



Draft Letter of Offer
Dated: December 23, 2024
For Eligible Shareholders only

RAJATH FINANCE LIMITED

Our Company was incorporated as 'Rajath Leasing and Finance Limited' having CIN 'L65910GJ1984PLC007486' on December 13, 1984, as a Public Limited Company under the provisions of the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Gujarat. The Company obtained the certificate of commencement of business on February 04, 1985, from the Registrar of Companies, Gujarat. Subsequently the name of our Company was changed to "Rajath Finance Limited" on July 8, 1999, vide a fresh certificate of incorporation issued by the Registrar of Companies, Dadra and Nagar Haveli. The registered office of the Company was changed from 208-215, Star Plaza, Phulchhab Chowk, Rajkot 360001, Gujarat, India to Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai 400059 with effect from February 20, 2024. Subsequently, the new CIN L65910MH1984PLC419700, was issued to the Company pursuant to the shifting of Registered Office from State of Gujarat to State of Maharashtra. For further details, see "General Information" on page no. 45 of this Draft Letter of Offer.

Registered Office: Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai, Maharashtra, 400059

Telephone No.: 8655900272 | **Email:** compliance@fynxcapital.com **Website:** fynxcapital.com

Contact Person: Mr. Akash Hirenbhai Bheda, Company Secretary and Compliance Officer

Corporate Identification Number: L65910MH1984PLC419700

PROMOTER OF OUR COMPANY: 9 Anium Tech LLP

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF RAJATH FINANCE LIMITED ONLY

ISSUE OF UPTO 1,60,00,000 FULLY PAID-UP EQUITY SHARES OF THE FACE VALUE OF ₹ 10/- EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 10/- PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹ 1600.00 LAKH ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 4 (FOUR) RIGHTS EQUITY SHARES FOR EVERY 1 (ONE) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY AS ON THE RECORD DATE, THAT IS, ON DAY [●], DATE [●] (THE "ISSUE"). FOR DETAILS, SEE "TERMS OF THE ISSUE" BEGINNING ON PAGE 124 OF THIS DRAFT LETTER OF OFFER.

WILLFUL DEFAULTER OR FRAUDULENT BORROWER

Neither our Company nor our promoter and/or any of our directors are identified as willful defaulters or fraudulent borrower as on the date of this Draft Letter of Offer.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "Risk Factors" given on page 20 under the section 'General Risks'.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

MANAGER TO THE ISSUE THE ISSUE



BONANZA PORTFOLIO LIMITED

Bonanza House, Plot No. M-2 Cama Industrial Estate, Walbhat Road, Behind The Hub, Goregaon (East), Mumbai - 400 063

Tel No: +91 022 68363773/+91 022 68363728

Email: swati.agrawal@bonanzaonline.com / kaustubh.patekar@bonanzaonline.com

Website : www.bonanzaonline.com

Investor Grievance Email: mbgrievances@bonanzaonline.com

Contact Person: Ms. Swati Agrawal / Mr. Kaustubh Patekar

Compliance Officer (Merchant Banking): Ms. Swati Agrawal

SEBI Registration No: INM000012306

CIN: U65991DL1993PLC052280

REGISTRAR TO THE ISSUE THE ISSUE



LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, 1st Floor, L.B.S Marg, Vikhroli West, Mumbai - 400 083

Tel No: 91 81081 14949;

Email : rajathfinance.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: rajathfinance.rights@linkintime.co.in

Contact person: Ms. Shanti Gopalkrishnan

SEBI Registration No: INR000004058

CIN : U67190MH1999PTC118368

ISSUE SCHEDULE

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

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees 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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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 capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements, or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, SEBI (SAST) Regulations, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/chapters titled "Industry Overview", "Summary of this Draft Letter of Offer", "Statement of Special Tax Benefits", "Outstanding Litigation and Material Developments", "The Issue" and "Financial Information" on pages 61, 17, 57, 108, 43 and 97, respectively, shall have the meaning given to such terms in such sections.

Company Related and General Terms

Terms	Descriptions
"Company", "our Company", "the Company", "RFL", "the Issuer" or "we" or "us" or "our"	Rajath Finance Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Marol Bazar, Mumbai, Maharashtra, India, 400059.
"Articles of Association"/ "Articles" / "AoA"	The Articles of Association of our Company, as amended from time to time.
"Associate(s)"	With reference to any company, the associate of that company would mean any other company within the meaning of section 2(6) of the Companies Act, 2013.
"Audit Committee"	The Audit Committee of the Board of Directors of the Company constituted in accordance with Section 177 of the Companies Act, 2013.
"Board of Directors" / "Board"	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to
"Chief Financial Officer"/ "CFO"	Ms. Urvashi Manojbhai Parmar, the Chief Financial Officer of our Company.
"Company Secretary and Compliance Officer" or "CS"	Mr. Akash Hirenghai Bheda, the Company Secretary and Compliance Officer of our Company.
"Director(s)"	Any or all the directors on our Board, as may be appointed from time to time.
"Equity Shareholder(s)"	A holder of Equity Shares of the Company.
"Equity Share(s)"	The equity shares of our Company, each having a face value of ₹ 10 each, unless otherwise specified.
"Executive Director(s)"	Executive Director(s) of our Company, unless otherwise specified.
"Financial Statements" or "Financial Information"	Collectively the Audited Financial Statements and the Limited Reviewed Financial Results, unless otherwise specified in context thereof.

Terms	Descriptions
Group Companies/ Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by our Board.
Independent Director(s)	Independent director(s) 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 " <i>Our Management</i> " beginning on page 89 of this Draft Letter of Offer
Materiality Policy	A policy adopted by our Company for the identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Key Managerial Personnel/ KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and as per the definition provided in Regulation 2(1)(bb) of the SEBI ICDR Regulations.
"Memorandum of Association" / Memorandum / "MoA"	The Memorandum of Association of our Company, as amended from time to time.
"Nomination and Remuneration Committee" / "NRC Committee"	The committee of the Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013.
"Non-Executive and Independent Director"	Non-Executive and Independent Directors of our Company in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013, unless otherwise specified.
"Non-Executive Director"	Non-Executive Directors of our Company, unless otherwise specified.
"Promoter" / "Promoters"	9Anium Tech LLP is the Promoter of our Company.
"Promoter Group"	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
"Registered Office"	Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Marol Bazar, Mumbai, Mumbai, Maharashtra, India, 400059.
"Registrar of Companies" / "ROC"	Registrar of Companies, Mumbai.
"Right Issue Committee"	The committee of our Board of Directors constituted for the purpose of the Issue and incidental matters thereof, consisting of Mr. Gautam Kiritkumar Shah, Managing Director (DIN 06379806), Mr. Ashok Kumar Nag, Independent Director (DIN 06796476) and Mr. Aakash Bheda, Company Secretary and Compliance Officer
Shareholders / Equity Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof.
Statutory Auditors/ Auditor	The current statutory auditors of our Company, being N C Vaishnav & Co.
"Stakeholders Relationship Committee"	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013.
Subsidiary / Subsidiary Company / our Subsidiary	Our Company has no Subsidiary Company as on this date of filing of this Draft Letter of Offer

Issue and Industry Related Terms

Term	Description
“Abridged Letter of Offer” or “ALOF”	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
“Additional Rights Equity Shares”/ “Additional Equity Shares”	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
“Allot” or “Allotment” or “Allotted”	Allotment of Rights Equity Shares pursuant to this Issue.
Allotment Account(s)	The account opened with the Bankers to this Issue, into which the 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 Banks	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Account 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 shall be made pursuant to this Issue.
Allottee(s)	Person(s) who shall be allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights 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 investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
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; SEBI Circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2023/75 dated May 30, 2023.

Term	Description
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 Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Bankers to the Issue	Collectively, the Escrow Collection Bank and the Allotment Account Banks.
Bankers to the Issue Agreement	Agreement dated [●] to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” on page 143 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
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB 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 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited (BSE)
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/LOF	This Draft Letter of Offer dated December 23, 2024, filed with the Designated Stock Exchange (BSE), in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval.
Investor(s)	Existing Equity Shareholders of our Company as on the Record Date, <i>i.e.</i> , [●] and the Renouncee(s).
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
Issue/ Right Issue	This issue of upto 1,60,00,000 Equity Shares for cash at a price ₹ 10/- per Equity Share at par aggregating to ₹ 1,600/- Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 4:1 (<i>i.e.</i> , 4 (Four) Equity Shares for every 1 (One) fully paid-up Equity Shares) held by the Eligible Equity Shareholders as on the Record date <i>i.e.</i> , [●].

Term	Description
Issuer Material	Collectively Abridged Letter of Offer, the Application Form and Rights Entitlement Letter.
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	₹ 10/- (Rupees Ten Only) per Equity Share
Issue Proceeds / Gross Proceeds	Gross proceeds of this Issue.
Issue Size	Amount aggregating to up to ₹1600.00 Lakh. (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.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee 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 " <i>Objects of the Issue</i> " beginning on page 53 of this Draft Letter of Offer.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
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 stockbroker 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 [●].
“QIBs” or “Qualified Institutional Buyers”	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 Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registrar to the Issue or Registrar/ Registrar	Link Intime India Private Limited
Registrar Agreement	Agreement dated December 02, 2024, entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement from the eligible equity shareholders on renunciation, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.

Term	Description
Renunciation Period	The period during which the investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)	An individual Investor (including a HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
“Rights Entitlements ISIN” or “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 4 (Four) Rights Equity Shares for 1 (One) Equity Share 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.
Rights Equity Shareholders	A holder of the Rights Equity Shares, from time to time.
Rights Equity Shares	Equity shares of our Company to be allotted pursuant to this Issue
Self-Certified Syndicate Banks or SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time;.
Stock Exchange	The Stock Exchange where our Equity Shares are presently listed, being BSE Limited.
Transfer Date	The date on which Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter	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.

Term	Description
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai 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 Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional terms or Abbreviations

Terms	Descriptions
₹/ Rs. / Rupees or INR	Indian Rupee.
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Arbitration Act	Arbitration and Conciliation Act, 1996.
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounts) Rules, 2014
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound annual growth rate.
CDSL	Central Depository Services (India) Limited.
Central Government or Government of India or GoI	Central Government of India.
CIN	Corporate Identification Number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder.
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
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP / Depository Participant	Depository Participant as defined under the Depositories Act.
DP ID	Depository Participant Identification.
DPIT / DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and depletion expenses, exceptional items and other income as presented in the statement of profit and loss in the Financial Statements.
EGM	Extraordinary General Meeting

Terms	Descriptions
EMIs	Equated monthly instalments
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share.
ETF	Exchange Traded Fund
ESI Act	Employees' State Insurance Act, 1948
FDI	Foreign Direct Investment.
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year / FY /Fiscal	Period of 12 months ended March 31 of that particular year.
Foreign Portfolio Investors /FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations, registered with SEBI under applicable laws in India.
FIPB	The Foreign Investment Promotion Board
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
FVCIs	Foreign Venture Capital Investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations.
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product.
Government or GOI	Central Government and/or the State Government, as applicable.
GST	Goods and Services Tax.
HFCs	Housing Finance Companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016, as amended from time to time.
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards.
Income-tax Act	Income-tax Act, 1961.
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
India	Republic of India.
IPC	Indian Penal Code, 1860.
ISIN	International Securities Identification Number of the Company being 'INE455H01013'
IT	Information Technology
ITAT	Income Tax Appellant Tribunal
MCA	The Ministry of Corporate Affairs, Government of India.
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
MICR	Magnetic Ink Character Recognition
N.A. / N/A	Not Applicable.
NACH	National Automated Clearing House.
NAV	Net Asset Value
NBFC	Non-Banking Finance Companies
NEFT	National Electronic Fund Transfer.
Net Worth	Aggregate of Equity Share capital and other equity
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.

Terms	Descriptions
“NR” or “NRs”	Non-resident(s) or person(s) resident outside India, as defined under the FEMA.
NRE Account	Non-resident external account.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NRO Account	Non-resident ordinary account.
NPAs	Non-Performing Assets
NSDL	National Securities Depository Limited.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
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
REPO	Repurchase Agreement.
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement.
SAARC	South Asian Association for Regional Cooperation
SAT	Securities Appellate Tribunal.
SCN	Show Cause Notice.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI 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 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 SEBI circular, bearing reference no. SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard
SEBI Takeover Regulations / SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors)

Terms	Descriptions
	Regulations, 2019, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
SEBI Insider Trading Regulations/ Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
SMS	Short Message Service.
State Government	Government of a state of India.
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Trademarks Act	Trademarks Act, 1999
TDS	Tax Deducted at Source
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U. K.	United Kingdom
UPI	Unified Payments Interface
U.S. / USA / United States	United States of America, including the territories or possessions thereof.
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" or "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
VAT	Value Added Tax
VCFs	Venture Capital Funds, as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
w.e.f.	With effect from
WHO	World Health Organization
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31.

NOTICE TO INVESTORS

The distribution of this Draft 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 / 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, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchange.

No action has been or will be taken to permit 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, 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 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 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 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 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 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, 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, 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 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 OFFER 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 OFFER 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 / 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 / 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.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

CERTAIN CONVENTIONS

In this Draft Letter of Offer, unless otherwise specified or context otherwise requires, references to ‘US\$’, ‘\$’, ‘USD’ and ‘U.S. dollars’ are to the legal currency of the United States of America, and references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India.

Unless otherwise specified or context otherwise requires, all references herein 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 or the context otherwise requires, all references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

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 Letter of Offer are to the page numbers of this Letter of Offer.

FINANCIAL DATA

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Financial Statements. For further information, refer chapter titled “Financial Statements” on page 97.

We have prepared our Audited Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees.

Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

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

CURRENCY OF PRESENTATION

- All references to ‘INR’, ‘₹’, ‘Indian Rupees’, ‘Rs.’ and ‘Rupees’ are to the legal currency of India.
- Any reference to ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. dollars’ are to the legal currency of the United States of America.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakh.

MARKET AND INDUSTRY DATA

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained

in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates or advisor, jointly or severally, make any representation as to its accuracy or completeness.

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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "**Risk Factors**" beginning on page 20 of this Draft Letter of Offer.

CONVERSION RATES FOR FOREIGN CURRENCY

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:

(Rs. per unit of Foreign Currency)

Sr. No	Name of Currency	As on December 21, 2024	As on March 28, 2024	As on March 31, 2023	As on March 30, 2022
1.	U.S. Dollar	84.95	83.34	82.10	75.68

Source: <https://www.xe.com/currencycharts/?from=USD&to=INR&view=5Y>

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

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. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” beginning on page 20 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the chapters, “*Objects of the Issue*”, “*Outstanding Litigation and Other Defaults*” and “*Risk Factors*” on pages 53, 108 and 20 respectively.

SUMMARY OF OUR BUSINESS

Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is primarily engaged in the business of trading and investing in securities of listed and unlisted companies. Our trading and investment strategy depends on the opportunities, market conditions; both long term and short term and we invest in variety of sectors. For further details, please refer to the chapter titled “*Our Business*” on page 81 of this Draft Letter of Offer.

OUR PROMOTER

The Promoter of our Company is M/s. 9Anium Tech LLP*.

* Company was acquired by abovementioned promoter through Share Purchase Agreement (SPA) dated September 29, 2022 and Letter of Offer dated March 3, 2023 in terms of Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011.

INTENTION AND EXTENT OF PARTICIPATION BY THE PROMOTER AND PROMOTER GROUP

Our Promoter and Promoter Group, by way of their letters dated November 15, 2024 (the “*Subscription Letters*”) have informed the Company that they will subscribe fully to their portion of right entitlement and will not renounce their rights except to the extent of renunciation within the promoter group. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are not applicable to the issue.

Further, the Promoter and Promoter Group, have informed that they shall subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

OBJECTS OF THE ISSUE

The net proceeds are proposed to be utilized as follows:

S.N.	Particulars	Amount (In Rs. Lakhs)
1	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities	1186.00
2	General Corporate Purpose*	384.00
	Total Net Proceeds**	1570.00

(*) Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon the finalization of Issue-related expenses, however, in no event shall general corporate purposes exceed 25% of the Gross Proceeds.

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

For further details, please see the chapter titled “*Objects of the Issue*” on page 53.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of our Company for the half year ended ended at September 30, 2024 and Financial Year ended on March 31, 2024, March 31, 2023 and March 31, 2022, are as follows:

Particulars	(Amt. in Lakhs)			
	For half year ended at September 30, 2024	For the Financial Year ended at March 31, 2024	For the Financial Year ended at March 31, 2023	For the Financial Year ended at March 31, 2022
Equity Share Capital	400.00	400.00	400.00	400.00
Net Worth	457.66	566.36	681.79	692.84
Total Revenue	11.65	9.36	33.12	34.29
Profit after Tax	(111.53)	(125.12)	(11.05)	24.16
Earnings per Share	(2.79)	(3.13)	(0.28)	0.60
Net Asset Value per Equity Share	11.44	14.16	17.04	17.32
Total Borrowings	45.04	46.56	64.01	0.00

SUMMARY OF OUTSTANDING LITIGATIONS

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

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Regulatory Authority	Amount Involved (Rs. Lakhs)
Company	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Promoter	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Group Companies/ Entities	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Directors Other Than Promoters	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	1	3	Nil	5,60,002.50

For further details, please see the chapter titled “*Outstanding Litigations and Other Defaults*” beginning on Page 108 of this Draft Letter of Offer.

SUMMARY OF RISK FACTORS

For details of the risks associated with our Company, please see the section titled “*Risk Factors*” beginning on page 20 of this Draft Letter of Offer.

SUMMARY OF CONTINGENT LIABILITIES

For details of contingent liabilities please see the section titled “*Financial Information*” beginning on page 97 of this Draft Letter of Offer.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of related party transactions please see the section titled “*Financial Information*” beginning on page 97 of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Draft Letter of Offer.

SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR.

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

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the "Financial Information" on page 97 of this Draft Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages, 61, 81 and 98 respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "Forward Looking Statements" on page 16 of this Draft Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Financial Statements included in this Draft Letter of Offer. For further information, please refer to "Financial Information" on page 97 of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Rajath Finance Limited.

INTERNAL RISK FACTORS

- 1. We are subjected to supervision and regulation by the RBI as non – deposit accepting NBFC, and changes in RBI's regulations governing us could adversely affect our business.**

The RBI's regulation pertaining to NBFC may change or become more rigorous in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business, financial performance and cash flows. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFCs. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by

governmental and regulatory authorities will not adversely affect our business and future financial performance.

2. 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 our 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 to 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.

3. 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 other sources including Banks. 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.

4. Our Company has incurred losses in the recent past and have also booked Nil revenue for the recent period.

We have incurred losses in two of the last three fiscals and for the half year ended September 2024 as indicated below:

(₹ lakh)

Particulars	Half year ended September 2024	FY 2024	FY2023	FY 2022
Revenue from Operation	0.01	8.19	32.74	34.29
PAT	(111.57)	(125.12)	(11.05)	24.16

(Source: Annual reports of respective fiscals filed with BSE Limited).

There can be no assurance that we will not incur losses in future years or that there will not be an adverse effect on our Company's reputation or business as a result of such losses.

5. The Company is in the Development Stage, is not currently generating revenue and has a limited operating history in the management of NBFCs.

