
Advikca Finvest Ltd.

ii) Key Management Personnel's (KMP) :

Mr. Virender Kumar Agarwal	(Director, Ceased w.e.f 22.03.2023)
Mr. Ashwini Kumar	(Whole Time Director & CFO, w.e.f 01.07.2022, Ceased w.e.f 01.07.2023)
Mr. Shakul Kumar Aggarwal	(Executive Director, Ceased w.e.f 22.03.2023)
Mrs. Manju Agarwal	(Director, Ceased w.e.f 22.03.2023)
Mr. Rishabh Aggarwal	(Chief financial officer, ceased from 07.04.2022)
Mr. Madhur Bansal	(Director cum CFO, w.e.f from 07.04.2022, ceased w.e.f 01.07.2022)
Mr. Vikas Garg	(Director, w.e.f 22.02.2023)
Ms. Rashika Gupta	(Company Secretary, w.e.f from 28.12.2021, ceased w.e.f 07.01.2023)
Mr. Pankaj	(Whole Time Director w.e.f 21.06.2023 & CFO, w.e.f 01.07.2023)
Mr. Karan Bagga	(Director, w.e.f 22.03.2023)
Ms. Deepika Mishra	(Company Secretary w.e.f 12.01.2023)
Ms. Poonam Mehta	(Company Secretary ceased from 28.12.2021)

iii) Enterprise over which KMP and their relatives exercise significant influence

Advik Global Limited
Vikas Ecotech Limited
Genesis Gas Solutions Private Limited
Igl Gensis technologies Limited

b) **Transactions with related parties:**

(Amount in lakhs)

Nature of Transaction	Related Party Name	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Remunerations	Mr. Ashwini Kumar	4.50	12.46	-
	Mr. Virender Kumar Aggarwal	-	15.00	12.00
	Ms. Rashika Gupta	-	4.61	1.30
	Mr. Pankaj	8.35	-	-
	Mr. Karan Bagga	24.00	-	-
	Ms. Deepika Mishra	4.80	-	-
	Mr. Shakul Kumar Agarwal			1.50
	Ms. Rishabh Agarwal			6.00
	Ms. Poonam Mehta			1.10
Interest on Unsecured Loan	Mr. Virender Kumar Aggarwal	-	4.49	
	Mrs. Manju Aggarwal	-	1.52	
Receiving of Loan	Mr. Virender Kumar Aggarwal	-	40.00	140.00
	Mrs. Manju Aggarwal	-	35.00	20.00
Interest Income	Advikca Finvest Limited	65.25	-	
Interest Expenses	Mr. Vikas Garg	0.83	-	
Loan Given	Advikca Finvest Limited	1,974.70	-	
Loan Taken	Mr. Vikas Garg	500.00	-	
Receipt of Loan Given	Advikca Finvest Limited	974.90	-	
Repayment of Loan	Mr. Vikas Garg	500.00	-	
	Mr. Virender Kumar Agarwal			51.50
Reimbursement of Expenses	Advikca Finvest Limited	0.87	-	
	Mr. Pankaj	2.22	-	
	Ms. Deepika Mishra	0.01	-	
Security Deposit Repaid	Advik Optoelectronics Ltd.			2.50
Advance Against Remuneration	Mr. Karan Bagga	1.80	-	
Subscription of Shares				
-through Loan Conversion	Advikca Finvest Limited	999.80	-	
-through MOA	Advikca Finvest Limited	-	15.00	

Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

c) **Balance as at the end of the year:**

Nature of Balance	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Remuneration Payable			
Mr. Karan Bagga	2.78	-	
Mr. Virender Kumar Aggarwal	-	4.95	
Mr. Pankaj	0.70	-	
Ms. Deepika Mishra	0.40	-	
Mr. Rishabh Agarwal			0.50
Ms. Rashika Gupta			0.43
Advance Against Remuneration			
Mr. Karan Bagga	1.80	-	
Unsecured Loan			
Mr. Virender Kumar Agarwal		128.70	88.70
Mrs. Manju Agarwal		55.00	20.00
Reimbursement of Expenses			
Mr. Pankaj	0.01		
Interest on unsecured Loan			
Mr. Virender Kumar Agarwal		4.04	
Mrs. Manju Agarwal		1.73	

Note No.36: Financial Instruments

(A) Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value				
Investments	5	1230.63	1,334.55	-
Security Deposits		35.42	32.50	-
Financial assets measured at amortized cost				
Cash and cash equivalents	3	80.25	134.21	6.79
Loans	4	16571.34	11,220.56	729.05
Investments	5	1163.24	163.44	148.44
Others Financial Assets	6	283.69	188.26	100.79
Total		**19,364.57**	**13,073.52**	**985.07**

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial Liability measured at fair value				
Financial liabilities measured at amortized cost				
Trade Payables	10	4.12	0.80	0.00
Borrowings	11	7796.22	7259.20	288.70
Other Financial Liabilities	12	494.48	81.68	2.99
Total		**8,294.81**	**7,341.68**	**291.69**

(B) Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs;

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with credit risk-adjusted discounting rate for the remaining portfolio tenor. The Company has considered the average valuation impact arrived using risk free, cost of funds and yield free securitization approach.

The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(C) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Financial Assets measured at amortized cost (Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair Value	Carrying value	Fair Value	Carrying value	Fair Value
Cash and cash equivalents	80.25	80.25	134.21	134.21	6.79	6.79
Loans (net of loss allowance as per Ind AS 109)	16,571.34	16,571.34	11,220.56	11,220.56	729.05	729.05
Investments	1,163.24	1,163.24	163.44	163.44	148.44	148.44
Others Financial Assets	283.69	283.69	188.26	188.26	100.79	100.79
Total	**18,098.52**	**18,098.52**	**11,706.47**	**11,706.47**	**985.07**	**985.07**

Financial Liabilities measured at amortized cost

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair Value	Carrying value	Fair Value	Carrying value	Fair Value
Trade Payables	4.12	4.12	0.80	0.80	-	-
Borrowings	7,796.22	7,796.22	7,259.20	7,259.20	288.70	288.70
Other Financial Liabilities	494.48	494.48	81.68	81.68	2.99	2.99
Total	**8,294.81**	**8,294.81**	**7,341.68**	**7,341.68**	**291.69**	**291.69**

Financial Assets Measured at Fair Value

Particulars	As at March 31, 2024				
	Carrying value	Fair Value			
	Total	Level 1	Level 2	Level 3	Total
Investments	2,533.00		1,230.63		1,230.63
Security Deposits	50.00		35.42		35.42
Total	**2,583.00**		**1,266.05**	-	**1,266.05**

Financial Assets Measured at Fair Value

Particulars	As at March 31, 2023				
	Carrying value	Fair Value			
	Total	Level 1	Level 2	Level 3	Total
Investments	2,533.00	-	1,334.55	-	1,334.55
Security Deposits	50.00	-	32.50	-	32.50
Total	**2,583.00**	-	**1,367.05**	-	**1,367.05**

Financial Assets Measured at Fair Value

Particulars	As at March 31, 2022				
	Carrying value	Fair Value			
	Total	Level 1	Level 2	Level 3	Total
Investments	-	-	-	-	-
Security Deposits	-	-	-	-	-
Total	-	-	-	-	-

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments.

Note No.37: Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company manages the risk basis policies approved by the board of directors. The board of directors provides written principles for overall risk management.

A) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Com pany continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit Risk Management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. 'The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following Credit ratings to each class of financial assets based on the assumption, input and factor specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

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The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Loans and other	Life time
High credit risk	Loans	Life time

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets (other than Loans) in the balance sheet

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Cash and Cash Equivalents	3	80.25	134.21	6.79
(b) Investments	5	2393.87	1497.99	148.44
(c) Other Financial Assets	6	319.11	220.76	100.79

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.

Credit risk on cash and cash equivalents and bank deposits is generally limited as the Company transacts with Banks having a high credit ratings assigned by domestic credit rating agencies.

B) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) 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 due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

	As at 31 March 2024					
	Carrying amount	Less than 6	6 to 12 months	1 to 2 years	> 2 years	Total
(a) Trade Payables	4.34	4.34	-			4.34
(b) Borrowings	7,796.22		1,314.72	6,481.50	-	7,796.22
(c) Other Financial Liabilities	494.48		494.48			494.48

	As at 31 March 2023					
	Carrying amount	Less than 6	6 to 12 months	1 to 2 years	> 2 years	Total
(a) Trade Payables	0.80	0.80	-			0.80
(b) Borrowings	7,259.20		2,522.00	4,737.00	-	7,259.00
(c) Other Financial Liabilities	81.68		81.68			81.68

	As at 31 March 2022					
	Carrying amount	Less than 6	6 to 12 months	1 to 2 years	> 2 years	Total
(a) Trade Payables	-	-	-			-
(b) Borrowings	288.70		288.70	-	-	288.70
(c) Other Financial Liabilities	2.99		2.99			2.99

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c) **Market Risk – 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 exposure to the risk of changes in market interest rates related primarily to the Company's borrowings with floating interest rates.

Exposure to interest rate risks

The interest rate risk arises majorly from the borrowings carrying floating rate of interest. These obligations exposes the entity to cash flow interest rate risk.. The company does not have any borrowings bearing floating rate of interest.

D) **Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the company is Indian Rupee.

The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar & Euro. The Company manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.The company does not have borrowings, receivables and other payables in foreign currency and hence does not have any currency risk.

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SEGMENT REPORT OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No.38: Segment Reporting

The Company operates in two reportable segment based on the regular review by the CODM i.e. financing and Trade in securities, for the purpose of Ind AS 108 "Operating segments" informations related to such business segments have given below. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company operates only in India which is considered as a single geographical segment.

Information on Segment Reporting pursuant to Ind AS 108 - Operating Segments
Operating segments:
Securities/Share Divison
Loan Division
Others

(Amounts in Lakhs)

1. Revenue by Geographical Location

Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Domestic	2,745.92	34,927.12	3949.52
Export:-			
Total	**2,745.92**	**34,927.12**	**3,949.52**

2. Revenue by nature of products

	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a)	Securities/Share Divison	1,235.22	34,222.04	3871.92
(b)	Loan Division	1,510.69	698.94	54.1
(c)	Others	0.01	6.14	23.5
	Total	**2,745.92**	**34,927.12**	**3,949.52**

2. Segment Results before tax

	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a)	Securities/Share Divison	(547.10)	803.56	19.45
(b)	Loan Division	1,367.48	499.30	53.77
(c)	Others	-	6.13	(21.63)
	Sub Total	**820.38**	**1,308.99**	**51.59**
Add: Other Income		4.75	-	-
Less: Unallocated Expenses		238.43	-	-
Profit before tax		**586.70**	**1,308.99**	**51.59**
Less: Tax expenses		182.71	354.38	12.85
Net profit/(loss) for the Period		**403.99**	**954.61**	**38.74**

3. Segment Assets and Liabilties

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets			
Fixed Assets-Loan Division	216.86	-	-
Loans & Advances & Financial Assets -Loan Division	16,778.71	81.26	777.75
Inventories-Securities/Share Divison	1.20	112.30	91.63
Unalloacted	2,922.08	13,414.30	382.66
Total Assets	**19,918.86**	**13,607.85**	**1,252.04**
Liabilities			
Loans-Securities/Share Divison	8,280.70	7,333.13	288.70
Unalloacted	11,638.16	6,274.72	963.34
Total Liabilities	**19,918.86**	**13,607.85**	**1,252.04**

Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

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CHARTERED ACCOUNTANTS

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No.39: Significant Accounting Ratios

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023	Change (in %) 2023-2024	As at March 31, 2022	Change (in %) 2022-2023	Reason for Variance for the years 2023-2024	Reason for Variance for the years 2022-2023
(a)	Current Ratio,	2.93	1.58	84.65%	3.09	-48.70%	Current Assets increased and current Liabilities decreased for the year significantly in comaprison to previous year	Current Liabilities increased and current Assets decreased for the year significantly in comparison to previous year
(b)	Debt-Equity Ratio,	0.71	1.24	-42.97%	0.31	304.78%	The Equity shareholder's funds significantly increase in comparison to increased in debts	The borrowings of the company significantly increased during the year.
(c)	Debt Service Coverage Ratio,	2.01	5.76	-65.11%	NA		The finance cost of company increased significantly during the previous year.	
(d)	Return on Equity Ratio,	0.04	0.16	-77.53%	0.04	296.68%	The Equity shareholder's funds increased significantly and due to decline in net profits	The profit increased significantly during the year.
(e)	Inventory turnover ratio,	12.10	85.64	-85.87%	21.55	297.36%	Due to significantly decline intrading in securities business as the company has shifted the same in its subsidiary company.	Due to significantly rise in trading in securities business
(f)	Trade Receivables turnover ratio	-	-	-	-	-	-	-
(g)	Trade payables turnover ratio,	-	-	-	-	-	-	-
(h)	Net capital turnover ratio,	0.60	19.87	-97.00%	6.18	221.45%	Net Working Capital of the company increased significantly and decline in Revenue from operations.	Net Working Capital of the company decresed significantly and increase in Revenue from operations.
(i)	Net profit ratio,	0.15	0.03	438.30%	0.01	178.64%	The Equity shareholder's funds increased significantly and due to decline in net profits	The net profit increased significantly in comparison to increase in revenue from operations
(j)	Return on Capital employed,	0.08	0.15	-49.36%	0.05	173.80%	The Equity shareholder's funds and long term debts increased significantly and due to decline in net profits	The profits has been increased significantly in propportion to increase in equity shareholders fund and long term debt
(k)	Return on Investment	-	-	-	-	-	-	-

Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / (Total Equity)
3. Debt Service Coverage Ratio = EBITDA / (Finance Cost+ Repayment of Long term Debt)
4. Return on Equity Ratio = (Profit After Tax-Contingent Reserve) / (Total Equity-Contingent Reserve)
5. Inventory Turnover Ratio = Sale / (Average Inventory)
6. Trade Receivable Turnover Ratio = Revenue from Operations / Trade Receivable
7. Trade Payable Turnover Ratio = Purchase / Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
9. Net Profit Ratio = Profit After Tax / Revenue
10 Return on Capital Employed= EBIT/ (Total Equityholder's Funds+Long term debt)
11 Return on Investment= Income from Investments/ Net Investment

Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No.40: Additional Regulatory Information

i All the Title deeds of Immovable properties are held in the name of company.
ii The Company has neither any capital work in progress of Property, Plant and Equipment nor any intangible
iii assets under development.
vi During the year, the company has not borrowed any funds from banks.
v During the year, the company has not revalued its Property, Plant and Equipment's and Intangibles.
vi During the year, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
vii The Company has not provided any Loan to any person on behalf of other person other than its ordinary course of its NBFC business, hence disclosure under section 186 is not applicable to the company.
viii During the year, the company has not been declared wilful defaulter by any bank or financial institution or any other lender.

ix There is charge on movable property amount to Rs. 3.5 Lacs whose satisfaction is yet to be registered with

Details of significant investments in subsidiaries, associates and joint ventures

(% of Direct holdings)

Particulars	Country of Incorporation	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Subsidiary companies				
Advik Optoelectronics Limited	India	57.99%	57.99%	57.99%
Advikca Finvest Limited	India	100.00%	100.00%	0.00%
Associates companies		Nil	Nil	Nil
Joint Ventures		Nil	Nil	Nil

x The Company does not have any Scheme of Arrangements, which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xi The company has utilized funds raised from the issue of securities or borrowings from banks & financial institutions for the specific purposes, for which they were issued/taken.(Also Refer Note 18)

xii The company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities
i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the
ii. Provide any guarantees, securities or the like or on behalf of the ultimate beneficiaries

xiii The Company has not received any funds from any person(s) or entity(ies), including foreign entity(ies) (funding party) with the
i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the
ii.Provide any guarantees, securities or the like or on behalf of the ultimate beneficiaries.

xiv During the year, the company has not traded, invest or perform any transaction in crypto or other virtual currency.

xv In the opinion of the management, the realizable value of current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.

xvi Capital to Risk Assets Ratio (CRAR):

Particulars	Mar-24	Mar-23	Mar-22
(a) capital to risk weighted assets ratio:	56.40%	44.33%	75.57%
(b) Tier I CRAR	56.40%	44.33%	75.57%
(c)Tier II CRAR	-	-	-
(d) Liquidity Coverage Ratio	N/A#	244.02%	N/A#

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.
\# Estimated cash inflows exceeds the estimated cash outflows for the year ended March 2024 and March 2022 over the next 30 days. Hence, ratio is not applicable.

Methodology:
(a) capital to risk weighted assets ratio-(Tier I Capital+ Tier II capital)/Total Risk Weighted Assets
(b) Tier I CRAR-Tier I Capital/Total Risk Weighted Assets
(c)Tier II CRAR-Tier II capital/Total Risk Weighted Assets
(d) Liquidity Coverage Ratio-High Quality Liquid Assets/Net Cash flow over 30 days period

NEW DELHI

ADVIK CAPITAL LIMITED

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No. 41:

Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms : For the Year 2024

Asset Classification as per RBI Norms	Assets classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage-1	16,380.65	76.31	16,304.34	76.31	-
Subtotal		**16,380.65**	**76.31**	**16,304.34**	**76.31**	-
Non-Performing Assets (NPA)						
Substandard	Stage-3	356.00	89.00	267.00	89.00	-
Doubtful – up to 1 year	Stage-3	-	-	-	-	-
1 to 3 years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Subtotal for doubtful	Stage-3	-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		**356.00**	**89.00**	**267.00**	**89.00**	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**16,736.65**	**165.31**	**16,571.34**	**165.31**	-

Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms : For the Year 2023

Asset Classification as per RBI	Assets	Gross	Loss	Net Carrying	Provisions	Difference
Performing Assets						
Standard	Stage-1	11,320.56	100.00	11,220.56	100.00	-
Subtotal		**11,320.56**	**100.00**	**11,220.56**	**100.00**	-
Non-Performing Assets (NPA)						
Substandard	Stage-3	-	-	-	-	-
Doubtful – up to 1 year	Stage-3	-	-	-	-	-
1 to 3 years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Subtotal for doubtful	Stage-3	-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**11,320.56**	**100.00**	**11,220.56**	**100.00**	-

ADVIK CAPITAL LIMITED DELHI

SMC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms : For the Year 2022

Asset Classification as per RBI	Assets	Gross	Loss	Net Carrying	Provisions	Difference
Performing Assets						
Standard	Stage-1	731.00	1.95	729.05	1.95	-
Subtotal		**731.00**	**1.95**	**729.05**	**1.95**	-
Non-Performing Assets (NPA)						
Substandard	Stage-3	-	-	-	-	-
Doubtful – up to 1 year	Stage-3	-	-	-	-	-
1 to 3 years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Subtotal for doubtful	Stage-3	-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**731.00**	**1.95**	**729.05**	**1.95**	-

Note No. 42: Disclosures Related to Non performing Assets

(a) Sector wise Non performing Assets

Particulars	(Percentage of NPAs to total advance to that sector)		
	As at March 31, 2024	**As at March 31, 2023**	**As at March 31, 2022**
1 Agriculture and allied activities	-	-	-
2 MSME	-	-	-
3 Corporate borrowers*	50.00	-	-
4 Services	-	-	-
5 Personal loans*	306.00	-	-
6 Auto loans	-	-	-
7 Other personal loans	-	-	-

* Unsecured and Repayable on Demand

(b) Movement of NPAs

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
i) Net NPAs to net advance (%)	1.61%	-	-
ii) Movement of NPAs	-	-	-
a) Opening balance	-	-	-
b) Addition during the year	356.00	-	-
c) Reduction/ write off during the year	-	-	-
d) Closing balance	356.00	-	-
iii) Movement of provisions for NPAs	-	-	-
a) Opening balance	-	-	-
b) Addition during the year	89.00	-	-
c) Reduction/ write off during the year	-	-	-
d) Closing balance	89.00	-	-

(C) Detail of non-performing financial asset purchased/sold

The Company has not purchased/sold non-performing financial asset in the current and previous year.