The Company is in the development stage and faces all of the risks and uncertainties associated with a new and unproven business. Our future is based on an unproven business plan with no historical facts to support projections and assumptions. The Company was taken over by the current management of the Company during FY 2022-2024 and has no operating history as an owner upon which investors can evaluate its performance.

Currently, the Company is not generating revenues; however, the Management has already implemented the business plan and strategies and has projected a company to be profitable in short span of time. Investors should understand that an investment in a start-up business is significantly riskier than an investment in a business with any significant operating history. There can be no assurance that the Company will ever achieve revenues or profitability. The Company's operations are subject to all of the risks inherent in the establishment of a new business enterprise. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the formation of a pre-revenue business. Our lack of a significant and relevant operating history makes it difficult to manage operations and predict future operating results.

6. Our Company submitted an application for reclassification of 3 members of our Promoter Group to be included under the category of Public Shareholders. Post the approval this reclassification shall lead to a shift in the ownership structure of our Company.

Pursuant to the Open Offer, three individuals who were earlier classified as part of promoter/ promoter group of the Company, has intimated their intention to apply for reclassification from Promoter Group to Public Shareholder, to the Company. The Company filed an application with Stock Exchange for reclassification on May 10, 2023.

The reclassification has been approved by BSE as on date of this Draft Letter of Offer and subsequently the name of individuals reflecting in Promoter/ Promoter Group *i.e.* Bhavdeep Vajubhai Vala, Hitesh Mansukhlal Bagdai and Poonamben H. Bagdai will be removed and only name of 9 Anium Tech LLP will be categorized under Promoter/ Promoter Group. Further to the acquisition in the Open Offer, our promoter has acquired additional 1,59,500 shares representing 3.99% resulting, on September 22, 2023, thereby resulting in consolidated holding of 29,50,055 equity shares representing 73.75% of total paid up capital of the Company. This reclassification reflects a shift in the ownership structure of the company and may have significant implications for our governance and management practices. The approval has been accorded by BSE *vide* its letter dated December 13, 2024.

7. 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.

8. 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.

9. 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.

10. Our future 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 indebtedness in the future. Many of our financing agreements will 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 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 financing, 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.

11. 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.

12. 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.

13. 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

14. 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.

15. As the Equity Shares of our Company are listed on the Stock Exchange, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on Stock Exchange; therefore, we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements, any noncompliance which might have been committed by us, may result into Stock Exchange and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. The company in the past has made certain delayed submission relating to SEBI (LODR) Regulations and SOP fine has been levied by the exchange and the company has paid fines as per the details mention hereinbelow. The stated fees are the Fines/Penalty paid by the Company after the change in Management and Control. The BSE has charged Fines for delay which occurred due to transition phase of change of Management and Control. The details of fine paid by the Company are as follows:

Sr. No	Regulations	Non Compliance for Period	Date of Intimation by BSE	Amount
1	Regulation 6(1) - Non-compliance with requirement to appoint a qualified company secretary as the compliance officer	Quarter ended December 2024	BSE mail dated 3/11/2024	71,980/-
2	Regulation 33 - Non-submission of the financial results within the period prescribed under this regulation	Quarter / Year - March 2024	BSE mail dated 6/28/2024	1,29,800/-
3	Regulation 33 - Non-submission of the financial results within the period prescribed under this regulation	Quarter ended June 2024	BSE mail dated 9/13/2024	1,71,100/-
4	Regulation 6(1), 33, 34, 44(3) consolidated fees for differences in amount identified by BSE for past years	Multiple period	BSE mail dated 7/16/2024	2,60,847/-

At present, there are no outstanding penalties to be paid by the Company to SEBI and/ or BSE. However, we cannot assure you that we will not be subject to such penalties and fines in the future which may have a material adverse impact on our financial condition and cash flows.

16. Our Independent Director is involved in certain legal proceedings. Any adverse decision in such proceedings may have an effect on our management.

One of our Independent Director, Mr. Ashok Kumar Nag was appointed as Non-executive Director on the Board of National Spot Exchange Limited (NSEL) on 01.03.2014 as a part of the new management team much after the NSEL payment default happened in August 2013. On 31.07.2013, post closure of NSEL Exchange due to advise of the Forward Market Commission resulted 22 commodity sellers trading on NSEL Exchange Platform ('Defaulters') failed to meet their respective payment obligations on due dates towards their respective counter parties, who had traded on NSEL's exchange platform through their respective brokers and with whom they had privity of contract. This resulted in the payment defaults of Rs. 5,600 Crores by the 22 Defaulters on the NSEL's Exchange Platform. After said NSEL payment default, several agencies had initiated investigation into NSEL Payment Default including Serious Fraud Investigation Officer (SFIO), Mumbai.

Any adverse decision against Mr. Nag may lead to his removal from his directorship which may adversely effect on the composition of the Board/ management. We are not personally able to verify the outstanding tax demand or any open e-proceeding against some of our Independent directors. Any adverse outcome may not be effects on the company adversely but may adversely effect on the composition of the Board/management.

17. 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.

18. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, customers or third parties, which could harm our results of operations and financial position.

We are exposed to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

19. 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.

20. 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.

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

Historically, our distribution networks are concentrated in Gujarat. 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.

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

Our registered office is owned by Parshwashanti Buildinfra Projects Private Limited vide agreement dated 02nd August 2024 and 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.

23. 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.

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

We face competition in our business. Our primary competitors are other NBFCs, public sector banks, private sector banks, cooperative banks, foreign banks, and unorganized financiers who principally operate

in the markets where we operate. Banks have access to low-cost funds which enables them to enjoy higher margins and/or offer finance at lower rates. NBFCs do not have access to large quantities of low-cost deposits, a factor which can render them less competitive. In addition, interest rate deregulation and other liberalization measures affecting the retail and small and medium enterprises finance sector, together with increased demand for capital by individuals as well as small and medium enterprises, have resulted in an increase in competition. We face competition from other NBFCs, microfinance companies as well as both commercial and small finance banks. In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest. Our ability to compete effectively will depend, to some extent, on our ability to raise low-cost funding in the future. Furthermore, as a result of increased competition in the finance sector, finance products are becoming increasingly standardized, and variable interest rates and payment terms, and lower processing fees are becoming increasingly common in the finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline. If we are unable to compete effectively with other participants in the finance sector, our business, and future financial performance may be adversely affected.

25. 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.

26. 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.

27. 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.

28. 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.

29. We rely on third-party service providers for some of our activities / services who may not perform their obligations satisfactorily or in full compliance with law.

We enter into outsourcing arrangements with third party vendors for a number of services required by us. These vendors provide services, which include, among others, software services and client sourcing. Though adequate due diligence is conducted before finalizing such outsourcing arrangements, we cannot guarantee that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. We may also suffer from reputational and legal risks if our third-party service providers act unethically or unlawfully or misrepresent or mis-sell our products and services, which could materially and adversely affect our business, financial condition and results of operations.

As part of its lending business, our Company will rely on third party sources for certain information, such as "AADHAR" or unique identification number, of loan applicants based on which the data analytics software will be able to process the information. For instance, the applicant's details will be sourced from various websites, payment bureau and third-party vendors and settlement of funds will be facilitated by payment processing systems by linking the data analytics software to such websites. Some of these third-party data sources are currently, and may, in the future, be vulnerable to data privacy violation claims. If these claims are established and these data sources are no longer available to us, we will have to find alternate sources for such data which may increase our operational costs and adversely affect our results of operations. These third-party data sources are also susceptible to operational and technology vulnerabilities and are also exposed to changes in regulations, which may impact our business. In addition, these third-party data sources may rely on other parties (sub-contractors), to provide services to us which also face similar risks. For example, external content providers provide us with financial information, market news, quotes, research reports and other fundamental data that we offer to clients.

30. 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.

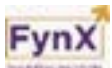
- 31. We face the threat of fraud and cyber-attacks, such as hacking, phishing, trojans and advanced persistency threats, attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal Company data or customer information. This may cause damage to our reputation and adversely impact our business, cash flows and financial results.**

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, customer applications and interfaces, may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and to us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt exfiltration of account sensitive information; (b) hacking wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; (d) ransomware, a malware which threatens to block or publish data unless a ransom is paid; and (e) advanced persistency threat – network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. In addition, due to the recent social distancing measures and the lockdown imposed by the Government, there has been a recent increase in electronic transactions which increases the risk of cyber-attacks. The intention of these attacks is to steal data or information or to shut down our systems and only release them for a fee. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency. Not only are we exposed to such risks from our own actions or those of our employees, but from actions of our-third party service providers over whom we do not have full control. If we suffer from any such cyber threats, it could materially and adversely affect our businesses, cash flows, financial conditions and results of operations. A significant system breakdown or system failure caused due to intentional or unintentional acts would have an adverse impact on our revenue generating activities and lead to financial loss.

- 32. If we fail to integrate our artificial intelligence capabilities in our operations, it could adversely affect our business growth and results of operations.**

We are actively undertaking various initiatives to employ the use of artificial intelligence (“AI”) in our operations, which we believe would help build predictive models across credit, sales, collections and risk functions. Nevertheless, we may face technical challenges that adversely affect our ability to integrate such AI capabilities in our operations. Further, we may face operational difficulties if our AI capabilities malfunction. Failure to develop and integrate AI capabilities into our operations could create operational difficulties and have an adverse effect on our business growth and results of operations.

- 33. Our Company has applied for the registration of the logo and intellectual property that it uses with the registrar of Trademarks but the approval is pending.**

Our Company has applied for the registration of the logo i.e.  and of the intellectual property that it uses but the approval is pending. 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.

- 34. 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.

35. 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 Promoter 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.

36. Our Promoter 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 Promoter have significant control over the Company and have the ability to direct our business and affairs. So long as the Promoter 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.

37. 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.

No 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 post change change in management and control, However the New Management does not take any liability prior to change in Management and Control.

38. Our insurance coverage may not adequately protect us against losses.

We keep insurance coverage that we believe is sufficient for our activities. Our insurance policies, on the other hand, may not provide appropriate coverage in some situations and are subject to deductibles, exclusions, and policy limits. We cannot, however, guarantee that the terms of our insurance policies will be adequate to cover any damage or loss we incur, that such coverage will continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage for any future claim.

39. 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. We have not conducted all such transactions on an arm's length basis but 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.

- 40. 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.**

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. No show cause notice in respect to the above has been received by our Company 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

- 41. 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.

- 42. 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.

- 43. Investment in Shares and Securities carries Risk**

Our Company also invests in Shares and Securities in Share Market besides giving Loans. The security market is Volatile and is affected by price fluctuations on daily basis. Although your company takes precaution in investing in shares and securities, we cannot be certain that the fluctuations in price in future will not affect the financial stability of the company.

ISSUE SPECIFIC RISK

- 44. 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.

- 45. 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 124. 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.

- 46. 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).

- 47. 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. Renounees 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 Renounees 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 Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 124.

48. 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 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 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.

49. 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.

50. 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

- 51. 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.

- 52. 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 Exchange 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 Exchange. 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.

- 53. 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.

- 54. 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.

55. 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 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.

56. 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 124. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

57. 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.

58. The Issue Price of our Right Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price.

There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

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

EXTERNAL RISK FACTOR

59. 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.

60. 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.

61. 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.

62. 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.

63. 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 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 disruption 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.

64. 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.

65. 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.

66. 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.

67. 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

68. 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 neighboring 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.

69. 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.

70. 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.

III INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on August 14, 2024 and the terms including the Rights Entitlement Ratio were further revised by our Board of Directors on November 13, 2024, in pursuance of Section 62 of the Companies Act, 2013. The terms of the Issue including the Record Date have been determined by Rights Issue Committee formed by the Board of Directors, at their meeting held on [●].

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in '*Terms of the Issue*' on page 124 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	40,00,000 Equity Shares;	
Rights Equity Shares offered in the Issue	Upto 1,60,00,000 Rights Equity Shares;*	
Rights Entitlement for Equity Shares	4 (Four) Equity Shares for every 1 (One) Equity Share held on the Record Date;	
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto 2,00,00,000 Equity Shares*;	
Record Date	[●];	
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each;	
Issue Price per Equity Share	₹ 10.00/- per Rights Equity Share at par;	
Issue Size	Upto ₹16,00,00,000 (Rupees Sixteen Crore Only),	
Terms of the Issue	Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning on page 124 of this Draft Letter of Offer;	
Use of Issue Proceeds	Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 53 of this Draft Letter of Offer;	
Security Code/ Scrip Details	ISIN	INE455H01013
	BSE Scrip ID	RAJATH
	BSE Scrip Code	507962
	ISIN for Rights Entitlements	[●]

* Assuming full subscription. Subject to finalization of the Basis of Allotment

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:

Issue Opening Date	[●]
Last Date of Market Renunciation of Rights Entitlements *	[●]
Issue Closing Date*	[●]

Note:

* 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 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 Application shall be permitted by any Applicant after the Issue Closing Date.

TERMS OF PAYMENT

The entire amount of the Issue Price of ₹ 10.00 per Rights Equity Share shall be payable at the time of Application.

GENERAL INFORMATION

Our Company was incorporated as 'Rajath Leasing and Finance Limited' having CIN 'L65910GJ1984PLC007486' on December 13, 1984, as a Public Limited Company under the provisions of the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Gujarat. The Company obtained the certificate of commencement of business on February 4, 1985, from the Registrar of Companies, Gujarat. Subsequently the name of our Company was changed to "Rajath Finance Limited" on July 8, 1999, vide a fresh certificate of incorporation issued by the Registrar of Companies, Dadra and Nagar Haveli. The registered office of the Company was changed from 208-215, Star Plaza, Phulchhab Chowk, Rajkot 360001, Gujarat, India to Office No.1001, 10th Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai 400059 with effect from February 20, 2024. The new CIN issued to the Company pursuant to the shifting of Registered Office from State of Gujarat to State of Maharashtra is L65910MH1984PLC419700.

Our Company is listed on the BSE Limited effective from November 11, 1986, bearing Scrip Code **507962**, bearing Scrip Symbol '**(RAJATH)**'. The ISIN of our company is **INE455H01013**.

Our Company is registered with Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under section 45 IA of the Reserve Bank of India Act 1934. Company is engaged in the business of leasing, finance, hire purchase and other allied financial services.

Erstwhile Company's promoters Mr. Bhavdeep V. Vala, Hitesh M. Bagdai and Poonamben H. Bagdai entered into a Share Purchase Agreement on September 29, 2022 with 9 Anium Tech LLP ("Acquirer") and Gautam K. Shah, Vishwanathan V. Iyer, Shubhra T. Singh And Beena M. Shah ("PAC"), to sell their entire stake of Rajath Finance Limited ("the Company"). Afterward, an Open Offer was made by the Acquirer along with PAC to acquire upto 26% of the total Voting Shares of the Company from public shareholders vide Letter of Offer dated March 03, 2023.

Pursuant to the completion of the said open offer, and the Share Purchase Agreement, the Company was acquired by 9 Anium Tech LLP and they took over as Promoter and Promoter Group of the Company.

REGISTERED OFFICE

Company	Rajath Finance Limited
Registered Office Address	Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai 400059
Contact Details	8655900272
Email-ID	compliance@fynxcapital.com
Website	Fynxcapital.com
Corporate Identification Number	L65910MH1984PLC419700

Change in Registered Office of Our Company since incorporation

Date of Change	From	To
January 29, 2024*	208-215, Star Plaza, Phulchhab Chowk, Rajkot 360001, Gujarat, India	Off No. 1001, Tenth Floor, K P Aurum Building, CTS No. 426A, Marol Maroshi Road, Andheri (E), Mumbai - 400059

* with effect from February 20, 2024

Contents of the Memorandum of Association of the Company as regards its objects

For information on the Company's main objects, please refer the Section titled "**Our Business - Main Objects of our Company**" on page 83 of this Offer Letter. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, refer the Section titled "**Material Contracts and Documents for Inspection**" on page 153 of this Offer Letter.

Liability of the members of the Company

Liability of members is limited by shares.

ADDRESS OF THE REGISTRAR OF COMPANIES

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

Registrar of Companies,
100, Everest, Marine Drive,
Mumbai – 400 002, Maharashtra.
Telephone: +91 022-22812627
Website: www.mca.gov.in
E-mail: roc.mumbai@mca.gov.in

BOARD OF DIRECTORS

Name	Designation	Age	DIN	PAN	Address
Gautam Kirtikumar Shah	Managing Director	46 year	06379806	AAFPS1443J	Girikunj 21/22, 5 th Floor, N.S. Road Near Bank of Baroda, Churchgate, Marinelines, Mumbai – 400 020.
Sarat Kumar Malik	Independent Director	63 year	09791314	AAFPM3984J	A-202, Velentine Apt-1, A-2 Building, Gen Arun Kumar Vaidya Marg, Opp. Jerry Verghese Compound Malad (East), Mumbai – 400 097
Ashok Kumar Nag	Independent Director	70 year	06796476	AAAPN2732Q	A/504, Divya Jyot CHS, Chikuwadi, Borivali West, Mumbai – 400 092

For further details of our Board of Directors, please refer to the section titled '*Our Management*' beginning on page 89 of this Draft Letter of Offer.

CHIEF FINANCIAL OFFICER

Urvashi Manoj Parmar
Address: Office No.1001, Tenth Floor, K.P. Aurum Building,
CTS No.426A, Marol Maroshi Road,
Andheri (E), Mumbai 400059
Contact Details: 8655900270
Email-ID: accounts@fynxcapital.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Akash Hirenbbhai Bheda
Address: Office No.1001, Tenth Floor, K.P. Aurum Building,
CTS No. 426A, Marol Maroshi Road,
Andheri (E), Mumbai 400059
Contact Details: 8655900272
Email-ID: Compliance@fynxcapital.com

LEAD MANAGER TO THE ISSUE



Bonanza Portfolio Limited
Bonanza House, Plot No. M-2, Cama Industrial Estate
Walbhat Road, Behind The Hub,
Goregaon (East), Mumbai - 400 063
Tel : + 91 022 68363773
Email : swati.agrawal@bonanzaonline.com;
Website : www.bonanzaonline.com
Investor Grievance Email: mbgrievances@bonanzaonline.com

Contact Person: Ms. Swati Agrawal / Mr. Kastubh Patekar
Compliance Officer (Merchant Banking): Ms. Swati Agrawal
SEBI Registration No: INM000012306
CIN: U65991DL1993PLC052280

REGISTRAR TO THE ISSUE



Link Intime India Private Limited

C-101, 1st Floor, 247 Park, LBS Marg, Surya Nagar,
Gandhi Nagar Vikhroli (West),
Mumbai –400 083, Maharashtra, India

Tel : + 91 8108114949

Email : rajathfinance.rights@linkintime.co.in

Website : www.linkintime.co.in

Investor Grievance Email: rajathfinance.rights@linkintime.co.in

Compliance Officer: Mr. BN Ramakrishnan

Contact Person: Ms. Shanti Gopalkrishnan

SEBI Registration No: INR000004058

CIN: U67190MH1999PTC118368

Link Intime India Private Limited has, by its letter dated November 19, 2024 given its consent for its appointment as the Registrar to the Issue and for its name to be included in this Draft Letter of Offer and in all the subsequent periodical communications issued pursuant to this Issue.