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Restated Notes on Standalone Financial Statements for the year ended March 31, 2024

Note No. 43: Additional Disclosures for RBI

(a) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil (Previous year: Nil)
(b) Draw down from reserves:- Nil (Previous year Nil)
(c) Disclosure of Penalties imposed by RBI & other regulators: Nil (Previous year: Nil)
(d) Registration obtained from other financial sector regulators:
The Company is registered with following other financial sector regulators:
(i) Ministry of Corporate Affairs (MCA))
(ii) Ministry of Finance (Financial Intelligence Unit)
(iii) Securities and Exchange Board of India (SEBI)
(iv) Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)
(e) Details of financing of parent Company product
This disclosure is not applicable as the Company does not have any holding/parent Company.
(f) Exposures
(i) Exposure to real state sector:-As per Table Below

Loans & Advances	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
	Amount	Amount	Amount
Basant Projects Ltd	750.00	749.56	-
Fun City Developers Pvt Ltd	275.00	275.00	-
Indian Realtors Pvt Ltd	250.00	200.00	-
J P Shastri Construction Pvt Ltd*	90.00	90.00	-
New Horizon Buildwell Pvt Ltd	350.00	350.00	-
Uniexcel Developers Pvt Ltd	82.65	95.00	-
Tarvinder Buildprop Pvt. Ltd	-	190.00	-

(ii) Exposure to capital market:-Nil (Previous Year : Nil)

Note No.44 : Re- Grouping

Cretain reclassification have been to the comparitive period Financial statements to enhance comparability with the current financial year financial statements & enhance compliance with guidance note on the Division-II- Ind AS Shedule III to the companies Act.

As a result, cretain line items have been reclassified in the Balance sheet as at 31st March,2023 the details of which are as under.

Other Non Financial Liabilities	Before Reclassification	Reclassification	After Reclassification
Statutory Dues Payable-TDS	-	28.72	28.72
Statutory Dues Payable-GST	-	2.53	2.53

Other Financial Liabilities	Before Reclassification	Reclassification	After Reclassification
Statutory Dues Payable-TDS	28.72	(28.72)	-
Statutory Dues Payable-GST	2.53	(2.53)	-

As a result, cretain line items have been reclassified in the Balance sheet as at 31st March,2022 the details of which are as under.

Other Equity	Before Reclassification	Reclassification	After Reclassification
Reserve for Doubtful Debts	6.29	(6.29)	-
Contigency Reserve	1.95	(1.95)	-

Financial Assets	Before Reclassification	Reclassification	After Reclassification
Impairment Loss Allowance*	-	1.95	1.95

**Netted off from Loans under Financial Assets*

Other Financial Assets	Before Reclassification	Reclassification	After Reclassification
Security Deposits	-	49.68	49.68
Income Tax Refund	-	2.41	2.41

Other Non Financial Assets	Before Reclassification	Reclassification	After Reclassification
Security Deposits	49.68	(49.68)	-
Income Tax Refund	2.41	(2.41)	-

Other Financial Liabilities	Before Reclassification	Reclassification	After Reclassification
Salary & Bonus Payable	-	2.00	2.00

Other Non Financial Liabilities	Before Reclassification	Reclassification	After Reclassification
Salary & Bonus Payable	2.00	(2.00)	-
Reserve for Doubtful Debts	-	6.29	6.29

Note No.46 :Reconciliation between audited profit and restated profit

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Profit after tax (as per	326.26	57.79	41.13
B. Add/(Less): Adjustment on			
1. Provision of Income Tax for prior period	-	-	-
2. Provision for impairment on financial instruments	-	-	(0.33)
3. Reserve for Bad & Doubtful Debts	-	-	(2.06)
4. Transfer to Special Reserve	-	-	-
5. Other Financial Charges	-	-	-
6. Other Miscellaneous Expenses	-	-	-
Total	-	-	(2.39)
C. Restated Profit After Tax	**326.26**	**57.79**	**38.74**

Note No.45 : Others

(a) Pursuant to section 135 of the Companies Act, 2013, CSR is applicable to every company having net worth of Rs 500 crore or more, or a turnover of over Rs 1,000 crore or a net profit exceeding Rs 5 crore in any financial year. Since the Company has exceeded the limits specified above, provisions of Section 135 of the Companies Act, 2013 is applicable to the Company. The company has spends 12.45 Lakhs within the specified duration under CSR which exceeds the limits specified under the provisions of Section 135 of companies Act, 2013.

(b) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

(c) The company has utilized the borrowed funds for the purpose for which it has been borrowed.

(d) The company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act'1961.

(e) Other additional information pursuant to Schedule III to the Companies Act 2013 are either nil or not applicable.

(f) The Previous year's figures have been reclassified /re-grouped and / or rearranged wherever considered necessary.

(g) Figures have been rounded off to the nearest lakh and two decimal thereof

In terms of our report of even date annexed hereto
For KSMC & Associates .
Chartered Accountants

(Sachin Singhal)
Partner
M. No. 505732
Place: Delhi
Date: 02.05.2024
UDIN: 24505732BKFGJW8924

For and on behalf of the Board of
Advik Capital Limited

Vikas Garg
Director
DIN:00255413

Karan Bagga
(Whole Time Director cum CEO)
DIN: 05357861

Deepika Mishra
(Company Secretary)
PAN: ECZPM4298B

Pankaj
(Whole Time Director cum CFO)
DIN: 10140086

STATEMENT OF CAPITALISATION

Particulars	Pre-issue as at 31.03.2024	Post Issue
Total Borrowings		
Current Borrowing	1385.66	[•]
Non-Current Borrowing	6487.79	[•]
Total Equity*		
Equity Share Capital	4281.54	[•]
Other Equity	6981.77	[•]
Total Capital	11263.31	[•]
Ratio: Non-current borrowings/Total Equity	-	[•]

**Details as per Restated Consolidated Financial Statements.*

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the "**Restated Financial Statements**" beginning on page 89 of this Draft Letter of Offer.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 20 and 14 respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2024, 2023 and 2022 included herein is based on the Restated Financial Statements, included in this Draft Letter of Offer. For further information, see "**Restated Financial Statements**" beginning on page 89 of this Draft Letter of Offer.*

*Neither we, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "**Presentation of Financial and other Information**" beginning on page 12 of this Draft Letter of Offer.*

SIGNIFICANT DEVELOPMENTS AFTER AUGUST, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

1. The company in its Board Meeting held on October 11, 2023 has approved the allotment of 20,79,60,320 Fully Paid-up Rights Equity shares of face value of Re. 1/- each at a price of Rs. 2.40/- per Rights Equity share (including premium of Rs. 1.40/- per share) to the eligible applicants through Right Issue.

2. The Company has submitted Expression of Interest for Acquisition of ARC (Asset Reconstruction Company) to carry on the Business of Securitisation or Assets Reconstruction under SARFAESI Act. The same was intimated to Stock Exchange as Media Release under Regulation 30 of SEBI (LODR), 2015 on dated November 7, 2023.

3. The Company as an RBI registered NBFC has firmed up its plan to apply for licence for Alternative Investment Fund Category – II (AIF) with SEBI Alternative Investment Fund Regulations. The same was intimated to Stock Exchange as Media Release under Regulation 30 of SEBI (LODR), 2015 on dated November 18, 2023.

4. The Company, as a part of its long-term business strategy and to expand its business interest in diverse verticals, towards a Systematically Important NBFC, with elongated financial strength, having net-worth of approx. Rs. 1100 million and total assets of approx. Rs. 2000 million. The same was intimated to Stock Exchange as Media Release under Regulation 30 of SEBI (LODR), 2015 on dated December 13, 2024.

5. The Company has changed its logo of the Company with effect from February 6, 2024.

6. The Company along with Mr. Vikas Garg (Promoter of the Company) and Vikas Lifecare Limited (CIN: ---L25111DL1995PLC073719) has entered into a Share Purchase Agreement on February 08, 2024, under which the Company intended to acquire 14,07,067 equity shares representing 6.24% of the issued and paid-up share capital of Industrial Investment Trust Limited.

7. The Company has made an application to the BSE Limited on March 18, 2024 towards the reclassification of erstwhile i.e. Mr. Virender Kumar Agarwal and Mr. Shakul Kumar Agarwal from "Promoter/Promoter

Group" Category to "Public" Category Shareholders of the Company in terms of Regulation 31A (10) of SEBI Listing Regulations.

8. The Board of Directors of our Company has approved to raise funds through Rights Issue in the Board meeting held on March 23, 2024 and the same was approved through Postal Ballot dated April 25, 2024.

9. The Board of Directors of our Company has increased limits to make loan and investment exceeding the ceiling prescribed under section 186 of the Companies Act, 2013 and the same was approved through Postal Ballot dated April 25, 2024.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Compliance with environmental laws and regulations

We are subject to central and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from its operations. In case of any change in environmental or pollution laws and regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities.

Results of Operations

The following table sets out selected data from the Restated Standalone Financial Statements for Period ended Financial Year 2024, Financial Year 2023 and Financial Year 2022, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	**FY ended March 31, 2024**		**FY ended March 31, 2023**		**FY ended March 31, 2022**	
	Amount (Rs. in Lakh)	**% of Total Revenue**	**Amount (Rs. in Lakh)**	**% of Total Revenue**	**Amount (Rs. in Lakh)**	**% of Total Revenue**
Revenue from Operations	2,745.92	99.83%	34,927.11	99.98%	3,949.52	100.00%
Other Income	4.75	0.17%	7.15	0.02%	-	0.00%
Total Revenue	2,750.67	100.00%	34,934.26	100.00%	3,949.52	100.00%
Cost of Goods Sold (i.e net of Change in Inventories of Stock in Trade Plus Purchases)	1099.88	39.98%	33045.68	94.59%	3852.47	97.54%
Excise Duty on Sale of Goods	-	0.00%	-	0.00%	-	0.00%
Employee Benefits Expenses	77.50	2.82%	43.85	0.13%	31.15	0.79%
Finance Cost	741.64	26.96%	277.73	0.80%	0.02	0.00%
Other expenses	205.47	7.47%	250.42	0.72%	11.40	0.29%
Depreciation and amortization expenses	39.47	1.43%	7.59	0.02%	2.89	0.07%
Total Expenditure	2,163.97	78.68%	33,625.27	96.25%	3,897.93	98.69%
Profit before Tax and before exceptional items	586.70	21.33%	1,308.99	3.75%	51.59	1.31%
Exceptional items:Profit (Loss) on sale of Fixed assets	-	0.00%	-	0.00%	-	0.00%
Profit before Tax and after exceptional items	586.70	21.33%	1,308.99	3.75%	51.59	1.31%
Current Tax (Including tax adjustment for earlier years)	183.74	6.68%	357.98	1.02%	11.46	0.29%
Deferred Tax	(1.04)	-0.04%	(3.60)	-0.01%	1.39	0.04%
Total tax expenses	182.70	6.64%	354.38	1.01%	12.85	0.33%
Profit for the period	403.99	14.69%	954.61	2.73%	38.74	0.98%
Other Comprehensive Income						

(A) (i) Items that will not be reclassified to profit or loss	(103.92)		(1198.45)	-	-	-
(ii) Income Tax effect on herein above	26.18		301.63	-	-	-
(B) (i) Items that will be reclassified to profit or loss	-		-		-	
(ii) Income Tax effect on herein above	-		-	-	-	-
Total Other Comprehensive Income (A+B)	(77.74)		(896.82)	-	-	-
Total Comprehensive Income/(Loss) for the period (XI+XII)	326.26		57.79	-	38.74	-
Nominal Value per Equity Share	1		1	-	1	-
Equity per Equity share - Basic	0.10		0.03	-	0.08	
Equity per Equity share – Diluted	0.10		0.03	-	0.08	

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled "***Financial Information***" on page 89.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter "***Financial Information***" on page 89, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "***Financial Information***" on page 89.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT REVENUE

The following descriptions set forth information with respect to the key components of the Financial Statements

Comparison of Financial Year ended March 31, 2024 with Financial Year ended March 31, 2023

Revenue from Operations

Our turnover from Revenue from operation decreased to ₹2,745.92 Lakhs in FY 2023-24 as compared to ₹ ₹34,927.11 Lakhs in FY 2022-23.

Other Income

Our other income also decreased to ₹4.75 Lakhs in FY 2023-24, other Income comprise mainly Interest and other misc. income.