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), Email address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e- acknowledgement (in case of normal process). For details on the ASBA process see “*Terms of the Issue*” on page 124 of this Draft Letter of Offer.

STATUTORY AUDITORS

N C Vaishnav & Co

Chartered Accountants

Address: 301, Miraki Latitude, Opp HDFC Bank,
Opp. Road, Vadodra 390020

Tel No: 9376218644

Email: Jayesh.mehta@ncvaishnav.com

Firm Registration Number: 112712W

Peer Review Number: 013410

Contact Person: Jayesh Mehta

Membership Number: 037267

LEGAL ADVISOR TO THE ISSUE

M/s. Sushmita Adhikari & Associates

Address: 137/18, Anupam Garden, Saket, New Delhi-110068

Contact Details: +91 9990536363

Email: cssushmitaadhikari2021@gmail.com

Contact Person: Ms. Sushmita Adhikari

Firm Registration Number: S2022DE863100

BANKER TO THE ISSUE AND REFUND BANKER

[•]

SELF-CERTIFIED SYNDICATE BANKS

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

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS

M/s. A.D. Vyas & Co., Chartered Accountants who was appointed as the Statutory Auditor of our Company on September 27, 2019, resigned as a Statutory Auditor on June 24, 2024 due to pre-occupation in other assignments

M/s N C Vaishnav & Co., Chartered Accountants has been appointed as a Statutory Auditor of our Company at adjourned Annual General Meeting of our Company held on September 20, 2024 for the term of five (5) years from financial year 2024-2025 to 2028-2029.

Apart from the above stated fact, there has been no changes in the statutory auditors of our Company in past 3 (three) financial years.

INVESTOR GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, 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 Issue Shares applied for, amount blocked, 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. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' beginning on page 124 of this Draft Letter of Offer.

EXPERT TO THE ISSUE

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

CREDIT RATING

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

DEBENTURE TRUSTEE

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

MONITORING AGENCY

Since the Issue size does not exceed ₹100 crore (Rupees Hundred Crore), there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

APPRAISING ENTITY

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

UNDERWRITING

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

FILING

In accordance with Regulation 3(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended; in case of right issue with less than the size of Rs. 50 crore, the issuer is required to file the same with the Board only for information and dissemination on the Board's website.

Since the size of this Issue falls below the threshold of Rs. 50 crore, the Draft Letter of Offer has been filed with BSE (Designated Stock Exchange) 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.

MINIMUM SUBSCRIPTION

The objects of the Issue are meeting our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities and General Corporate Purpose and do not involve financing of Capital Expenditure for a project. Also, our promoter has indicated that they will subscribe fully to their portion of right entitlement and will not renounce their rights except to the extent of renunciation within the promoter group. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are not applicable to the issue

Further, the Promoter and Promoter Group, have informed that they shall subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

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:

Issue Opening Date	[●]
Last Date of Market Renunciation of Rights Entitlements *	[●]
Issue Closing Date*	[●]

Note:

* *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 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 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.

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 2 (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 1 (One) day before the Issue Closing Dates *i.e.* [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled '*Terms of the Issue*' beginning on page 124 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 www.linkintime.co.in 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 135 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 amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Shares offered under Rights Issue for subscribing to the Rights Shares offered under Issue.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Draft Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(₹ in lakh)

Sr. No	Particulars	Aggregate value at Face Value	Aggregate value at Offer Price
1.	Authorized Equity Share Capital 2,50,00,000 Equity Shares	₹2500.00	-
	Total	₹2500.00	-
2.	Issued, subscribed and paid-up equity share capital before this issue		
	40,00,000 Equity Shares of ₹ 10/- each fully paid up	₹400.00	
	Total	₹400.00	
3.	Present Issue in terms of this Draft Letter of Offer ⁽¹⁾		
	Upto 1,60,00,000 Issue of Rights Equity Shares of ₹ 10/- each at a par of ₹ 10.00 per Rights Equity Share, i.e. at an issue price of ₹ 10/- per Right Equity Share.	₹1,600.00	₹1,600.00
4.	Issued, subscribed and paid-up equity share capital after the issue⁽²⁾		
	Upto 2,00,00,000 Equity Shares	₹2,000.00	
5.	Securities Premium Account		
	Before the Issue		0.00
	After Rights Issue		0.00

Notes:

- The Issue has been authorized by our Board pursuant to a resolution dated August 14, 2024. The terms of the Issue, including Rights Entitlement Ratio, have been approved by a resolution passed by the Board of Directors at their meeting held on August 14, 2024 and November 13, 2024 and Record Date have been approved by a resolution passed by Right Issue Committee of the Board of Directors at meeting held on [●].*
- Assuming full subscription for and Allotment of the Rights Equity Shares.*
- Subject to finalization of Basis of Allotment, Allotment, and deduction of Issue expenses.*
- The above figures are rounded off to two decimal places.*

NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. For details on the terms of this Issue, see “*Terms of the Issue*” on page 124 of this Draft Letter of Offer;
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
- Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares;
- Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares:**

No Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

6. **Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of this draft Letter of Offer:**

Our Promoter *i.e.* 9 Anium Tech LLP have not acquired any Equity Shares in the last one year immediately preceding the date of filing of this Draft Letter of Offer.

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

Our Promoter and Promoter Group, by way of their letters dated November 15, 2024 (the “**Subscription Letters**”) have informed the Company that they will subscribe fully to their portion of right entitlement and will not renounce their rights except to the extent of renunciation within the promoter group.

Further, the Promoter and Promoter Group, have informed that they shall subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

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

9. **Shareholding pattern of our Company**

Shareholding pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange *i.e.* as on September 30, 2024 can be accessed on the website of BSE at:

<https://www.bseindia.com/stock-share-price/rajath-finance-limited/rajath/507962/shareholding-pattern/>

The Statement showing the holding Equity Shares of persons belonging to the category “Promoter and Promoters Group” as on September 30, 2024 can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=507962&qtrid=123.00&QtrName=September%202024>

The Statement showing the details of shares pledged, encumbrance by promoters and promoter group as on September 30, 2024 can be accessed on the website of the BSE at

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=507962&qtrid=123.00&QtrName=September%202024>

The Statement showing the holding Equity Shares of persons belonging to the category “Public Shareholder” as on September 30, 2024 can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=507962&qtrid=123.00&QtrName=September%202024>

The Statement showing the holding Equity Shares of persons belonging to the category “significant beneficial owners under” as on September 30, 2024 can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/SBO.aspx?code=351125&scripcd=507962&qtrid=123.00&CompName=Rajath%20Finance%20Limited&QtrName=September%202024>

OBJECTS OF THE ISSUE

The Issue comprises of an issue of up to 1,60,00,000 Equity Shares, aggregating up to ₹ 1,600 lakhs by our Company. For details see "The Issue" beginning on page 43 of this 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 Lakh)
Gross proceeds from the Issue*	1,600.00
Less : Issue related expenses	30.00
Net Proceeds of the Issue	1,570.00

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

REQUIREMENTS OF FUNDS

Sr. No	Particulars	Total estimated amount to be utilised (in Lakh)
1.	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities	1193.20
2.	General corporate purpose	376.80
	Total Net Proceeds	1,570.00

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

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:

Sr. No	Particulars	Total estimated amount to be utilised (in Lakhs)
1.	To augment the capital base of our Company	1186.00
2.	General corporate purpose	384.00
Total		1,570.00

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF GROSS PROCEEDS

Objects of the Issue	Amount proposed to be funded from Net Proceeds	For F.Y. 2025-26
To augment our capital base and for increasing our operational scale with respect to our NBFC activities	1,186.00	1,186.00
General corporate purpose	384.00	384.00
Issue expenses	30.00	30.00
Total*	1,600.00	1,600.00

* 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 ₹ 1,186.00 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 ₹ 30.00 lakhs towards these expenses, a break-up of the same is as follows:

Activity	Estimated Expense (In Lakh)	% of Total Expenses	As a % of Issue Size
Fees payable to the intermediaries (including Legal Counsel fees, selling commission, registrar fees and expenses)	16.50	55.00%	1.03%
Printing (Includes Dispatch and Printing of Issue Documents and Newspaper Advertisement)	4.00	13.33%	0.25%
Statutory Charges (Fees Payable to Regulators incl Depositories, Stock Exchange and SEBI)	7.00	23.33%	0.44%
Others (Includes Miscellaneous Expenses)	2.50	8.33%	0.16%
Total	30.00	100.00%	1.88%

** Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

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 and Promoter Group, by way of their letters dated November 15, 2024 (the “*Subscription Letters*”) have informed the Company that they will subscribe fully to their portion of right entitlement and will not renounce their rights except to the extent of renunciation within the promoter group. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are not applicable to the issue.

Further, the Promoter and Promoter Group, have informed that they shall subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

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 other 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.

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,
Rajath Finance Limited
Office No.1001, Tenth Floor, K.P. Aurum Building,
CTS No.426A, Marol Maroshi Road,
Andheri (E), Mumbai 400059

Dear Sirs,

Subject: Proposed Rights Issue of equity shares with a face value of ₹ 10.00/- each by Rajath Finance Limited (the “Company”) (the “Issue”)

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 have been/would be met with

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 N.C Vaishnav & Co.
Chartered Accountants
FRN – 112712W
Sd/-
Jayesh Mehta
(Partner)
Place: Baroda
Date: December 23, 2024
Cert No: 103/2024-2025
UDIN: 24037267BKASGA1745

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO RAJATH FINANCE LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS

The information provided below sets out the Possible Special Direct Tax benefits available to the Company, and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, and the Shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, and the Shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own Tax Consultant with respect to the tax implications of an investment in the shares particularly since 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.

The tax benefits stated below are as per the Income tax Act, 1961 ("IT Act") as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025- 26 (AY 2025-26)

I. Under the IT Act

1. Special Tax Benefits available to the Company under the Act

- **Lower Corporate Tax rate under Section 115BAA**

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia) , 33ABA, 35(2AB), 80-IA etc., as per details given in the section)

Section 115BAA also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further clarified that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

The Company has exercised the above option.

- **Deductions from Gross Total Income**

The Company is eligible for the following deductions from its Gross Total Income, even though it has opted for the concessional tax rate under section 115BAA of the IT Act.

Section 80 JJAA -Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Section 80M - Deduction in respect of inter-corporate dividends

Section 80M provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such domestic company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the IT Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

2. Special Tax Benefits available to Shareholders

There are no Special Tax Benefits available to the Shareholders (other than Resident Corporate Shareholder) of the Company.

With respect to a Resident Corporate Shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other Domestic Company or a Foreign Company or a Business Trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other Domestic Company or Foreign Company or Business Trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES:

- *The above statement of Possible Special Tax Benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.*
- *The above statement covers only certain Special Tax Benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.*
- *The above statement of Possible Special Tax Benefits is as per the current Direct Tax Laws relevant for the assessment year 2025-26. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.*
- *In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.*
- *As the Company has opted for concessional corporate income tax rate in previous years as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:*
 - *Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)*
 - *Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation)*
 - *Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, Site restoration fund)*
 - *Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)*
 - *Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)*
 - *Deduction under section 35CCD (Expenditure on skill development)*
 - *Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;*
 - *No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above*
 - *No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above.*
- *This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax*

consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

NOTES:

1. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
2. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her Tax Advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
4. This Statement does not consider general tax benefits available to the Company and its material subsidiary.

This certificate is issued for the purpose of Rights issue and should not be used for general applications. Any use beyond its intended scope requires prior written consent from the issuing authority.

For N.C Vaishnav & Co.

Chartered Accountants

FRN – 112712W

Sd/-

Jayesh Mehta

(Partner)

Place: Baroda

Date: December 23, 2024

Cert No: 103/2024-2025

UDIN: 24037267BKASGA1745

III ABOUT THE COMPANY

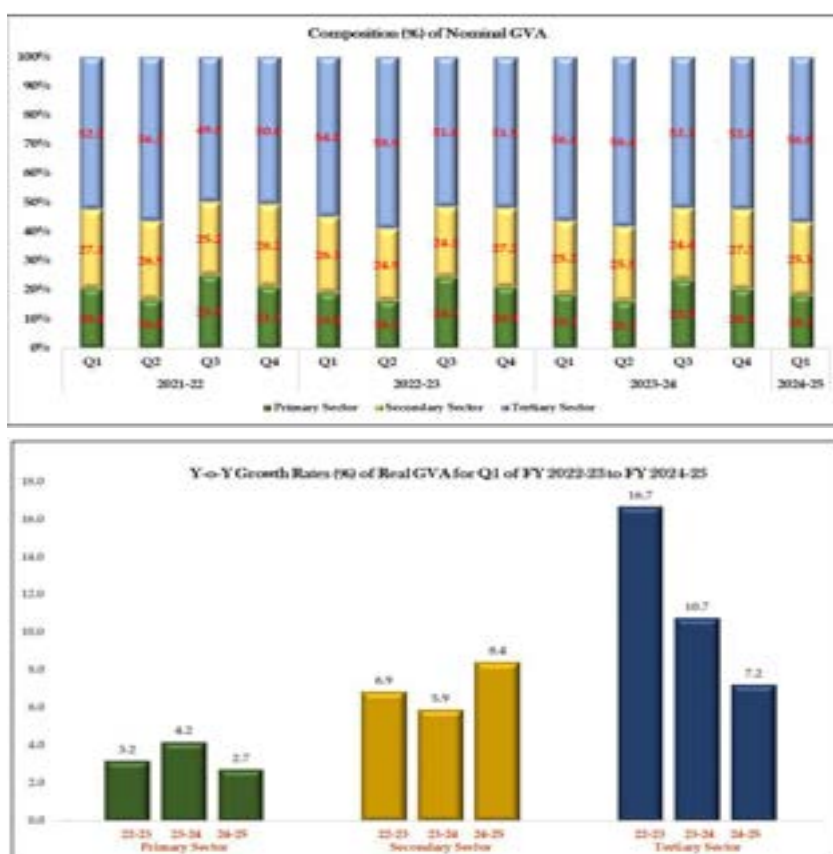
INDUSTRY OVERVIEW

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 entire Draft Letter of Offer, including the information in the sections "Risk Factors" and "Financial Statements" on pages 20 and 97, 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' on page 20 of this Draft Letter of Offer.

Global Economy

Composition and Growth Rates of Quarterly GVA in Broad Sectors



[Primary Sector: Agriculture, Livestock, Forestry & Fishing and Mining & Quarrying
Secondary Sector: Manufacturing, Electricity, Gas, Water supply & Other Utility Services and Construction
Tertiary Sector: Trade, Hotels, Transport, Communication and Services related to Broadcasting, Financial, Real Estate & Professional Services and Public Administration, Defence & Other Services]

Sources: https://www.mospi.gov.in/sites/default/files/press_release/NAD_PR_30082024.pdf

OVERVIEW OF THE INDIAN ECONOMY

India, with a Gross Domestic Product (“GDP”) in terms of Gross Value Added {GVA} of ₹ 1,58,73,751 crore (PE at constant price on new series 2011-12 base for 2023-24) [Source: Press Note on Estimates of National Income 2023-24 dated May 31, 2024] at the end of financial year 2024, is the Fifth largest economy in the world after USA, China, Japan, and Germany.

With the change in base from 2004-05 level to new series of 2011-12 and change in the concept of GDP to GVA, the growth parameters in terms of GVA over last three years can be considered to be reasonable.

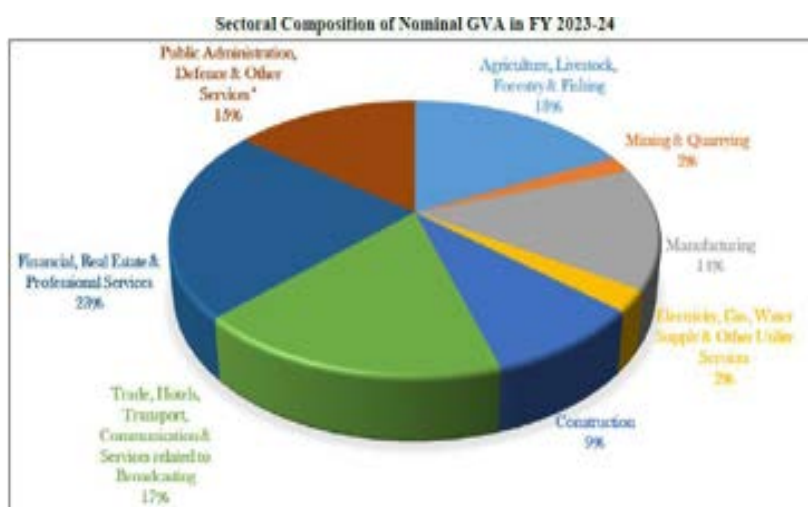
The Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at ₹ 173.82 lakh crore, and the growth in real GDP during 2023-24 is estimated at 8.2 per cent as compared to 7.0 per cent in 2022-23.

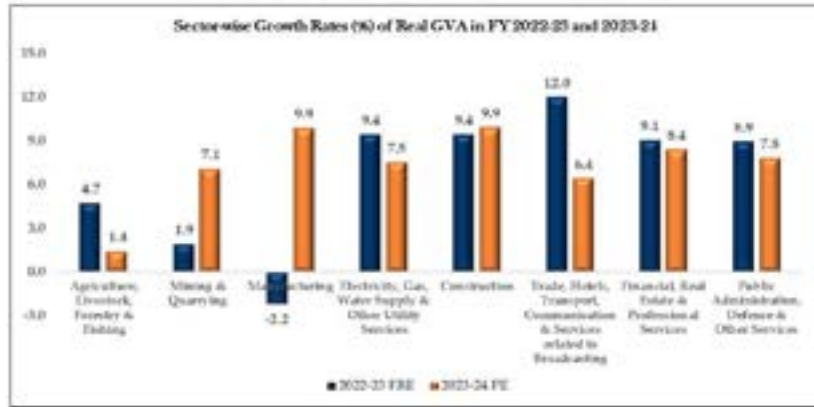
A snapshot on the sectoral growth of GDP for the last three years at constant price (new series 2011-12 prices) with Provisional Estimates for FY 2023-24 is furnished below:

YoY Growth (%)	2021-22	2022-23 (1 st RE)	2023-24 (PE)
GVA (₹ Cr)	1,38,76,480	1,48,04,901	1,58,73,751
Growth over previous years (%)	9.4	6.7	7.2
Net Taxes On Products (₹ Cr)	11,45,006	12,66,528	15,07,971
Growth over previous years (%)	15.7	10.6	19.1
I. Agriculture, Forestry & Fishing (%)	4.6	4.7	1.4
II. Industry (%)			
2. Mining & Quarrying (%)	6.3	1.9	7.1
3. Manufacturing (%)	10.00	(2.2)	9.9
4. Electricity, Gas & Water Supply (%)	10.3	9.4	7.5
5. Construction (%)	19.9	9.4	9.9
III. Services (%)			
6. Trade, Hotels, Transport, communication and services related to broadcasting (%)	12.3	12.0	6.4
7. Financial, Real Estate & Professional services (%)	0.9	9.1	8.4
8. Public Administration, Defence and other services (%)	3	9.7	7.8
GVA at Current Prices (₹ Cr)	2,16,35,584	2,46,59,041	2,67,62,147

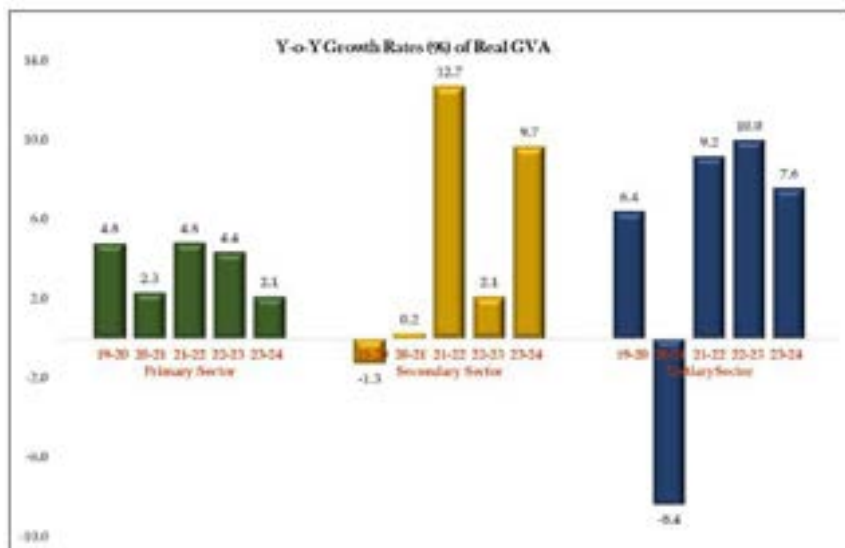
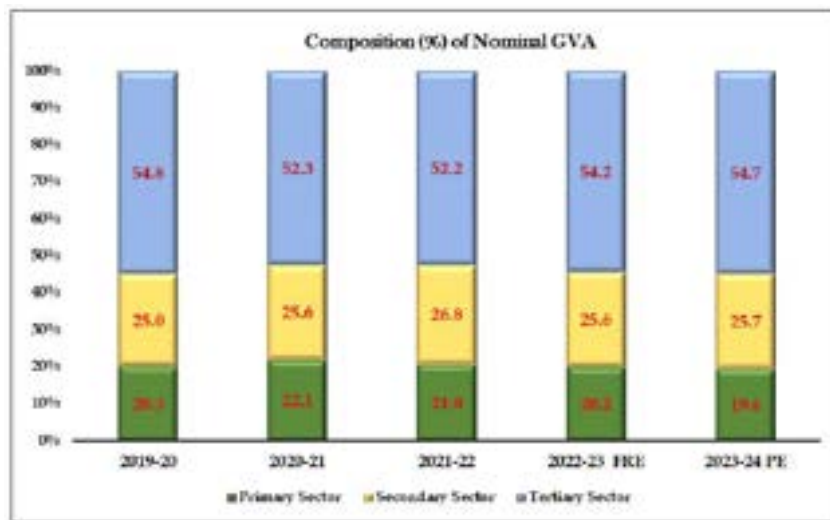
Source: (GOI MoS&PI Press notes dated May 31, 2024)

Growth and share in GVA (in %)





Sector analysis over past 5 years in GVA share and growth (%)



(Source: Press Note on Estimates of National Income, May 31, 2024 released by Ministry of Statistics and Program implementation Government of India)

Impact of Crude Oil prices:

The average crude oil (Indian basket) prices have increased from US\$ 79.18 in 2020-2021 to US\$ 83.50 in 2023-24. The average price for August 2024 was around US\$ 78.27. Going by the recent trends, the average crude oil prices could be in the vicinity of US\$ 82 per barrel in the current financial year. Any increase in Indian Crude basket would have an impact on the GDP growth and in turn could affect the Commercial vehicle industry. (Source: Web site of Petroleum Planning and analysis cell of Ministry of Petroleum GoI Accessed on September 18, 2024)

Global Prospect and Indian Economy

Economic activity was surprisingly resilient through the global disinflation of 2022–23. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments - including greater-than-expected government spending and household consumption - and a supply-side expansion amid, notably, an unanticipated boost to labor force participation. The unexpected economic resilience, despite significant central bank interest rate hikes aimed at restoring price stability, also reflects the ability of households in major advanced economies to draw on substantial savings accumulated during the pandemic.

Global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024 and 2025. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia’s invasion of Ukraine; weak growth in productivity; and increasing geo-economic fragmentation.

Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five years from now- at 3.1 percent - is at its lowest in decades. The pace of convergence toward higher living standards for middle- and lower-income countries has slowed, implying a persistence in global economic disparities.

The relatively weak medium-term outlook reflects lower growth in GDP per person stemming, notably, from persistent structural frictions preventing capital and labor from moving to productive firms. Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labor markets are still tight, raise interest rate expectations and reduce asset prices. High interest rates could have greater cooling effects than envisaged as fixed-rate mortgages reset and households contend with high debt, causing financial stress.

Geoeconomic fragmentation could intensify, with higher barriers to the flow of goods, capital, and people implying a supply-side slowdown. On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later on. Inflation could fall faster than expected amid further gains in labor force participation, allowing central banks to bring easing plans forward. Artificial intelligence and stronger structural reforms than anticipated could spur productivity.

(Extracts from WEO April 2024 update accessed on September 18, 2024)

Overview of the World Economic Outlook projections (World Output)

Country/Group	2023	2024	2025
China	3.0	5.0	4.2
ASEAN-5	4.1	4.5	4.6
Euro	0.4	0.8	1.5
India	7.8	6.8	6.5
Japan	1.9	0.9	1.0
United Kingdom	0.1	0.5	1.5
United States	2.5	2.7	1.9
World	3.2	3.3	3.2

(Source: WEO April 2024 update)

Financial Service Industry (Source:<https://www.ibef.org/industry/financial-services-presentation>)

The country's financial services sector consists of capital markets, the insurance sector and non-banking financial companies (NBFCs). In 2023, India's gross savings stood at 30.2% of GDP. The number of Ultra High Net Worth Individuals (UHNWI) is estimated to increase from 12,069 in 2022 to 19,119 in 2027. India's UHNWIs are likely to expand by 63% in the next 5 years. India is expected to have 16.57 lakh HNWIs in 2027.

India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by the Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020.

The Government of India has taken various steps to deepen reforms in the capital market, including simplification of the IPO process, which allows qualified foreign investors (QFIs) to access the Indian bond market. In 2019, investment in Indian equities by foreign portfolio investors (FPIs) touched a five-year high of Rs. 101,122 crore (US\$ 14.47 billion).

Investment by FPIs in India's capital market reached a net Rs. 11,631 crore (US\$ 1.42 billion) in April 2023. Investment by FPIs in India's capital market reached a net Rs. 12.52 lakh crore (US\$ 177.73 billion) between FY21 (till August 10, 2020).

In FY22, US\$ 14.55 billion was raised across 127 initial public offerings (IPOs).

India's market capitalization had surged by 25% from October 2021, it was at US\$ 3.15 trillion. Indian stock market rally made investors Rs. 80.62 lakh crore (US\$ 973.67 billion) in 2023 and Sensex reached an all-time high of 76,009.68 on May 27, 2024.

According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach >US\$ 5 trillion, surpassing the UK, and become the fifth-largest stock market worldwide by 2024. The number of companies listed on the BSE increased from 135 in 1995 to 5,415 as of June 2024.

In September 2021, the international branch of the National Payments Corporation of India (NPCI), NPCI International Payments (NIPL), teamed with Liquid Group, a cross-border digital payments provider, to enable QR-based UPI payments to be accepted in 10 countries in the north and southeast Asia.

In the Union Budget 2024-25, the government allocated Rs. 1,858,158.52 crore (US\$ 223.28 billion) to the Ministry of Finance. Key tax changes include an increase in STT on futures to 0.02% and on options to 0.01%, a rise in the Long-Term Capital Gains (LTCG) tax from 10% to 12.5%, and an increase in the Short-Term Capital Gains (STCG) tax on certain assets to 20%. Additionally, the angel tax has been abolished for all classes of investors.

In the Union Budget 2023-24, India announced to set up the National Financial Information Registry which shall serve as the central repository of financial and ancillary information to facilitate the efficient flow of credit, promoting financial inclusion, and fostering financial stability. A new legislative framework is to be designed in consultation with RBI to govern this credit public infrastructure.

In the Union Budget 2022-23, India has announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee. In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a personal and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or Internet banking access.

On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial companies - microfinance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.

In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.

In July 2021, India's largest commodities derivatives exchange, Multi Commodity Exchange of India Ltd., and European Energy Exchange AG (EEX) signed a memorandum of understanding (MOU) with the goal of

knowledge sharing and expertise exchange on electricity derivative products. This MoU will make it easier for the two exchanges to collaborate in areas including knowledge sharing, education and training, and event planning in the field of electricity derivatives.

In January 2021, the National Stock Exchange (NSE) launched derivatives on the Nifty Financial Service Index. This service index is likely to provide institutions and retail investors more flexibility to manage their finances.

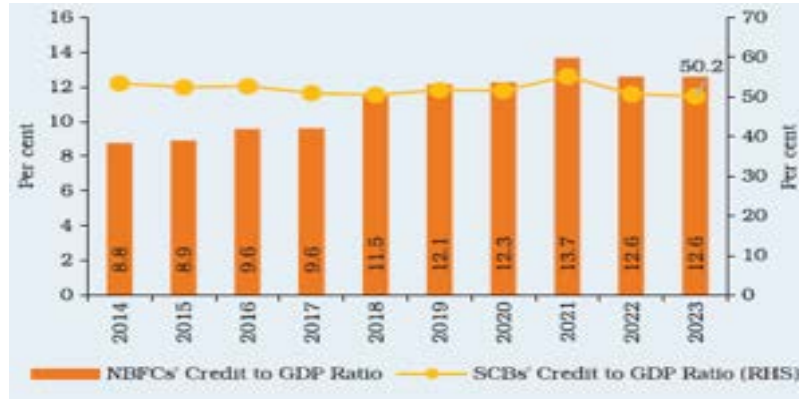
NON-BANKING FINANCIAL COMPANIES (NBFCs)

Overview

NBFCs are an integral part of the Indian financial system. They have consolidated their position in recent years, as reflected in a gradual rise in their credit intensity (credit to Gross Domestic Product (GDP) ratio) as well as the relative importance in credit provision vis-à-vis scheduled commercial banks (SCBs).

With the implementation of Scale Based Regulation (SBR) from October 2022, NBFCs have been segregated into four layers, namely, a Base Layer (NBFC-BL), a Middle Layer (NBFC-ML), an Upper Layer (NBFC-UL) and a Top Layer (NBFC-TL), based on size, activity, and the perceived level of riskiness (Chart VI.3). The top ten eligible NBFCs in terms of asset size shall always reside in the upper layer, along with other NBFCs that are identified on the basis of a set of parameters and scoring methodology. Accordingly, 15 NBFCs 6 (including five HFCs) have been placed in the upper layer and are subjected to enhanced regulatory oversight. The top layer will ideally remain empty unless the Reserve Bank identifies a considerable rise in potential systemic risk from any NBFC in the upper layer, which will be moved to the top layer. To ensure adequate capital to mitigate risks and strengthen internal risk management techniques, NBFC-ML and NBFC-UL are required to make internal capital assessments on lines similar to the Internal Capital Adequacy Assessment Process (ICAAP) prescribed for commercial banks under Pillar 2 of Basel-III norms. While Pillar 2 capital has not been made mandatory, NBFCs are expected to factor in credit risk, market risk, operational risk, and all other residual risks to decide the level of capital, as per an internally determined methodology. A large exposure framework has also been prescribed for NBFC-UL to limit concentration risks arising from exposure to a single counterparty or a group of connected counterparties. The Prompt Corrective Action (PCA) framework for NBFCs in the upper and middle layer, which became operational from October 2022, will also be extended to government NBFCs (except those in the base layer) from October 2024. The extant regulations prescribe that companies intending to commence NBFC activities must have at least ₹10 crore as net owned funds (NOF). The NOF requirement for existing NBFC-ICC, NBFC-MFI and NBFC-Factors will be raised to ₹10 crores by March 2027 following a glide-path. Apart from scale, the new regulatory framework retains activity-based regulation. The number of registrations and cancellations of Certificate of Registrations (CoR) of NBFCs rose in 2022-23 (Chart VI.4). Apart from cancellation of CoR by the Reserve Bank, many NBFCs surrendered their licences for business reasons or other considerations. Violations of extant regulations and guidelines on outsourcing and Fair Practices Code (FPC) by some NBFCs had led to cancellation of their licenses. To address concerns relating to unbridled engagement of third parties, mis-selling, breach of data privacy, unfair business conduct, charging of exorbitant interest rates, and unethical recovery practices, the Reserve Bank released guidelines on digital lending in September 2022 to support orderly growth of credit delivery through digital lending methods.

As deposits accepted by NBFCs-D are not insured by the Deposit Insurance and Credit Guarantee Corporation (DICGC), the Reserve Bank has adopted a cautionary approach, mandating that NBFCs-D with minimum investment grade rating for their fixed deposits shall accept fixed deposits from the public up to a limit of 1.5 times of their NOF and for a tenure of 12 to 60 months only, with interest rates capped at 12.5 per cent. In May 2022, it was mandated that minimum investment grade credit rating of 'BBB-' from any of the SEBI-registered credit rating agencies would be necessary for deposits of NBFCs.



NBFC Structure

Initially the NBFCs were categorized into 2 major categories Systematically Important ("SI") Deposit taking (D) and Non-Deposit taking. The NBFCs (SI-D) were sub-classified as (a) Loan Company (b) Investment Company (c) Assets Finance Company and (d) Residuary NBFCs. Under NBFCs (SI-ND) these were classified as (i) Loan Company (ii) investment company (iii) Asset Finance Company (iv) Infra Finance Company (v) Core Investment Company and (vi) Infrastructure Debt Fund. Recently, RBI has harmonized the classifications of NBFCs by activity as per details as under:

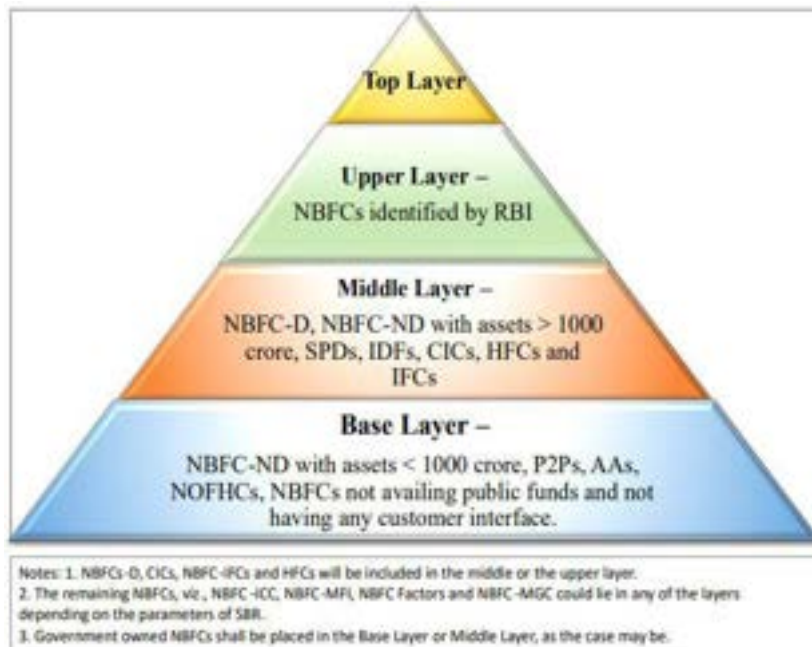
Sl. No	Classification	Activity	Layer
	1	2	3
1.	Investment and Credit Company (NBFC-ICC)	Lending which supports productive/ economic activities and acquisition of securities for investment.	Any layer, depending on the parameters of the scale based regulatory framework.
2.	NBFC - Infrastructure Finance Company (NBFC-IFC)	Infrastructure loans.	Middle layer or Upper layer, as the case may be.
3.	Core Investment Company (CIC)	Investment in equity shares, preference shares, debt, or loans of group companies.	Middle layer or Upper layer, as the case may be.
4.	NBFC - Infrastructure Debt Fund (NBFC-IDF)	Facilitation of flow of long-term debt post commencement operations date (COD) infrastructure projects which have completed at least one year of satisfactory performance and finance toll operate transfer project as the direct lender.	Middle layer
5.	NBFC-Micro Finance Institution (NBFC-MFI)	Providing collateral free small ticket loans to economically disadvantaged groups.	Any layer, depending on the parameters of the scale based regulatory framework.
6.	NBFC-Factors	Acquisition of receivables of an assignor or extending loans against the security interest of the receivables at a discount.	Any layer, depending on the parameters of the scale based regulatory framework.
7.	NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks.	Base layer
8.	Mortgage Guarantee Company (MGC)	Undertaking of mortgage guarantee business.	Any layer, depending on the parameters of the scale based regulatory framework.
9.	NBFC-Account Aggregator (NBFC-AA)	Collecting and providing information about a customer's financial assets in a consolidated, organised, and retrievable manner to the customer or others as specified by the customer.	Base layer
10.	NBFC-Peer to Peer	Providing an online platform to bring	Base layer

Sl. No	Classification	Activity	Layer
	Lending Platform (NBFC-P2P)	lenders and borrowers together to help mobilise funds.	
11.	Housing Finance Company (HFC)	Financing for purchase/ construction/ reconstruction/ renovation/ repairs of residential dwelling units.	Middle layer or Upper layer, as the case may be.
Notes: 1. Standalone Primary Dealers (SPDs) lie in the middle layer. 2. Government NBFCs lie in either base or middle layer. <i>Source: RBI</i>			

Number of different types of NBFCs in India

As at March 31	NBFC-D	NBFC-ND-SI	NBFC-ND	Total
2019	88	263	9,308	9,659
2020	64	285	9,133	9,482
2021	52	312	9,188	9,552
2022	49	415	9052	9467

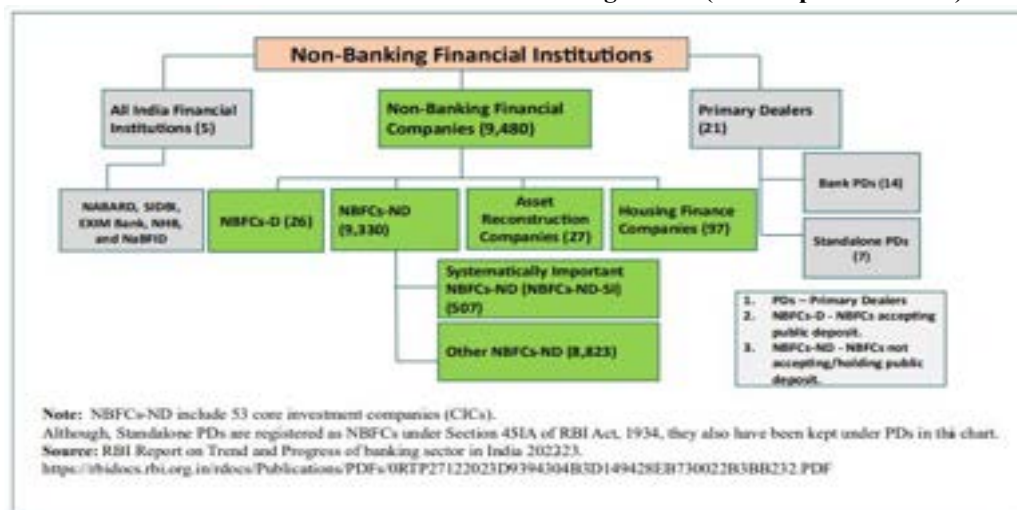
(Source: RBI Report on Trend and Progress of Banking in India 2022 -23 dated December 27, 2023-Chapter VI - Non Banking Financial Institutions- Table VI.1: Classification of NBFCs by activity)



Source: RBI

In this revised framework, traditional references to NBFC-ND, NBFC-ND-SI, and NBFCD are now represented by NBFC-BL, NBFC-ML, and NBFC-UL, respectively. This layered regulatory approach is designed to align oversight with the scale and complexity of NBFC operations (see Chart below).