Other Expenses

Our other expenses increased by 6.09% from ₹143.09 Lakhs in financial year 2023-24 to ₹134.87 Lakhs in financial year 2022-23. Other expense mainly includes Audit Fees and other Business-related Expense.

OTHER MATTERS

1. **Unusual or infrequent events or transactions**

   Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in this Draft Letter of Offer to our knowledge there are not any significant economic changes that materially affected or are likely to affect income from continuing operations

3. **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as disclosed in the section titled "***Risk Factors***" beginning on page 20 of this Draft Letter of Offer to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. **Future relationship between Costs and Income.**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies, subsidies available and prices of raw material.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

Total turnover of each major industry segment in which the issuer company operates.

5. **Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Letter of Offer.

6. **The extent to which the business is seasonal**

Our Company's business is not seasonal in nature.

7. **Any significant dependence on a single or few suppliers or customers**

There is no significant dependence on a single or few suppliers or customers

8. **Competitive Conditions**

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "***Our Business***" on page 70 of this Draft Letter of Offer.

MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on the Stock Exchanges pursuant to the Issue. For further details, please see "***Terms of the Issue***" on page 188 of this Draft Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE by letter dated [●]. Our Company will also make application to BSE to obtain the trading approval from the stock exchange for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case maybe;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

BSE							
FY	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**	**Average (₹)**
2023-24	4.35	January 10, 2024	53605629	1.96	August 17, 2023	1540579	3.155
2022-23	6.3	April 22, 2022	4119353	2.65	December 26, 2022	248113	4.475
2021-22	4.44	November 30, 2021	129219	1.3	April 12, 2021	796	2.87

(Source: www.bseindia.com)

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

BSE							
Monthly	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**	**Average (₹)**
April, 2024	3.18	April 5, 2024	4143790	2.52	April 1, 2024	2260430	2.85
March, 2024	3.29	March 4, 2024	3041639	2.47	March 15, 2024	3648081	2.88
February, 2024	3.96	February 8, 2024	8432307	3.06	February 29, 2024	3165091	3.51
January, 2024	4.35	January 10, 2024	53605629	2.11	January 1, 2024	16097621	3.23
December, 2023	2.89	December 11, 2023	55475936	2.08	December 21, 2023	9893930	2.48
November, 2023	3.08	November 15, 2023	7514802	2.34	November 30, 2023	4901186	2.71

(Source: www.bseindia.com)

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Draft Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Draft Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is 5% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.*

Except as disclosed below, there are no outstanding litigation 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 pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

I. Litigation involving our Company

A. *Litigation filed against our Company*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Civil proceedings**

Nil

4. **Litigation/Matters involving Tax Liabilities**

NIL

B. *Litigation filed by our Company*

1. **Criminal proceedings**

Nil

2. **Civil proceedings**

Nil

3. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

4. **Tax proceedings**

(in ₹ Lakhs)

Particulars	No. of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

II. Litigation involving our Promoters

A. *Litigation filed against our Promoter*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Civil proceedings**

Nil

4. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

B. *Litigation filed by our Promoter*

5. **Criminal proceedings**

Nil

6. **Civil proceedings**

Nil

7. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

8. *Tax proceedings*

(in ₹)

Particulars	No. of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

III. Litigation involving our Directors

A. *Litigation filed against our Director*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Civil proceedings**

Nil

4. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

B. *Litigation filed by our Director*

1. **Criminal proceedings**

Nil

2. **Civil proceedings**

Nil

3. **Litigation Involving Actions by Statutory/Regulatory Authorities**

Nil

4. *Tax proceedings*

(in ₹)

Particulars	No. of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

IV. LITIGATION INVOLVING OUR SUBSIDIARIES

1. **Against Directors of the Subsidiary Company: NIL**
2. **By Directors of the Subsidiary Company: NIL**

V. Litigations Involving Company's Group Entities

1. **Against the Group Entities: NIL**
2. **By the Group Entities: NIL**

VI. Other litigations involving any other entities which may have a material adverse effect on the Company.

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against the company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company**.**

VII. Details of the past penalties imposed on the Company / Directors

a) SEBI has imposed jointly and severally penalty of Rs. 6,00,000 on our Promoter and Promoter Group, vide order dated March 21, 2024 for non-disclosure of shareholding/changes in shareholding to stock exchanges as required under regulations 29(1) and 29(2) read with 29(3) of SAST regulations, 2011 in matter of BEST AGROLIFE LTD. Our Promoters and Promoter Group has paid the penalty within stipulated time period.

b) SEBI has imposed individual penalty on our Promoter, vide order dated March 21, 2024 for non-disclosure of shareholding/changes in shareholding to stock exchanges as required under regulations 29(1) and 29(2) read with 29(3) of SAST regulations, 2011 in matter of BEST AGROLIFE LTD. Our Promoters has paid the penalty within stipulated time period. The details of the penalty imposed are as follows:

Name of the Persons	Penalty
Mr. Vikas Garg	Rs. 2,00,000
Ms. Seema Garg	Rs. 2,00,000

c) An investigation was conducted by SEBI to ascertain whether there was any violation of the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 (hereinafter referred as "PIT Regulations") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(hereinafter referred as "SAST Regulations") by certain entities for the period from March 01, 2021 to October 12, 2021 in the matter of VIKAS ECOTECH LIMITED. A Show Cause Notice has been received by Company's promoter Mr. Vikas Garg and his certain close relatives. Though, the non-compliances were inadvertent, technical in nature and no unlawful gain was earned, penalties of INR 2,00,000 were imposed on Vikas Garg, Promoter and Director of the Company under Section 15A (b) of the SEBI Act, 1992.

d) SEBI has imposed penalty on our Promoter and Promoter Group for delay in making disclosure of shareholding/changes in shareholding g to company and/or stock exchanges as required under regulation 29(2) of SAST Regulations, 2011 in matter of SAHYOG MULTIBASE LIMITED. However, the same has been reached at a settlement along with a Settlement Charges of Rs.3,48,075 vide settlement order dated 16-Jul-2019. The details of the penalty imposed are as follows:

Name of the Persons	Settlement charges
Mr. Vikas Garg	Rs. 3,48,075
Ms. Sukriti Garg	

VIII. Outstanding dues to creditors

Details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2024, by our Company, are set out below:

(₹ in lakhs)

Type of creditors	Amount involved
Micro, Small and Medium Enterprises	1.94
Other creditors	2.17
Total	**4.12**

Material Developments

Other than as stated in the section entitled "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent to* March 31, 2024**" on page 165 of this Draft Letter of Offer, there have not arisen, since the date of the last financial information disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "***Objects of the Issue***" at page 49 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue has been authorized through a resolution passed by our Board at its meeting held on March 23, 2024 to raise funds by issuance and allotment of equity shares for aggregate amount of up to Rs. 100 Crore (Rupees Fifty Crore) in one or two tranches, by way of QIP's, ADR, GDR, FCCB or any other method or combination thereof including series of Right Issue(s), on such terms to be decided by the Board or a duly constituted committee of the Board at a later date, subject to the approval of shareholders, thereafter, the same was approved via Postal Ballot Notice dated April 25, 2024.