Structure of NBFIs under the Reserve Bank's Regulation (as of September 2023)



Source: RBI

Ownership pattern of NBFCs and Growth

Ownership Pattern of NBFCs (At end-March 2023)						
(Amount in ₹ crore)						
NBFC-ND-SI			NBFC-D			
Type	Nos	Asset Size	Asset share %	Nos	Asset Size	Asset share %
1	2	3	4	5	6	7
A. Government Companies	19	16,66,326	43	5	74,335	11.2
B. Non-government Companies (1+2)	473	22,09,876	57	31	5,86,602	88.8
1. Public Limited Companies	54	5,12,337	13.2	10	5,81,466	88
2. Private Limited Companies	419	16,97,539	43.8	21	5,136	0.8
Total (A+B)	492	38,76,202	100	36	6,60,937	100
Notes: 1. The number of NBFCs-D registered with RBI at end - March 2023 was 39. The data in the table pertain to the reporting entities.						
2. Data are provisional.						
Source: Supervisory Returns, RBI.						

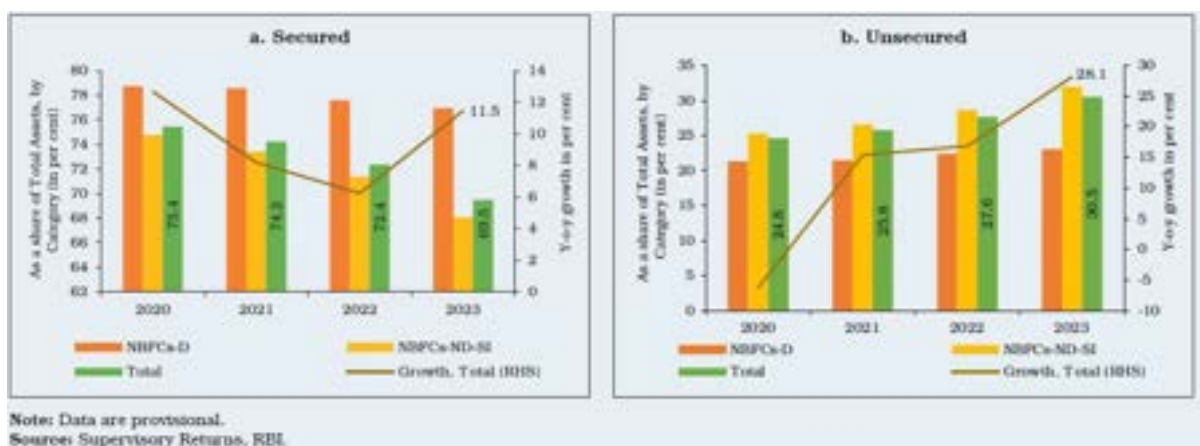
The NBFC sector is dominated by non-deposit taking systemically important NBFCs (NBFCs-ND-SI), with a share of 85.4 per cent in the total assets of the sector at end-March 2023. This category mainly consists of non-government companies, although a few large government companies have a significant share in Assets Deposit taking NBFCs (NBFCs-D) accounted for 14.6 per cent of the total assets of the NBFCs at end-March 2023. This category is dominated by non-government public limited companies, comprising 88 percent of total assets of NBFCs-D.

(Source: Report on Trend & Progress of Banking in India, 2022-23 (released in December 2023) by RBI)

Balance Sheet Size

The pace of expansion in the balance sheet of NBFCs accelerated in 2022-23 (Table VI.3). This was led by double digit credit growth, mainly on account of unsecured loans. Growth in investments decelerated while cash and bank balances contracted. NBFCs improved their capital positions to cater to the rise in credit demand. Amidst tightening liquidity conditions and increasing competition from banks in segments like vehicle loans and loans against gold, NBFCs focused on lending to segments such as unsecured loans, micro-finance loans and MSMEs.

The growth of unsecured loans (28.1 per cent) was more than twice that of secured loans (11.5 per cent). As a result, the share of secured loans in total NBFCs credit fell from 72.4 per cent at end-March 2022 to 69.5 per cent at end-March 2023, while that of unsecured loans inched up from 27.6 per cent to 30.5 per cent over the same period. NBFCs-D have a relatively higher share of secured loans in their lending portfolio, in contrast to NBFCs-ND-SI.



(A) **Abridged Balance Sheet of NBFCs**

(₹ Crore)

Items	(NBFCs-ND-SI + NBFCs-D)		
	At end March 2022	At end March 2023	At end-September 2023
1. Share Capital & Reserves	9,77,245	11,06,643	10,72,556
	(19.3)	(13.2)	(3.6)
2. Public Deposits	70,539	85,254	96,156
	(13.3)	(20.9)	(23.2)
3. Debentures	10,14,611	11,10,234	11,45,536
	(3.3)	(9.4)	(10.6)
4. Bank Borrowings	9,20,555	11,33,221	11,97,626
	(18.8)	(23.1)	(22.3)
5. Commercial Paper	70,266	84,366	1,14,109
	(-3.2)	(20.1)	(47.1)
6. Others	8,99,347	10,17,422	10,84,158
Total Liabilities/ Assets	39,52,564	45,37,139	47,10,141
1. Loans & Advances	29,52,442	34,26,970	36,93,921
	(9.0)	(16.1)	(20.0)
2. Investments	5,88,527	6,57,723	5,79,903
	(27.2)	(11.8)	(-8.3)
3. Cash & Bank Balances	1,79,031	1,74,972	1,86,057
	(12.6)	(-2.3)	(-2.0)
4. Other Assets	2,32,564	2,77,474	2,50,260
	(17.6%)	(19.3)	(-4.2)

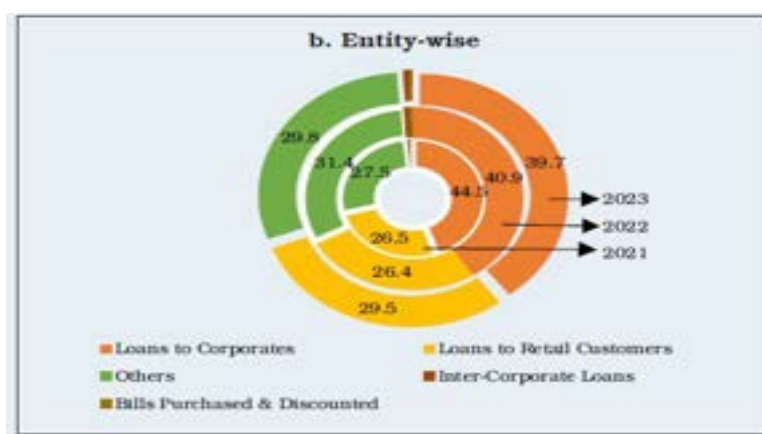
(Source: <https://rbi.org.in/scripts/PublicationsView.aspx?Id=22352#TVI2> - RBI report on Trend & Progress in Banking 2022-23 released in December '23 Table VI 3. Data are provisional Figures in parentheses indicate Y-o-Y growth in percent.)

The NBFC sector grew in size from ₹ 35.04 lakh crore in 2020-21 to ₹ 38.10 lakh crore in 2021-22.

Credit growth accelerated further at end-September 2023, while investments declined. Maturity-wise, there has been a gradual shift towards shorter tenure loans (receivable within 12 months) in credit extended by NBFCs. The longer tenure loans (receivable after 12 months) remained the predominant category (more than two-thirds of the loan book), albeit with a declining share.



NBFCs have maximum exposures to corporates, followed by retail customers, which together account for almost 69 percent of their loan book. In 2022-23, retail loans grew twice as fast as loans to corporates.



Taken together, NBFC-ICCs and IFCs accounted for more than 95 per cent of the assets of the sector at end - March 2023.

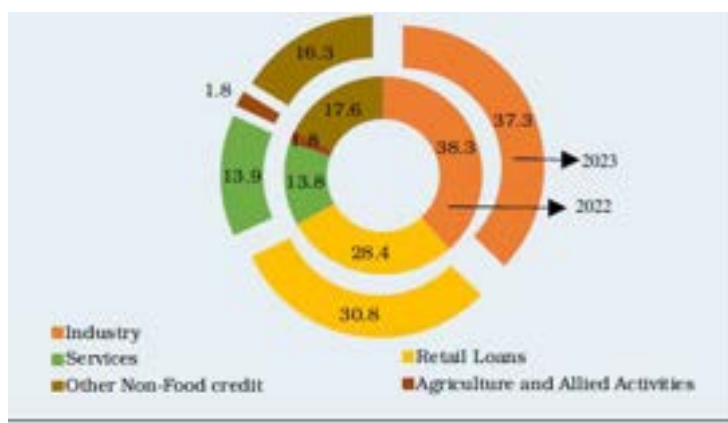


ICCs mainly operate in the retail space, while IFCs provide infrastructure loans. Some large government NBFCs are registered as NBFC IFCs and work in the infrastructure space. Two government IFCs with focus on the power sector saw higher credit growth in 2022-23. In line with the government’s Panchamrit agenda which aims for non-fossil energy capacity of 500 GW by 2030, their renewable portfolio is expected to get a push in the coming

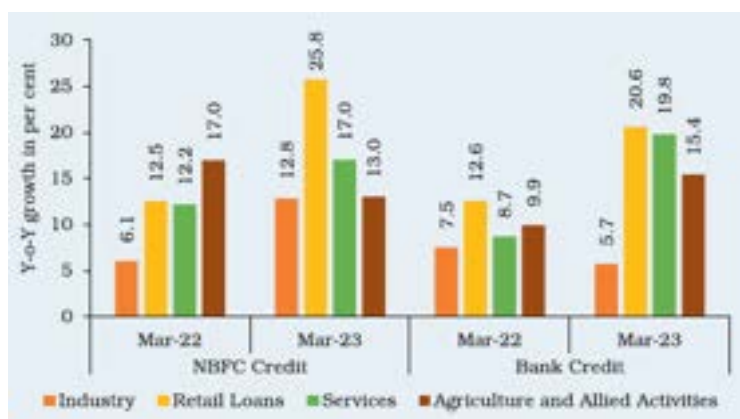
years. The Ministry of Power has also allowed these NBFCs to lend to non-power infrastructure and to the logistics sector.

NBFC-MFIs, an important segment in the NBFC universe, have been growing their share in total assets in recent years. In 2022-23, MFIs registered the highest growth in assets (30.0 per cent), followed by ICCs (16.7 per cent). The assets of IDFs, however, contracted in 2022-23 after growing at a healthy pace a year ago. NBFC-Factors registered a contraction in credit in 2022-23.

In the sectoral distribution of NBFC credit, industry accounted for around two-fifth of the overall lending portfolio at end-March 2023, attributable to infrastructure lending by large government-owned NBFCs, followed by retail lending with a share of around 31 percent (refer Chart below).



In 2022-23, growth in credit to industry by NBFCs (12.8 per cent) was above that of the banking system (5.7 per cent). Credit to the retail segment by both NBFCs and banks grew at over 20 percent. Credit by NBFCs to the services sector rose at a robust rate, albeit marginally lower than that of banks (Ref Chart below).



NBFCs have steadily expanded their micro, small and medium enterprises (MSMEs) portfolio, addressing the credit needs of the sector and contributing to overall financial inclusion and economic growth. MSMEs engaged in services account for a preponderant share of NBFC credit to the sector. Credit growth by NBFCs to the MSME sector was more than three times that of banks, benefitting from their ability to offer customised financing solutions (Chart VI.9b). The co-lending framework for priority sector lending has also facilitated flow of credit by NBFCs to the MSME sector, leveraging on the low cost of funds of banks and greater reach of NBFCs.

In 2022-23, NBFC credit to the vehicles segment rose by double digits as it emerged from the challenges of the COVID-19 pandemic.



NBFC Funding Pattern

(Amount in ₹ crore)

Items	At end-March -2022	At end-March -2023	At end-September -2023	Percentage Variation	
				2021-22	2022-23
1	2	3	4	5	6
1. Debentures	10,14,611 (39.3)	11,10,234 (37.0)	11,45,536 (36.1)	3.3	9.4
2. Bank borrowings	9,20,555 (35.6)	11,33,221 (37.7)	11,97,626 (37.8)	18.8	23.1
3. Borrowings from FIs	69,078 (2.7)	89,982 (3.0)	99,844 (3.1)	21.3	30.3
4. Inter-corporate borrowings	89,896 (3.5)	1,05,184 (3.5)	1,04,148 (3.3)	15.5	17.0
5. Commercial paper	70,266 (2.7)	84,366 (2.8)	1,14,109 (3.6)	-3.2	20.1
6. Borrowings from Government	18,562 (0.7)	18,750 (0.6)	18,758 (0.6)	-3.0	1.0
7. Subordinated debts	72,349 (2.8)	72,510 (2.4)	68,285 (2.2)	4.5	0.2
8. Other borrowings	3,29,182 (12.7)	3,87,991 (12.9)	4,21,653 (13.3)	10.6	17.9
9. Total borrowings	25,84,500	30,02,239	31,69,959	9.9	16.2

Notes: 1. Data are provisional.

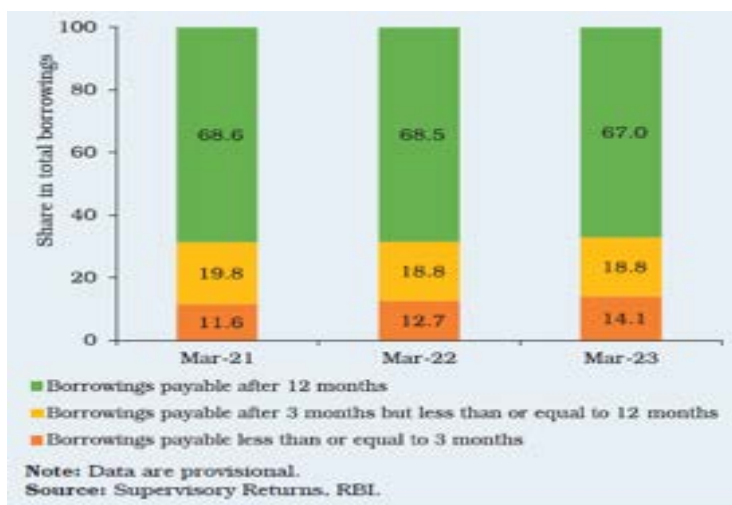
2. Figures in parentheses indicate share in total borrowings.

Source: Supervisory Returns, RBI.

(A) General:

NBFCs rely on borrowings, primarily from markets and banks, to finance their operations. At end-March 2023, bank borrowings displaced debentures as the largest source of funds for NBFCs. Borrowings from banks continued to exhibit high growth at end-September 2023. Around two-third of NBFCs' borrowings is payable in more than 12 months. At end-March 2023, there was a marginal uptick in short-term borrowings which are payable in three months or less. More than 80 per cent of non-convertible debentures (NCDs) issued by private NBFCs were rated either AAA or AA. NCD issuances increased in 2022-23. In Q1:2023-24, NCDs of 2-3 year tenor constituted about 50 per cent of the total NCDs issued while longer tenor issuances (greater than 10 years) had a share of around 20 per cent. The spreads on bonds issued by NBFCs remained below their levels in the

pre-pandemic period, reflecting an improvement in activity and market confidence. The inter connectedness of NBFCs' with banks has increased in recent years in view of their growing reliance on banks for funding needs

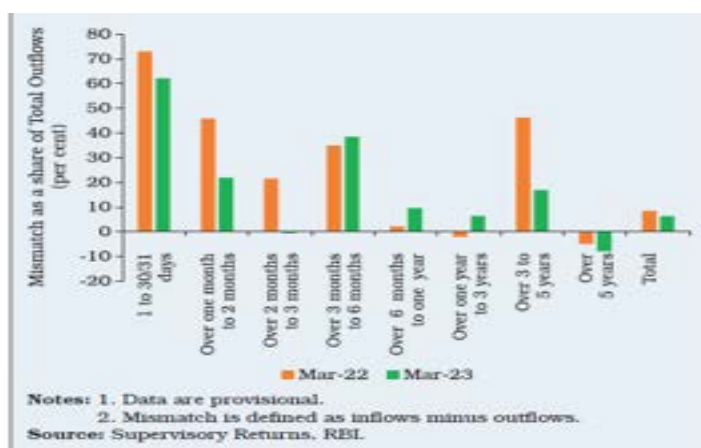


(B) Deposits:

The share of public deposits in the total borrowings of NBFCs-D has increased steadily due to competitive interest rates offered and robust credit ratings. The number of NBFCs permitted to accept deposits has been declining however. At end-March 2023, four NBFCs-D accounted for nearly 90 per cent of the public deposit corpus of NBFCs, with each of them having aggregate deposits of over ₹ 5,000 crores.

Structural Liquidity Management of NBFCs.

Short-term structural liquidity position in the 1-30/31 days bucket is critical for liquidity risk management. NBFCs maintained a comfortable liquidity position in this bucket at end-March 2023, albeit at a lower level than a year ago. Furthermore, NBFCs also had a net positive position across all buckets at end-March 2023, except for 2-3 months and over five years.



Financial Performance of NBFCs

Aggregate income of NBFCs grew steeply in 2022-23, led by interest income. About 90 per cent of the total income accruing to NBFCs in 2022-23 was from fund-based resources, even as the share of fee-based income has seen a gradual rise in recent years. Expenditure was driven by interest expenses (around one-third of their total expenditure during 2022-23) and operating costs (around one-fourth of the total). On the other hand, provisions maintained against NPAs came down during the year. With expenditure increasing at a slower pace than total income, net profit of NBFCs grew significantly. The cost to income ratio declined, indicating improvement in operational efficiency. In H1:2023-24, net profit growth remained robust

Key profitability indicators *i.e.*, return on assets (RoA), return on equity (RoE) and net interest margin (NIM) improved during 2022-23. All classifications of NBFCs-ND-SI, except IFCs, registered increase in profitability ratios at end-March 2023.

(₹ crore)

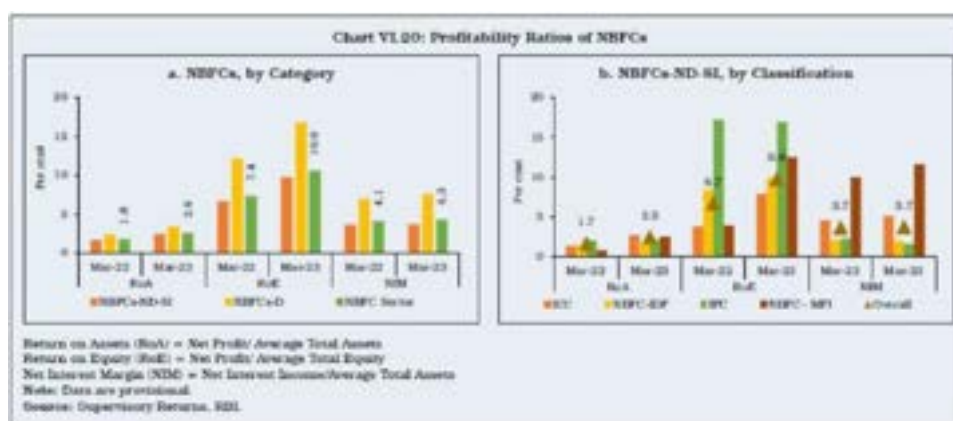
Parameters	2022	2023	H1: 2024
A. Total Income	391,017	475,216	255,124
B. Expenditure	303,445	337,685	177,352
C. Net Profit	68,139	1,10,825	61,208
D. Total Assets	39,52,564	45,37,139	47,10,141
E. Financial Ratios (as % of Total Assets)			
(i) Income	9.9	10.5	10.8
(ii) Expenditure	7.7	7.4	7.5
(iii) Net Profit	1.7	2.4	2.6
F. Cost to Income (%)	77.6	71.1	69.5

* Cost to Income Ratio = Total Expenditure / Total Income.

Notes: 1. Data are provisional.

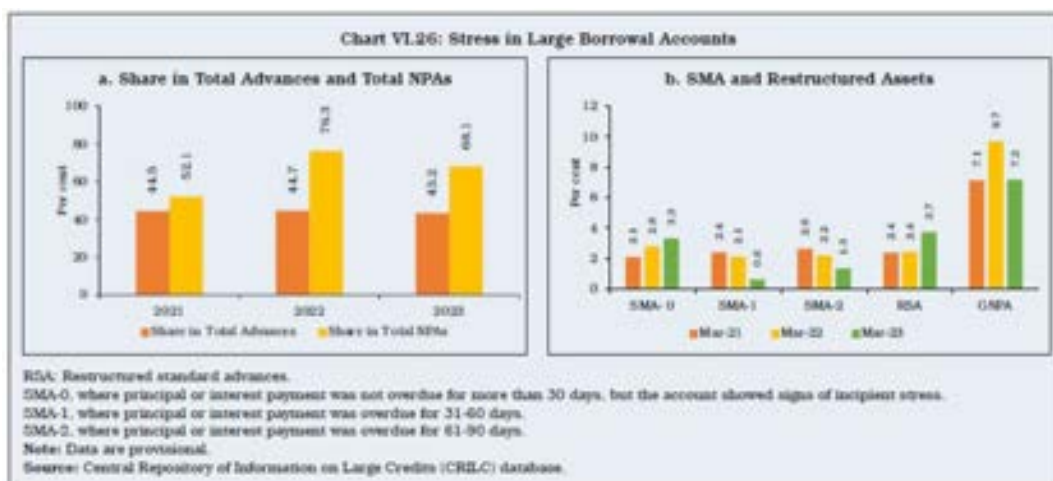
2. Figures in parentheses indicate Y-o-Y growth in per cent.

Source: Supervisory Returns, RBI



Capital Adequacy

At end-March 2023, NBFCs were adequately capitalised, with capital to risk-weighted assets ratios (CRARs) well above the regulatory requirement (not less than 15 per cent of aggregate risk-weighted assets, including both on and off-balance sheet items). Detailed guidelines on elements of common equity Tier 1 (CET-1) capital applicable to all NBFC-UL (except core investment companies) were issued on April 19, 2022 as a follow-up to the SBR framework. The CRAR of NBFCs-ND-SI, barring NBFC-IDF, improved during 2022-23 on the back of higher Tier I capital than a year ago. CRAR of the sector stood at a comfortable level of 27.6% at end-September 2023.



Exposure to NBFCs

NBFCs primarily rely on borrowings from markets and banks to finance their operations. Here is the pattern of NBFC's borrowing in terms of the secured and unsecured borrowings in the last 6 years

	2019	2020	2021	2022	2023	End-September 2023
<i>Secured Borrowings</i>	1,106,917	1,305,214	13,30,259	14,87,621	17,64,649	18,44,331
<i>Un-Secured Borrowings</i>	895,891	930,122	10,20,750	10,96,879	12,37,590	13,25,627
Total Borrowings	20,02,808	22,35,336	23,51,008	25,84,500	30,02,239	31,69,959

(₹ crore)

Source: RBI

As of March 2024, NBFCs were the largest net borrowers of funds from the financial system, with gross payables amounting to ₹16.58 lakh crore and gross receivables at ₹1.61 lakh crore. The funding mix of NBFCs has shifted significantly with the banks' share increasing from 47.5 per cent in December 2018 to 55.1 per cent in March 2024. Similarly, long-term funds provided by banks and Alternative Investment Funds (AIFs) have risen from 40.7 per cent to 45.9 per cent in the same period.

Despite the potential systemic risks, the RBI has indicated that the hypothetical failure of the largest NBFC would impact only a small fraction of the banking system's Tier 1 capital, highlighting the sector's resilience and the effectiveness of regulatory measures in place.

A breakup of their gross payables reveals that the bulk of funds were sourced from SCBs, followed by AMC-MFs and insurance companies. The choice of instruments in the funding mix of NBFCs shows continued reliance on LT funds. The share of LT debt instruments (held by insurance companies and AMC-MFs) moderated in 2023-24 (Financial Stability Report, June 2024).

By the end of March 2023, bank borrowings surpassed debentures as the largest source of funds for NBFCs. Borrowings from banks continued to show high growth as of the end of September 2023. Approximately two-thirds of NBFCs' borrowings are payable in more than 12 months. At the end of March 2023, there was a slight increase in short-term borrowings, which are payable within three months or less.

Sources of Borrowings of NBFCs

(in ₹ crore)

Items	At end-March 2022	At end-March 2023	At end-September 2023	Percentage Variation	
				2021-22	2022-23
1. Debentures	10,14,611	11,10,234	11,45,536	3.30	9.40
	(39.3)	(37.0)	(36.1)		
2. Bank Borrowings	9,20,555	11,33,221	11,97,626	18.80	23.10
	(35.6)	(37.7)	(37.8)		
3. Borrowings from FIs	69,078	89,982	99,844	21.30	30.30
	(2.7)	(3.0)	(3.1)		
4. Inter-corporate borrowings	89,896	1,05,184	1,04,148	15.50	17.00
	(3.5)	(3.5)	(3.3)		
5. Commercial papers	70,266	84,366	1,14,109	-3.20	20.10
	(2.7)	(2.8)	(3.6)		
6. Borrowings from Government	18562.00	18750.00	18758.00	-3.00	1.00
	(0.7)	(0.6)	(0.6)		
7. Subordinated debts	72,349	72,510	68,285	4.50	0.20
	(2.8)	(2.4)	(2.2)		
8. Other borrowings	3,29,182	3,87,991	4,21,653	10.60	17.90
	(12.7)	(12.9)	(13.3)		
9. Total borrowings	25,84,500	30,02,239	31,69,959	9.90	16.20

Notes: 1. Data are provisional. 2. Figures in parentheses indicate share in total borrowings.

Source: RBI

Sources of Funds

(in %)

Item Description	Mar-21	Mar-22	Mar-23	Mar-24
Share Capital, Reserves and Surplus	26.7	29.4	29.4	28.3
Total Borrowings	63	60.6	61.1	62.4
Of which				
Borrowing from banks	19.8	20.6	21.7	22.6
CPs subscribed by banks	0.4	0.4	0.3	0.3
Debentures subscribed by banks	3	2.9	2.7	2.1
Total from banks	23.2	23.8	24.8	25
CPs excluding CPs subscribed by banks	1.6	1.4	1.5	1.6
Debentures excluding debentures subscribed by banks	22.8	20.4	19.4	19.7
Others	10.2	10	9.6	9.2
Total	100	100	100	100

Source: Financial Stability Report, June 2024, RBI.

Credit to Various Sectors by NBFCs

(Amount in ₹ crore)

Items	End-March 2021	End-March 2022	End-March 2023	End-September 2023	Percentage variation 2022-23
1	2	3	4	5	6
I. Gross Advances (II + III)	27,09,196	29,52,442	34,26,970	36,93,921	16.1
II. Food Credit	-	1,739	-	-	-100.0
III. Non-Food Credit (1 to 5)	27,09,196	29,50,703	34,26,970	36,93,921	16.1
1. Agriculture and Allied Activities	45,951	53,759	60,760	70,603	13.0
2. Industry (2.1 to 2.4)	10,66,849	11,31,558	12,76,666	13,45,347	12.8
2.1 Micro and Small	38,055	44,329	71,638	83,879	61.6
2.2 Medium	14,921	17,411	20,068	18,546	15.3
2.3 Large	8,54,867	8,94,541	10,20,441	10,98,821	14.1
2.4 Others	1,59,006	1,75,277	1,64,519	1,44,101	-6.1
3. Services (3.1 to 3.10 equals 3.a to 3.d)	3,63,136	4,07,367	4,76,728	4,90,536	17.0
3.1 Transport Operators	94,544	1,03,311	1,20,945	1,09,550	17.1
3.2 Computer Software	1,706	1,662	2,108	2,193	26.8
3.3 Tourism, Hotel and Restaurants	8,814	8,052	7,561	7,332	-6.1
3.4 Shipping	140	173	185	267	7.4
3.5 Professional Services	16,396	20,354	23,776	27,137	16.8
3.6 Trade	33,881	50,755	70,135	81,525	38.2
3.6.1 Wholesale Trade (other than Food Procurement)	6,875	9,564	10,665	13,524	11.5
3.6.2 Retail Trade	27,006	41,190	59,470	68,001	44.4
3.7 Commercial Real Estate	81,987	87,566	84,666	83,325	-3.3
3.8 NBFCs	28,719	35,003	48,406	53,029	38.3
3.9 Aviation	948	1,143	826	819	-27.7
3.10 Other Services	96,001	99,349	1,18,119	1,25,359	18.9
Total 3.a to 3.d	3,63,136	4,07,367	4,76,728	4,90,536	17.0
3.a Micro and Small	89,126	1,12,503	1,61,504	1,71,343	43.6
3.b Medium	16,763	18,244	20,971	23,697	14.9
3.c Large	73,914	78,114	81,960	79,013	4.9
3.d Others	1,83,333	1,98,506	2,12,293	2,16,483	6.9
4. Retail Loans (4.1 to 4.10)	7,45,038	8,38,528	10,54,530	11,96,757	25.8
4.1 Housing Loans (incl. priority sector Housing)	21,385	23,280	32,425	39,223	39.3
4.2 Consumer Durables	18,519	24,789	31,543	38,484	27.2
4.3 Credit Card Receivables	25,991	32,710	44,007	49,231	34.5
4.4 Vehicle/Auto Loans	3,18,884	3,35,460	3,84,475	4,33,653	14.6
4.5 Education Loans	9,277	14,162	25,352	36,330	79.0
4.6 Advances against Fixed Deposits (incl. FCNR(B), etc.)	31	43	215	247	406.9
4.7 Advances to Individuals against Shares, Bonds, etc.	8,304	13,023	14,053	18,532	7.9
4.8 Advances to Individuals against Gold	1,12,898	1,19,311	1,31,165	1,40,901	9.9
4.9 Micro finance loan/SHG Loan	66,573	81,599	1,18,752	1,16,908	45.5
4.10 Other Retail Loans	1,63,175	1,94,153	2,72,543	3,23,248	40.4
5. Other Non-food Credit, if any	4,88,222	5,19,491	5,58,287	5,90,677	7.5
<i>Notes:</i> 1. Data are provisional. 2. Percentage figures are rounded-off. 3. Excluding CICs and PDs. Source: Quarterly returns of NBFCs, RBI.					

Institutional and Regulatory Initiatives for NBFCs

The RBI has warned micro-lenders and non-bank financiers against usurious lending practices, particularly targeting small-ticket borrowers. Despite general compliance with guidelines on Key Facts Statements (KFS), some regulated entities still impose undisclosed fees and high-interest rates. The RBI Governor Shaktikanta Das emphasised that customer protection remains a top priority for the Reserve Bank, highlighting the need for transparent and fair lending practices in the microfinance sector and among non-banking financial companies (NBFCs).

The Finance Industry Development Council (FIDC), representing non-banking financial companies (NBFCs), has urged the Reserve Bank of India (RBI) to review its recent draft circular on infrastructure provisioning. NBFCs demand flexibility in supporting the sector, particularly regarding standard asset provisions during the construction phase. The draft proposes maintaining a general provision of 5 per cent of the funded outstanding for all existing and stressed exposures on a portfolio basis, a measure FIDC seeks to amend.

The Council suggests retaining the standard provision rate of 0.4 per cent, with enhanced provisions reserved for projects extending their Date of Commencement of Commercial Operations (DCCO). Clarity on applicability and minimum financing limits is also sought by FIDC.

Recently, NBFCs have explored new avenues to access funding, diversifying their sources beyond traditional channels. Co-lending partnerships with banks, facilitated by the RBI's regulatory framework, have emerged as a significant source of funds for NBFCs. These collaborations enable NBFCs to leverage the low-cost funds available with banks to deliver credit to the underserved segments.

The foreign direct investment inflows into the NBFC sector have surged in recent years, driven by favorable regulatory policies and India's robust economic growth prospects. Venture capital and private equity firms have also shown keen interest in investing in NBFCs, recognizing their potential to tap into underserved markets and drive financial inclusion.

The RBI has asked NBFCs to restrict cash loans to ₹20,000, according to media reports. This comes after the regulator took action against IIFL Finance for several violations including disbursement and collection of loans in cash over the statutory limit.

The RBI has adopted a hybrid regulatory approach for NBFCs, combining activity-based and entity-based regulations to safeguard financial stability and protect customers. This method leverages the strengths of both approaches to achieve a comprehensive and flexible regulatory framework, suitable for the evolving NBFC sector.

Entity-Based Regulations: Entity-based regulations offer a holistic view of overall risk exposure for specific financial institutions, addressing systemic risks arising from various activities within a single entity. These regulations are generally easier to implement and enforce, as they apply uniformly to a set of entities. But they may be less precise in targeting specific activities and slower to adapt to changes.

Activity-Based Regulations: Activity-based regulations allow for precise targeting of risky financial activities, regardless of the type of institution involved. This approach can result in a fragmented regulatory landscape, making oversight more complex, and systemic risks from multiple activities may remain undetected. To avoid regulatory arbitrage, the principle of "same risk, same activity, same regulation" is advocated but needs to be calibrated for effective yet non-stifling regulations.

Regulatory Approach: The RBI has developed a nuanced approach, recognizing the specialized activities of NBFCs, each carrying unique risks. This approach balances prudential regulations, focusing on solvency and financial stability, with conduct of business regulations, ensuring fair practices towards customers. The current regulatory landscape combines entity and activity-based approaches under these two pillars.

Risks and Challenges

NBFCs have grown increasingly interconnected with banks, which can amplify systemic risks, particularly during periods of financial stress. This interconnectedness manifests both directly (e.g., through debt instruments, shares, or other contractual relationships) and indirectly (e.g., through common exposures to sectors, markets, or

instruments). One major issue is the concentration and contagion risks associated with being large net borrowers, particularly with high exposure to banks.

Many NBFCs maintain multiple borrowing relationships with banks, which can create contagion risks within the financial system due to high leverage. Over-reliance on bank credit and concentrated funding sources may also result in funding challenges during stress events, highlighting the need for NBFCs to diversify their funding sources.

In response to these risks, NBFCs in the middle and upper layers are required to make internal capital assessments similar to the Internal Capital Adequacy Assessment Process (ICAAP) for commercial banks. This involves factoring in various risks, including credit risk, market risk, operational risk, and other residual risks. The PCA framework in the upper and middle layers operational for NBFCs with effect from October 2022 will extend to the government NBFCs (excluding those in the base layer) from October 2024. This framework is designed to address financial weaknesses in NBFCs proactively.

The implementation of Scale Based Regulation (SBR) has introduced a layer-wise regulatory structure based on the size, activity, and perceived riskiness of NBFCs, ensuring a more tailored and effective oversight mechanism. Despite the increase in the share of public deposits in the total borrowings of NBFCs-D (deposit-taking NBFCs) due to competitive interest rates and robust credit ratings, the number of NBFCs permitted to accept deposits has been declining, which might affect their funding stability in the long run.

NBFCs have shown significant credit growth, with their credit intensity (credit to GDP ratio) rising steadily. The spreads on bonds issued by NBFCs have remained below prepandemic levels, reflecting improved market confidence and increased activity in the sector. In their pursuit of high growth, NBFCs may oversimplify underwriting processes, which can compromise the quality of their loan portfolios. It is crucial for NBFCs to balance ease of lending with stringent underwriting standards. Another concern involves the practices of NBFC-P2Ps, where some have been found to engage in non-compliant activities. Individual lenders on these platforms might not fully understand the risks involved in providing credit, and misleading practices such as promising high returns and structuring transactions irresponsibly have been observed.

The increasing reliance on digital mediums and partnerships with FinTechs has heightened technology-related risks, including cybersecurity threats and operational disruptions. To manage these risks effectively, NBFCs need to implement robust risk mitigation measures that go beyond regulatory minimum requirements. Addressing these concerns is essential for the sustainable growth and stability of the NBFC sector in India.

Road Ahead

The future of Non-Banking Financial Companies (NBFCs) in India is poised for significant growth and transformation. To capitalize on emerging opportunities, NBFCs need to focus on enhancing financial literacy and fostering responsible borrowing and saving behaviours. With technology becoming more integral to daily life, the risk of cyber fraud and unscrupulous activities increases. By empowering individuals with financial knowledge, NBFCs can drive sustainable and responsible economic growth, ensuring that all segments of society benefit from financial advancements.

To thrive in the evolving financial landscape, NBFCs must address the credit needs of underserved segments, leverage new sources of funds, and embrace technological advancements. Promoting financial literacy will be crucial in protecting consumers and promoting informed financial decisions. By integrating these strategies, NBFCs can play a pivotal role in driving universal and sustainable economic growth, ensuring that the benefits of financial inclusion and technological innovation are widely shared across the nation.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled **'Forward-Looking Statements'** on page 16 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements and also the sections entitled **'Risk Factors'**, **'Industry Overview'**, **'Financial Statement'** and **'Management's Discussion and Analysis of Financial Condition and Results of Operations'** on pages 20, 61, 97 and 98 of this Draft Letter of Offer, respectively, as well as financial and other information contained in this Draft Letter of Offer as a whole, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is based on our Financial Statements included in this Draft Letter of Offer. For further information, see **'Financial Statement'** on page 97 of this Draft Letter of Offer.

BUSINESS OVERVIEW

Our Company was originally incorporated on December 13, 1984, as Rajath Leasing and Finance Limited under the provisions of the Companies Act, 1956 *vide* certificate of incorporation dated December 13, 1984 issued by Registrar of Companies, Gujarat. The Company obtained the certificate of commencement of business on February 4, 1985, from the Registrar of Companies, Gujarat. The name of the company was changed from 'Rajath Leasing and Finance Limited' to 'Rajath Finance Limited' and a fresh certificate of incorporation consequent upon change of name was obtained on July 8, 1999.