Our Board/Rights Issue Committee, in its meeting held on [●] has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 4,995.00 lakhs. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Advisor to the Issue prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated [●]. Our Company will also make application to BSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the [●] 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***" beginning on page 182 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, 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.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI (ICDR) Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to 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 an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Part B-1 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 SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the Designated Stock Exchange;

2. The reports, statements and information referred to above are available on the websites of BSE; and

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.

However, in terms of Clause (3) of Part B of Schedule VI of the SEBI ICDR Regulations, following issuers shall mandatorily make disclosures in the draft letter of offer/letter of offer as specified in Part B-1 of this Schedule:

(a) an issuer whose management has undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable and is making a rights issue of specified securities for the first time subsequent to such change and a period of three full years has not elapsed since such a change;

(b) an issuer whose specified securities have been listed consequent to the relaxation granted by the Board under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, 2013, as applicable, and is making a rights issue of specified securities for the first time subsequent to such listing and a period of three full years has not elapsed since such listing.

Since the management of our Company has undergone change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, during the financial year 2022-23, the disclosures contained in the Draft Letter of Offer/Letter of Offer have been mandatorily made in terms of Part B-1 of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

THE PRESENT ISSUE, BEING LESS THAN ₹5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISIO TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE DRAFT LETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

Disclaimer from our Company and our Directors

Our Company accept 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 in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi only.

Disclaimer Clause of BSE

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 the stock exchange 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:

i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
iii. 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.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

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.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares 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, Letter of Offer, Abridged Letter of Offer Application Form and 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 of our Company and will dispatch the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being 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. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale 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 of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER 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 a subscription 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. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER 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 ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, legal advisor and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated May 2, 2024 from our Statutory Auditor to include their name in this Draft Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated May 2, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated May 2, 2024 from our Statutory Auditor to include their name as required in this Draft Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation the Statement of Tax Benefits dated May 2, 2024 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

The Company has successfully completed the objects of the previous rights issue made in the August, 2023. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any listed subsidiaries or associate companies as on the date of this Draft Letter of Offer. Our Company has 2 subsidiaries. Further, there have been no instances in the past.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "***Market Price Information***" beginning on page 169 of this Draft Letter of Offer.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Skyline Financial Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

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 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). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 182 of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Name: Skyline Financial Services Private Limited
Address: D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Telephone Number: 011-40450193/97
Contact person: Mr. Anuj Rana
Website: www.skylinerta.com
E-mail: Info@skylinerta.com

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.

Company Secretary and Compliance Officer of our Company.

Ms. Deepika Mishra,
Telephone: +91 9289119980
E- mail: advikcapital@gmail.com

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SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in the Draft Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA.

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI (ICDR) Regulations, the SEBI Relaxation Circulars, 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 Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer 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 Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

(i) our Company at www.advikgroup.com;
(ii) the Registrar at www.skylinerta.com;
(iii) the Lead Manager, i.e. http://ftfinsec.com;
(iv) the Stock Exchanges at www.bseindia.com; and

Eligible Equity Shareholders can also 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 (for Eligible Equity Shareholders who hold 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.advikgroup.com).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to 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 the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. 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 the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will 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 authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form 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 or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue, will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an application in this Issue are mandatorily required to use the ASBA process. Shareholders should carefully read the provisions applicable to such application before making their application through ASBA.

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 Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "**Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or 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 Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein 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.

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 see "**Grounds for Technical Rejection**" below. Our Company, the Lead Manager, 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, the Eligible Equity Shareholders 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 "**Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**" below.

➢ **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Equity Shares to the full extent of its Rights Entitlements; or
(ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
(iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
(iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
(v) renounce its Rights Entitlements in full.

➢ **Making of an Application through the ASBA process**

Shareholders, 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. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches 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.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation 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.

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=34

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number 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 bearing reference number 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.

The Lead Manager, 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.

Do's for Shareholders applying through ASBA:

(a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the 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 Equity Shares (including additional Equity Shares) applied for} X {Application Money of 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 authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form 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 acknowledgement 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 same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders 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 Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), 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 upon making the Application.

(d) Do not submit Application Form using third party ASBA account.

- **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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.

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/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

(a) Name of our Company, being **Advik Capital Limited**;
(i) 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);
(ii) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
(iii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the 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 Equity Shares applied for pursuant to this Issue
(iv) Number of Equity Shares held as on Record Date;
(v) Allotment option – only dematerialised form;
(vi) Number of Equity Shares entitled to;
(vii) Number of Equity Shares applied for within the Rights Entitlements;
(viii) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
(ix) Total number of Equity Shares applied for;
(x) Total amount paid at the rate of Rs. 1 per Equity Share;
(xi) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
(xii) In case of non-resident 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;
(xiii) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
(xiv) 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); and
(xv) All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights 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 Shareholders 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 Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its 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, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.skylinerta.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

➢ **Making of an Application by 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 dematerialised 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 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.

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 following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail 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 through email to the RTA at ipo@skylinerta.com or by post, speed post, courier or hand delivery, so as to reach to the Registrar no 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 remaining procedure for Application shall be same as set out in "- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. 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 Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders 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 finalised 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" mentioned below.

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.

Additional general instructions for Shareholders in relation to making of an application

(a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. 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 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.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" mentioned above.

(d) Applications should be 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(f) 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 Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

(g) 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. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, 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, Shareholders 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 Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders 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 Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Shareholders 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 Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

(h) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) 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 Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

(j) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(k) 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.

(l) All communication in connection with Application for the Equity Shares, including any change in contact details 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 number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details 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.

(m) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) No investment under the FDI route (i.e. any investment which would result in the Shareholders 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 Shareholders 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. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

(t) 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.

➢ **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 Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Manager, 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.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.

(i) 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).

(j) 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.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand.

(o) If a Shareholders 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 Shareholders to subscribe to their Rights Entitlements.

(p) 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.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

(a) Payment from third party bank accounts.

➢ • **Multiple Applications**

In case where multiple Applications are made using 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 Shareholders 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. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. 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, see "**Procedure for Applications by Mutual Funds**" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "Capital Structure - Intention and extent of participation by our Promoter" mentioned above.