The Registered Office of the Company was changed from state of Gujarat situated at '208-215, Star Plaza, Phulchhab Chowk, Rajkot, Gujarat – 360001, India' to State of Maharashtra situated at 'Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai, Maharashtra 400059' *w.e.f.* February 20, 2024. The Corporate Identification Number of the Target Company is L65910MH1984PLC419700.

Our Company is registered with Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under section 45 IA of the Reserve Bank of India Act 1934 *vide* certificate of registration dated August 12, 2024 bearing No. B-13.02490. The Equity Shares of the Company are listed at BSE Limited. The shares of the company are admitted with both the depositories Central Depository Services Ltd. & National Securities Depository Ltd.

Rajath Finance Limited is client's one-stop partner for growth, offering a comprehensive suite of loans and supply chain financing solutions designed to unlock MSME Company's full potential. We go beyond financing, providing expert guidance to clients to help navigate their financial landscape and achieve their business goals. . *As a part of prudential norm, all types of loans shall have a threshold limit of 15% of capital at individual level and a cap of 25% of the capital at group level of borrowers.* Currently, we are offering the following bouquet of services to our clients:

- A. **Supply Chain Finance:** Supply Chain Finance being the major thrust of the Company to enable its customers to manage their cash flow and working capital, the product includes the following:
1. **Vendor Finance:** Vendor financing is Anchor based funding arrangement, where an Anchor (buyer) makes arrangements with the Financier for funding its Trade Payable. Here the Vendors (suppliers) act as the Borrowers and Anchor provides the trade confirmation without Financial Obligation or may act as a Guarantor to the Lender.

Broad Product Terms:

- a) Exposure to a single Anchor borrower shall not be more than 10 Crore.
- b) Exposure to a single Vendor of the Anchor shall be subject to maximum limit of 2 Crore
- c) The sanctioned limit will have a revolving limit sanctioned for maximum 12 months and can be renewed periodically thereafter.
- d) Duration of a single tranche of loan shall be for a minimum period 30 days and for a maximum period up to 120 days.

2. **Purchase Invoice Financing:** Purchase Invoice Finance is about funding a Buyer for making payment to the suppliers through Purchase Invoice Finance program. In this case of Purchase Invoice Finance, the Buyer act as an Anchor and Borrows against Purchase Invoices.

Broad Product Terms:

- a) The Credit Exposure to a Single Anchor shall not be more than 10 Crore.
- b) The sanctioned limit will have a revolving limit to be sanctioned for maximum 12 months and can be renewed periodically thereafter
- c) Duration of the single tranche will be for a minimum period of 30 days and for a maximum upto 120 days

3. **Dealer Financing:** Dealer finance is financing solution for the dealers of a Seller, who acts as an Anchor, who may or may not act as Guarantor against loans to its Dealer by the lender depending on the agreed Dealer Financing program. The Dealers of the Anchor act as Borrowers under this financing transaction.

Broad Product Terms:

- a) The Credit Exposure of a single borrower shall not be more than ₹ 50 lakh.
- b) Aggregate exposure at single Anchor level shall not be more than ₹ 10 crore
- c) The sanctioned limit will have a revolving limit to be sanctioned for maximum 12 months and will be renewed periodically thereafter.
- d) Duration of the single tranche will be for a minimum period of 30 days and for a maximum up to 120 days

4. **Sales Bill Discounting:** Sales Invoice Finance is funding on the invoices value against supplies made to reputed Buyer. In Sales Bill Discounting, the Seller act as the Borrower against bills receivable.

Broad Product Terms:

- a) Exposure against a single Anchor shall not be more than ₹ 10 crore
- b) The sanctioned limit will have a revolving limit to be sanctioned for maximum 12 months and will be renewed thereafter.
- c) Duration of the single tranche will be minimum period of 30 days and maximum period up to 120 days

5. **Revenue Based Financing:** Revenue-based financing is financing against future income of the Borrower. The repayment is done by the Borrower from revenue.

Broad Product Terms:

- a) Exposure to a single borrower shall not be more than ₹ 1 crore.
- b) The sanctioned limit shall be to such an extent where the expected EMI for repayment of loan plus interest should be less than 50% of their average monthly revenue income.
- c) The limit will be sanctioned for maximum 12 months and will be renewed thereafter
- d) Duration of the single tranche will be maximum up to 180 days

6. **Receivable Financing:** This financing is made when a business wants to avail loan against its outstanding account receivable as collateral. These receivables are invoices issued to customers, but payment is not due.

Broad Product Terms:

- a) Exposure to a single Borrower shall not be more than ₹ 50 Lakh.
- b) The sanctioned limit shall be to such an extent that the expected EMI for repayment of loan plus interest should be less than 50% of their average monthly credit collection.
- c) The limit will be sanctioned for maximum 12 months and will be renewed thereafter
- d) Duration of the single tranche will be maximum up to 1 year

7. **Unsecured Loan:** It is a loan designed for entrepreneurs, small and medium businessmen, artists, craftsmen, designers for expansion of their business or towards working capital.

Broad Product Terms:

- a) Exposure to a single borrower should not be more than ₹ 50 Lakh subject to a threshold limit of 15% of capital of the Company
- b) Exposure at a group level should not be more than 25% of capital of the Company
- c) The limit will be sanctioned for maximum 36 months and renewable thereafter.

8. **Agri Financing:** Finance can be made available to Food Processors, Mills, trading units for purchase of raw materials either through hypothecation of stocks or as unsecured loan.

Broad Product Terms:

- a) Exposure to a single borrower should not be more than ₹ 50 Lakh
- b) The Loan Tenure ranging from 30 days to 180 days.
- d) The sanctioned limit will be a revolving limit to be sanctioned for maximum 12 months and will be renewed thereafter

9. **Green Financing:** Green financing allows the borrower to purchase Electric Vehicles and Solar power system installation against loan and then repay the loan over a period of time.

Salient Features - Solar:

- a) Collateral-free solar loan with a one-time investment.
- b) Arranging Solar Panels, Meters, Wires, and Inverters for faster installation.
- c) Arranging/Handling various approvals with DISCOM.
- d) LTV: up to 80% of cost

Salient Features - EV

- a) Term loan for purchase of EV 3W and 4W for commercial purposes whether passenger vehicles or good/ cargo vehicles.
- b) Tenure of loan based on life of vehicle (battery life) ranging from 12 months to 60 months
- c) LTV: 80 to 90% of on road price
- d) Borrowers can be fleet operators, leasing companies or any other entities in EV segment

Broad Product Terms:

- e) Exposure of a single borrower should not be more than ₹ 300 lakh
- f) Financing of Solar Panels plus Ancillaries
- g) Duration of the tenure of loan will be minimum 12 months and maximum up to 60 Months

10. **Personal loan:** It is a small loan designed for general consumers/ individuals to meet their emergency/ unforeseen expenses such as medical expenses/ Educational Expenses of Children/ Purchase of Consumer Durable.

Salient Features:

- a) Loan to salaried Employees of Govt/ Semi Govt/ Private structured Organization or Self-employed individuals.
- b) Minimum income in last two financial years of ₹ 3 lakh per annum
- c) Good CIBIL score and credit history

Broad Product Terms:

- a) Exposure to a single borrower should not be more than ₹ 3 Lakh.
- b) The loan will be sanctioned for maximum period of 36 months.

The Company will largely operate on digital first mode which means company will operate through digital medium. It will source customers through various business partners and fintech entities based on the products it is offering. The company proposes to do own book lending as well as co-lending with other NBFC's and banks. It may also explore to do Business Correspondence (BC) for larger Financial Institution or, NBFC's or banks.

Our mission is to become the go-to brand for all business needs, especially MSMEs by delivering a seamless and hassle-free tech driven lending experience by reducing turnaround time and quicker transactions.

Our vision is to be at the forefront in the fintech lending space, democratizing finance with innovative solutions and ensuring businesses and especially MSMEs in India achieves its true potential.

Company stands at the dynamic intersection of funds, technology and dreams. We see ourselves as more than just a new-age NBFC. We are the creators of possibility, on a mission to empower businesses, especially MSMEs and fuel India's growth.

- **Customer Centricity** is embedded into our DNA. This manifests itself in our rock-solid digital infrastructure, one that's future-proof and ready to serve clients seamlessly. By prioritizing digital channels, we're embracing the future of customer acquisition and service.
- **Transparency** is our cornerstone. We are proud to be a listed entity, operating with openness and accountability. This translates to regular disclosures on our financial performance, risk management practices, corporate governance structure and any events impacting our stakeholders.
- **Efficiency** is at the core of everything we do. Technology is the driving force behind our precision and speed. Our Business Rule Engines (BREs) guide our decision-making, ensuring fast turnaround times without compromising quality.

MAIN OBJECTS OF OUR COMPANY AS PER MOA

1. To carry on in India and elsewhere the business of financing, secured or unsecured, industrial micro financing to individuals, micro entities, companies, societies, institutions or other entities, incorporated or not through individual lending basis, group lending basis, joint liability group basis or supply chain financing, Digital Bill Discounting, Short Term long and Medium and long term Financing, issue of Bonds and supply chain business bonds, green bonds etc. through any other method for meeting their requirement for working capital needs, housing needs, acquisition and buying in of goods or merchandise of any description or for their productive or personal financial requirements and business of leasing of movable properties of any kind and industrial machinery, plant of all kinds and financing the purchase thereof with financing the purchase of immovable properties of all kinds such as real estate, buildings, flats and apartments and to finance the sale of furniture, apparatus, machinery, materials, goods and articles, and to lease out or sell any of the same on hire purchase system.

2. To advance, deposit or lend money, securities and properties to or with any company, body corporate, firm, person or association whether falling under the same management or otherwise, in accordance with and to extent permissible under the provisions contained in Sections 185 and 186 of the companies Act, 2013 with or without any securities and on such terms as may be determined from time to time and to carry on business of money lending. However, the company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.
3. To carry out financing operation and perform financing services including factoring, project finance, consultancy, credit reporting, credit collectors, underwriters, registrars, brokers with provisions for computer services.
4. To provide a leasing advisory consulting services to other entities and/or form the leasing arm of other entities.
5. To carry on the business of providing Microfinance Services (mainly Non-Banking Financial Services as permitted by the Reserve Bank of India), financing to targeted to the poor men and women in generation and enhancement of livelihoods, business development, employment generation, the economic and development activities of poor men and women through term loans, collateral free credit, other forms of credits, thrift and savings, and other financial services, rendering financial services to people by acting as intermediary for banks and financial institutions, providing finance or agricultural related activities, provide / arrange finance / financial services for rural & urban housing development related activities and to carry on and undertake the business of research, consultancy, technical assistance and training in the field of livelihood promotion, development of micro/community development finance and other financial services, as intermediary for other companies or organizations, resource center institutions.
6. To carry out such other business which are permissible under direction of Reserve Bank of India and other applicable laws in force which includes but not limited to Forex, Derivatives, hedging etc. in India or elsewhere.

OUR COMPETITIVE STRENGTHS

We believe that the following are our key strengths:

- ***Long-standing relationship with our client.***

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

- ***Elevate corporate excellence through robust governance standards.***

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

- ***Internal Control and Risk Management***

The Company believes that it has internal controls and risk management systems to assess and monitor risks. The Company seeks to monitor and control its risk exposure through a variety of separate but

complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

- ***Ethical practice and compliance***

Ethics and compliance are fundamental to the financial advisory profession. It's critical to adhere to a strict code of ethics and comply with regulatory requirements to maintain your license and reputation. This includes: **Transparency**: Being transparent about fees, potential conflicts of interest, and the risks involved in financial products. **Fiduciary responsibility**: Acting in clients' best interest at all times rather than for personal gain. **Ongoing training**: Participating in continuing education to keep up to date with regulatory changes and ethical standards. By prioritizing ethical practices and compliance, advisors protect themselves from legal repercussions and build a reputation of integrity and trustworthiness, which is crucial for long-term success.

OUR STRATEGIES

- **Growing our Clientele database**

The Company believes that business is a by-product of relationship. Since, most of our loans are short term as well as unsecured in nature, this business model is heavily reliant on client relationships that are established over period of time. The Company believes that a long term client relationship with large clients fetches better dividends. The Company intends to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to the Company's business and are likely to enhance its opportunities.

- ***Address growing financial needs in underserved markets.***

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

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

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

COMPETITION

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


FINANCIAL PERFORMANCE

(Amount in Lakh)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Total Income	9.36	33.12	34.29
Total Expenses	172.79	47.50	1.79
Profit before Tax (PBT)	-163.42	-14.38	32.50
Profit after Tax (PAT)	-125.12	-11.05	24.16
Total Comprehensive Income	-115.43	-11.05	24.16
Earnings per Share (EPS)	-3.13	-0.28	0.60

INTELLECTUAL PROPERTY

As on date of this Draft Letter of Offer, Our Company has applied for following Trademark Registration.

Sr. No	Trade Mark	Class	Application No.	Date if Application	Status
1		36	6379614	08/04/2024	Objected*

* the status of the trademark application where an objection was raised, and the company has responded to the objection

TANGIBLE AND INTANGIBLE ASSETS

(Amount in lakh)

Sr. No.	Particulars of Assets	As on March 31, 2024	As on March 31, 2023
1.	Vehicles	73.77	84.84
2.	Buildings	20.52	21.11
3.	Furniture's and Fixtures	0.07	0.08
4.	Computers	2.53	0.67
5.	Office Equipment's	0.56	0.31
6.	Plant & Machinery	1.21	-
7	Intangible Assets	2.47	-

UTILITIES AND INFRASTRUCTURE FACILITIES

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

COLLABORATIONS/ TIE UPS/ JOINT VENTURES

As on date of this Draft Letter of Offer, we do not have any Collaboration/Tie Ups/ Joint Ventures.

INSURANCE

We do not have any insurance policy as on the date of this Draft Letter of Offer.

PLANT AND MACHINERY

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

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We understand that our organization's key differentiation is derived from the collective strength of its human capital. The Company takes multiple initiatives to strengthen its people's capital. This includes sharpening of skills at regular intervals through well-defined learning and development initiatives and a host of employee engagement policies.

Following is a department wise break up of employees as on October 31, 2024:

Category	Total
Management (Independent + Non Independent Director)	3
Others	3
Total	6

HEALTH SAFETY AND ENVIRONMENT

We are committed to globally accept best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. In order to ensure effective implementation of our practices, we have implemented a safety, health and environment policy wherein we have committed to, inter alia, the maintenance of a safe workplace and providing the necessary training to employees in our workplace. We believe that we comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees and subcontractors at our project sites and manufacturing facilities.

COMPETITION

The construction industry in India is very competitive. Our competition depends on various factors, such as the type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. Thus we believe that our large network and comprehensive service offering as well as our established reputation enables us to compete effectively in the market.

MARKETING

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

OUR MANAGEMENT

BOARD OF DIRECTORS

Currently, our Company has 3 (three) Directors on our Board, comprising of 1 (One) Executive Directors and 2 (Two) Non-Executive Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India. The Articles of Association provide that our Company shall not have less than three Directors and not more than 15 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.

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

Sr. No	Name, Father's name, DOB, Address, Occupation, Nationality, tenure & DIN	Age in Years	Status of Directorship in our Company	Other Directorships
1	Gautam Kirtikumar Shah S/o Kirtikumar Girdharlal Shah D.O.B. – 13-10-1978 Address: Girikunj, Flat No. 21/22, 5 th Floor, NS Road, above Bank of Baroda, Churchgate, Marine Lines, Mumbai – 400020 Occupation: Businessman Nationality: Indian Tenure: 5 Years <i>(w.e.f. January 25, 2024)</i> DIN: 06379806 PAN: AAFPS1443J	46	Managing Director	1. Chintamani Productions Private Limited 2. Billmart Capital Services Private Limited 3. Cylene Infra Private Limited 4. Billmart Fintech Private Limited 5. Knight And Noble Travel Limited 6. Parshwashanti Buildinfra Projects Private Limited 7. Chintamani Enclave Private Limited 8. Saujanya Consultants Private Limited 9. Nemi Intelligence Private Limited 10. Shree Swami Shitalnatha Enterprises LLP 11. 9Anium Tech LLP 12. Acquiescent Enterprises LLP 13. Shree Harsh Shanti Enterprises LLP 14. Parshwashanti Infra Services LLP
2	Ashok Kumar Nag S/o Sachindra Nath Nag D.O.B.: 11-04-1954 Address: A/504, Divya Jyot CHS, Chikuwadi, Borivali West, Mumbai – 400 092 Occupation: Business Nationality: Indian Tenure: 5 Years <i>(w.e.f. August 14, 2024)</i> DIN: 06796476 PAN: AAAPN2732Q	70	Independent Director	1. 3.0 Verse Limited 2. National Spot Exchange Limited

Sr. No	Name, Father's name, DOB, Address, Occupation, Nationality, tenure & DIN	Age in Years	Status of Directorship in our Company	Other Directorships
3	<p>Sarat Kumar Malik S/o Anadi Charan Malik D.O.B.: 12-03-1961 Address: A/2301, Rushi Heights, Riddhi Garden, Malad (East), Mumbai – 400097. Occupation: Business Nationality: Indian Tenure: 5 years (<i>w.e.f. May 08, 2023</i>) DIN: 09791314 PAN: AAFPM3984J</p>	63	Independent Director	<p>1. Bio Green Papers Limited 2. String Metaverse Limited 3. Spacenet Enterprises India Limited</p>

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 5 (Five) years preceding the date of this Draft Letter of Offer.

Relationship between Directors

None of the Directors are related to each other as per the provisions of the Companies Act, 2013.

Brief Profiles of Directors

1. Mr. Gautam Kirtikumar Shah

Mr. Gautam Kirtikumar Shah, aged 46 years, is one of the promoter and Managing Director of our Company. He has qualified bachelor's degree in commerce from University of Mumbai and has completed his Master's in Business Administration from Jammalal Bajaj Institute of Management Studies. He has a rich diversified experience of more than 22 years in the field of real estate development, leasing and real estate project marketing, Digital Bill Discounting and Supply Chain Finance and Fibre Optic Connectivity and Laying of Fibre Cables.

He has also invested in state-of-the-art air-conditioned shooting floors, which demonstrates Mr. Shah's dedication to provide top-tier facilities for the entertainment industry and also invested in a cutting-edge AI companies which handles back-end banking cheque clearance processes, banking sector and streamline medical claim approvals in the healthcare sector, using state-of-the-art AI technology. He is responsible for the company's vision and strategy, leads day-to-day operations, develops strategy, products and global operations and manages the company's overall performance.