➢ **Procedure for Applications by certain categories of Shareholders**

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders 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 an FPI or Shareholders 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 Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

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. 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 recognised 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:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. 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.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

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, the 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. Further, 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 / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders 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 Shareholders 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. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

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 recognised 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 incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Shareholders"), 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 Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders 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 Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

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 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 set out in "Basis of Allotment" mentioned below.

Please note that on the Issue Closing Date, applications through 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 Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

Shareholders who have applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches 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.

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, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received/ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

➢ **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also 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 (for Eligible Equity Shareholders who hold 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.advikgroup.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get 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 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 Issue.

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 two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. https://www.skylinerta.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

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. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) 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 (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, 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, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

➢ **Renouncees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

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➢ **Renunciation of Rights Entitlements**

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 Rules and other circular, 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 circular, 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 sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

➢ **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders 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 Exchanges (the "On Market Renunciation"); or (b) through an off-market transfer (the "Off Market Renunciation"), during the Renunciation Period. The Shareholders 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.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager 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 Shareholders.

(a) On Market Renunciation

The Eligible Equity Shareholders 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 stock-broker 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. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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 market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for 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 and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders 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 dematerialised 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 to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders 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 Shareholders can transfer Rights Entitlements

only to the extent of Rights Entitlements available in their demat account.
The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders 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 Shareholders' ASBA Account. 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 Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on 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 in the Letter of Offer.

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, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and 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(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation 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.

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.

Mode of payment for Resident Shareholders

All payments on 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 Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through 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, 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. 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 Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the 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 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 Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "**The Issue**" beginning on mentioned above.

➢ Fractional Entitlements

Since the Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1:1 (1Equity Share for every 1 Equity Shares) held as on the Record Date. Accordingly, no circumstance would arise which would result in fractional entitlement.

➢ Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) 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 Equity Shares to be issued and Allotted under this Issue shall rank pari-passu with the existing Equity Shares, in all respects including dividends.

- **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited through letter bearing reference number [●] dated [●]. Our Company will apply to BSE for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 539773) under the ISIN: INE178T01024. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the regular ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within fifteen days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within fifteen 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 fifteenth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "**Capital Structure - Intention and extent of participation by our Promoter**" mentioned above.

- **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

a. The right to receive dividend, if declared;
b. The right to receive surplus on liquidation;
c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
d. The right to free transferability of Equity Shares;
e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and

f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act,2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is One Equity Share.

- **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 Equity Shares offered in this Issue.

- **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

- **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, 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 Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity

Shareholders have provided their valid e-mail address, the Letter of Offer 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 Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi language national daily newspaper with wide circulation being the regional language of New Delhi, where our Registered Office is situated.

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.skylinerta.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The 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 Equity Shares are issued on rights basis.

In case of 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 which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders 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.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at email id:

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE 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 SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENT	**[●]**
ISSUE OPENING DATE	**[●]**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	**[●]**
ISSUE CLOSING DATE*	**[●]**
FINALISATION 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 but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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 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, at least one day before the Issue Closing Date, i.e., [●].

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

b) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will 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 any unsubscribed Equity Shares after making full Allotment in (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 this Issue and will not be a preferential allotment.

c) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to any other person, subject to applicable laws, 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.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity.

Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret 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 Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised 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 and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law 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 an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking 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 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.

XI. 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 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.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

➢ **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, 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.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated August 10, 2015 with NSDL and an agreement dated August 03, 2023 with CDSL which enables the Shareholders 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.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

1. 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 Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a- vis such information with the Shareholders depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders' depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
5. The Equity Shares will be allotted to Applicants only in dematerialized form and would 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 holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail 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 Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 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. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 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. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;
B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till 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; and
C. Details of all unutilized monies out of this Issue referred to under (A) above, 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.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1) Please read the 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 Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2) All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "ADVIK CAPITAL LIMITED – Rights Issue" on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Telephone: 011-40450193/97
Email: ipo@skylinerta.com
Website: www.skylinerta.com
Investor grievance e-mail: grievances@skylinerta.com
SEBI Registration No.: INR000003241;
Validity of Registration: Permanent
Contact Person: Mr. Anuj Rana

3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders 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- 42541952.

4) The Shareholders can visit following links for the below-mentioned purposes:

a) Frequently asked questions and online/ electronic dedicated Shareholder helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.skylinerta.com
b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.skylinerta.com

c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.skylinerta.com

Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders at email id at ipo@skylinerta.com

This Issue will remain open for a minimum 7 days. 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

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment **("FDI")** through press notes and press releases. The DIPP**,** has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 **("FDI Policy 2020")**, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the **FIFP**.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident 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 the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.
The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager is not liable for any amendments or modification 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.

SECTION IX – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized 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 (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.

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.advikgroup.com in from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

(i) Registrar Agreement dated [●] between our Company and the Registrar to the Issue.
(ii) Memorandum of Understanding dated May 1, 2024 between our Company and Fast Track Finsec Private Limited, Lead Manager to the Issue;
(iii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.
(iv) Tripartite Agreement between our Company, NSDL and the Registrar to the Company.
(v) Tripartite Agreement between our Company, CDSL and the Registrar to the Company

2. Material Documents

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated March 23, 2024 in relation to the Issue and other related matters.
3. Copies of Annual Reports of our Company for the Financial Year ending March 31, 2023, March 31, 2022, March 31, 2021.
4. Resolution of Shareholder dated April 25, 2024 approving the issue.
5. Copy of the Resolution of Fund-Raising Committee dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
6. Resolution of our Fund-Raising Committee dated [●] approving the Letter of Offer.
7. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer to act in their respective capacities.
8. Statement of Tax Benefits dated May 2, 2024 for our Company from the Statutory Auditors of our Company.
9. Audit Report for financial year ending on March 31, 2024, March 31, 2023 and March 31, 2022.
10. In-principle approval issued by BSE dated [●].

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.

DECLARATION

We 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. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND KEY MANAGERIAL PERSONNELS OF OUR COMPANY

Sd/- **Vikas Garg** (Promoter Director, Executive Category)	Sd/- **Devender Kumar Garg** (Non-Executive Independent Director)
Sd/- **Karan Bagga** (Chief Executive Officer, Whole Time Director)	Sd/- **Gunjan Jha** (Non-Executive Independent Director)
Sd/- **Pankaj** (Chief Financial Officer & Director)	Sd/- **Swati Gupta** (Non-Executive Independent Director)
Sd/- **Deepika Mishra** (Company Secretary and Compliance Officer)	Sd/- **Sony Kumari** (Non-Executive Independent Director)

Date: May 17, 2024
Place: New Delhi