2. Mr. Ashok Kumar Nag

Mr. Ashok Kumar Nag, aged 70 years, is appointed as a Non-Executive Independent Director of our Company. He has completed his PhD and M. Stat Degree (First Division at both levels) from Indian Statistical Institute, Calcutta. Received B. Stat. He has rich diversified experience of more than 25 years in Finance and Research. He was associated with Reserve Bank of India for a period of appx 21 years under different capacities. Later, he was a research associate at the Center for Development Studies at Trivandrum in the state of Kerala and was also associated as a Lecturer of Statistics in department of Commerce and Business of Calcutta Management, University. He provides oversight, governance, strategic input, and ensure the company operates transparently and ethically

3. Mr. Sarat Malik

Mr. Sarat Malik, aged 63 years, is appointed as a Non-Executive Independent Director of our Company. He has done BA (Economics) from Ravenshaw College, Cuttack Odisha, MA (Economics) from Jawaharlal Nehru University, New Delhi and has done Ph. D: Stock Market Development and Long-run Growth in India, Guide: Prof. Enrol D'Souza, Director IIM Ahmedabad. He has more than 23 years of experience as Chief General Manager in SEBI. He was associated with RBI for about 11 years and worked in the areas of Banking Supervision, Foreign Exchange, Public Debt Office, Commercial Banking, NBFC, Rural Credit, Monetary Policy etc. He is also member of various committees viz., Government of Maharashtra, member of Committee on Financial Statistics set up by Statistical Commission of Government of India, Member of Committee on Fintech and Banking Technology set up by RBI, Member of Committee on Capital Market Development in SAARC countries set up by SAARC, Kathmandu, Member, Policy Advisory Group, SEBI, Editor – SEBI Monthly Bulletin for some years. He provides oversight, governance, strategic input, and ensure the company operates transparently and ethically.

Independent Directors are crucial in maintaining a balance of power within the board, ensuring that the executive management does not have unchecked authority, and acting in the best interests of shareholders.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have Board constituted Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board with detailed reports on its performance periodically.

Currently, our Company has 3 (three) Directors on our Board, comprising of 1 (One) Executive Directors and 2 (Two) Non-Executive Independent Directors.

The following committees have been formed in compliance with the Corporate Governance norms:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

DETAILS OF KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT PERSONNEL

Sr. No	Name	Qualification	Designation	Previous Employment	Area of Experience in Company	Nature of Employment
1	Mr. Gautam Kirtikumar Shah Tenure: 5 Years Joining Date: January 25, 2024)	Bachelor's degree in commerce from University of Mumbai and Master's in Business Administration from Jamnalal Bajaj Institute of Management Studies	Managing Director		Company's vision and strategy, leads day-to-day operations, products and global operations and manages the company's overall performance	Permanent
2	Mr. Akash Hirenghai Bheda Tenure: NA	Company Secretary	Company Secretary and Compliance Officer	Shrem Alloys Private Limited	Secretarial and Compliance related activities	Permanent

	Joining Date: <i>December 01, 2023)</i>			Roshni Developers Private Limited		
3	Ms. Urvashi Manoj Parmar Tenure: NA Joining Date: <i>January 25, 2024)</i>	Graduate	Chief Financial Officer	Chintamani Group	Financial and Operations part	Permanent

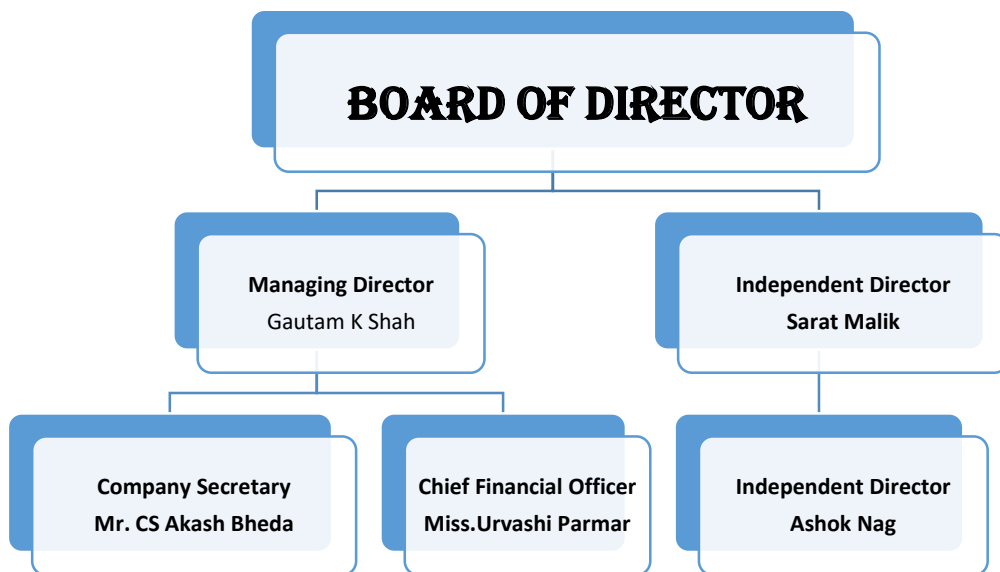
Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

There is no relationship between Key managerial personnel with Our Directors, Promoters and/ or Other Key Managerial personnel.

CONFIRMATIONS

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation (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 the 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 ORGANISATION STRUCTURE



OUR PROMOTERS

Our Promoter is 9Anium Tech LLP, as on the date of this Draft Letter of Offer, the shareholding of our Promoter in our company has been provided below:

Sr. No.	Name of the Promoter	Number of Equity Shares*	Percentage of Equity Shares held (%)
1.	9Anium Tech LLP	29,50,055	73.75
Total		29,50,055	73.75

*Equity Shares are of face value of Rs. 10/- each

Our Company confirms that the permanent account number, bank account number, company registration number or equivalent and the address of the Registrar of Companies with which the promoters is registered of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

9ANIUM TECH LLP

Corporate Information

9Anium Tech LLP is a Limited Liability Partnership incorporated on June 04, 2021 pursuant to the provisions of Section 12(1) of the Limited Liability Partnership Act, 2008 and rules made thereunder. The registered office of the promoter is situated at B/203, Star Manor Apartment, Anand Road, Malad West, Nr. Ruia Hall, Mumbai – 400064, Maharashtra, India. The LLP Identification No. of the promoter is AAX-2847 and PAN is AACFZ8757D; Telephone No.: 9821082117; Email: 9anium@gmail.com. There has been no change in the name of promoter since its incorporation. It is a Limited Liability Partnership and is not listed on any stock Exchange.

The promoter is primarily in the business of providing various block chain technologies and other high end technologies such as artificial intelligence, cloud based computing, machine learnings and newer technologies enabling in increasing efficiencies in businesses and providing alternative and better and new ways of doing businesses with the help of technology and technological platforms and special purpose vehicles or more products / services.

Capital Structure

The Designated Partners/ Partners of the Promoter as on the date of this Draft Letter of Offer are as under

NAME	DESIGNATION	DIN	CAPITAL CONTRIBUTION	
Gautam Kirtikumar Shah	Designated Partner	06379806	19,800	19.80
Shubhra Singh	Designated Partner	09194475	100	0.10
Manish Shah	Partner	00708936	80,000	80.00
Vishwanathan Venkatraman Iyer	Designated Partner	07550254	100	0.10
			1,00,000	100.00

Brief Financial Details

Set forth below is the financial information of 9Anium Tech LLP based on its audited financial statements for the financial year ended March 31 2024, March 31 2023 and March 31 2022:

(Amt in '000s)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Partners' Capital Account	100.00	100.00	100.00
Partners' Current Account	1,14,147.54	1,23,445.22	91,657.67
Total Income	85.29	732.78	591.60
Profit/(Loss) before Tax	(1,947.68)	(4,045.78)	(1442.34)
Profit/(Loss) after Tax	(1,947.68)	(4,045.78)	(1442.34)

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*” and “*Our Management*” beginning on page 51, 97 and 89 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*” beginning on page 97 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 81 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 2 (two) 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*” beginning on page 89 and 97 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

Financial Indebtedness

Except as stated in the “*Financial Information*” beginning on page 97 of this Draft letter of offer, our Promoter has not been in Financial Indebtedness.

Material Guarantees given to third parties

Except as stated in the “*Financial Information*” beginning on page 97 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

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 to, 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 additional 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 adopted a formal dividend policy and have not declared any dividend in the previous three (3) financial years immediately preceding this issue.

VI FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No	Particulars	Page Number
1	Audited Standalone Financial Statements for the financial year ended at March 31, 2022	F1 to F 53
2	Audited Standalone Financial Statements for the financial year ended at March 31, 2023	F54 to F98
3	Audited Standalone Financial Statements for the financial year ended at March 31, 2024	F99 to F145
4	Unaudited Limited Reviewed Financial Results for the quarter ended at September 30, 2024	F146 to F152

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Independent Auditor's Report

To the Members of **M/S RAJATH FINANCE LTD.**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of M/S RAJATH FINANCE LTD. ("The Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

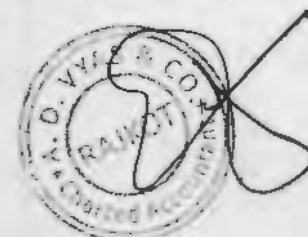
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has



adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

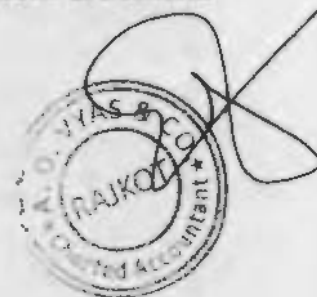
Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

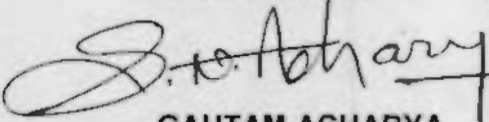
(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us



to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

- v. No dividend have been declared or paid during the year by the company.

For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W





Place:-Rajkot
Date: 27/05/2022
UDIN:22149632AJSGHS7923

GAUTAM ACHARYA
(PARTNER)
Membership No. 149632

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

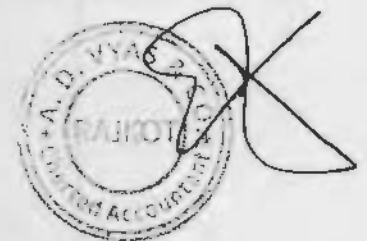
- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification;
 - (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
 - (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
- (a) The company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- (iii)
- During the year the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv)
- In respect of loans, investments, guarantees, and security, provisions of sections 185 and 186 of the Companies Act have been complied with.
- (v)
- The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.



- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,
- (d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.



- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a Nidhi Company. Therefore, clause xii is not applicable on the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company does not require to have an internal audit system.
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) In our Opinion and based on our examination, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the registration has been obtained;
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

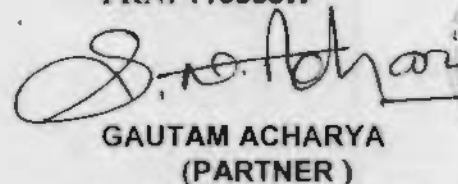


(d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.

- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:-Rajkot
Date: 27/05/2022

For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W


GAUTAM ACHARYA
(PARTNER)
Membership No. 149632



Report on Internal Financial Controls with reference to financial statements

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

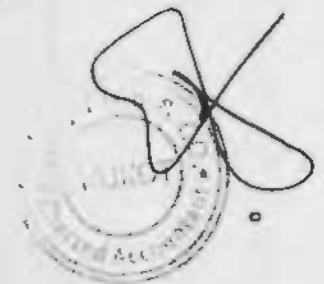
We have audited the internal financial controls over financial reporting of M/S RAJATH FINANCE LTD. ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA" around the perimeter and "AUDITORS" in the center.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting


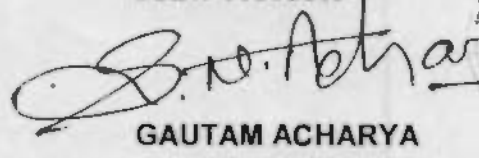
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control



For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W



GAUTAM ACHARYA
(PARTNER)
Membership No. 149632

Place:-Rajkot
Date: 27/05/2022



A. D. Vyas & Co.

Chartered Accountants

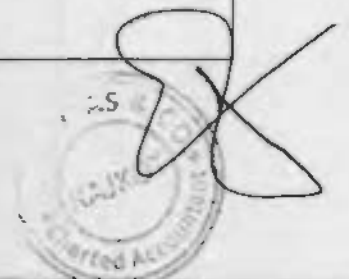
A. D. Vyas

B.Com., F.C.A., D.I.S.A.

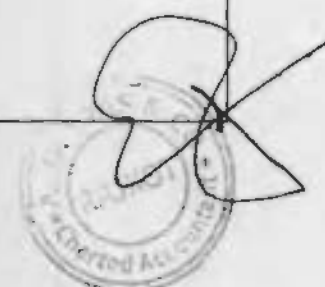
We have examined the books of accounts and other records of **Rajath Finance Limited** for the Financial Year ending March 31, 2022. On the basis of the information submitted to us, we certify the following:

(Write NA whichever is Not applicable)

Sl.	Particulars	Details
1	Name of the company	Rajath Finance Ltd.
2	Certificate of Registration No.	01.00245
3	Registered office Address	208-215, Star Plaza, Nr. Phulchhab Chowk, Rajkot
4	Corporate office Address	208-215, Star Plaza, Nr. Phulchhab Chowk, Rajkot
5	The company has been classified by RBI as : (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6	Net Owned Fund (in Rs. Crore) (Calculation of the same is given in the Annex)	6.86
7	Total Assets (in Rs. Crore)	7.04
8	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	76.32% 98.59%



9	Whether the company was holding any Public Deposits, as on March 31, 2019? If Yes, the amount in Rs. Crore	(Yes/No)
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934).	(Yes/No/NA)
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	(Yes/No)
12	If the company is classified as an NBFC-Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA
13	If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD No 234 CGM (US) 2011 dated December 02, 2011)	NA
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	NA
15	If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets	NA
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI?	(Yes/No) If yes, please specify.



<p>(please refer to per DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015 on the subject for details)</p>	
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In terms of paragraph 2 of Notification No. DNBS.201 /DG (VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

I have read and understood paragraph 5 of Notification No. DNBS. 201 /DG (VL)-2008 dated September 18, 2008.

Place: Rajkot
Date: 27/05/2022



For A.D. Vyas & Co.

Chartered Accountants

(FRN: 143588W)

(GAUTAM ACHARYA)

Partner

Membership no. :149632

Annex

Capital Funds - Tier I		<i>(Rs. In crore)</i>
1	Paid up Equity Capital	4.00
2	Pref. shares to be compulsorily converted into equity	Nil
3	Free Reserves:	
	a. General Reserve	0.24
	b. Share Premium	Nil
	c. Capital Reserves	3.01
	d. Debenture Redemption Reserve	Nil
	e. Capital Redemption Reserve	Nil
	f. Credit Balance in P&L Account	Nil
	g. Other free reserves (may be specified)	Nil
4	Special Reserves	0.55
	Total of 1 to 4	7.80
5	Less: i. Accumulated balance of loss	0.87
	ii. Deferred Revenue Expenditure	Nil
	ii. Deferred Tax Assets (Net)	0.07
	iii. Other intangible Assets	Nil
	Owned Fund	6.86
6	Investment in shares of	Nil
	(i) Companies in the same group	
	(ii) Subsidiaries	Nil
	(iii) Wholly Owned Subsidiaries	Nil
	(iv) Other NBFCs	Nil
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and discounted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	Nil
	(ii) Subsidiaries	Nil
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	Nil
8	Total of 6 and 7	Nil
9	Amount in item 8 in excess of 10% of Owned Fund	Nil
10	Net Owned Fund	6.86

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "CHARTERED ACCOUNTANT" around its perimeter. The signature is a stylized, cursive script.



Auditor's Additional Report

The Board of the Directors
Rajath Finance Ltd.
Rajkot

1. This report is issued in accordance with the requirements of Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 (the "Directions") and on the basis of explanation provided by management of Rajath Finance Ltd. (hereinafter referred to as the "Company") and to the best of our knowledge and belief, for the year ending on 31st March, 2022, we report that
2. We have audited the accompanying financial statements of Company comprising Balance Sheet as at March 31, 2022 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued our report dated 27/05/2022.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



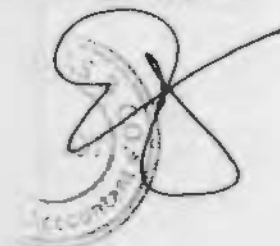
4. The Management is also responsible for compliance with the Reserve Bank of India (hereinafter RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

Auditor's Responsibility

5. Pursuant to the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 as consolidated in RBI Master circular, it is our responsibility to examine the audited books and records of the Company for the year ended 31-03-2022 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on Audit reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India

Opinion

7. Based on our examination of the audited books and records of the Company for the year ended 31-03-2022 as produced for our examination and the information and explanations given to us we report that:
 - 7.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration (CoR) from the bank bearing registration number 01.00245 dated 14th May, 2003.
 - 7.2 The Company is entitled to continue to hold such CoR in terms of its asset as on March 31, 2022.
 - 7.3 Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No. 85/03.02.089 /2006-07 dated 6th December, 2006; the company is not an Asset Finance Company (AFC) for the financial year 2021-22.
 - 7.4 Based on the criteria set forth by the Bank in the Notification viz. Non-Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2011 dated December 02, 2011 for classification of NBFCs as NBFC-MFIs, the company is not a NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the financial year 2021-22.
 - 7.5 The Company has not accepted any public deposits during the year ended March, 2022.

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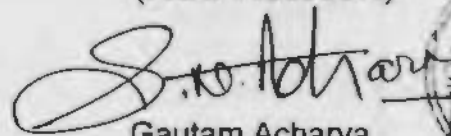
- 7.6 The Company has complied with the prudential norms relating to income recognition, accounting standards asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended up to the date of this report).
- 7.7 Company has not obtained membership of all four Credit Information Companies (CICs) and registered itself with CERSAI for CKYC as required in terms of relevant provisions of RBI Master Directions, Prevention of Money Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

Restriction on Use

8. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing said in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
9. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used by any other person or for any other purpose. A.D.Vyas & Co neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Place: Rajkot
Date: 27/05/2022

For, A.D.Vyas & Co.
Chartered Accountants
(FRN: 1135588W)



Gautam Acharya
(Partner)

M.No.149632

UDIN: 22149632AJSGHS7923



Rajath Finance Limited

Standalone Ind As Balance Sheet as on 31-03-2022

(Rupees in Thousand)

Particulars		Note No.	As at 31-03-2022	As at 31-03-2021
ASSETS				
-1 Financial Assets				
(a)	Cash and cash equivalents	2	13,143.91	4,735.90
(b)	Bank Balance other than (a) above		-	-
(c)	Derivative financial instruments		-	-
(d)	Receivables		-	-
	(I) Trade Receivables		-	-
	(II) Other Receivables		-	-
(e)	Loans	3	53,711.57	62,165.52
(f)	Investments	4	1.50	1.50
(g)	Other Financial assets (to be specified)	5	460.60	443.11
			67,317.58	67,346.03
-2 Non-financial Assets				
(a)	Inventories	6	209.43	209.43
(b)	Current tax assets (Net)		-	-
(c)	Deferred tax Assets (Net)	7	655.24	1,483.91
(d)	Investment Property		-	-
(e)	Biological assets other than bearer plants		-	-
(f)	Property, Plant and Equipment	8	2,196.22	2,277.10
(g)	Capital work-in-progress		-	-
(h)	Intangible assets under development		-	-
(i)	Goodwill		-	-
(j)	Other Intangible assets		-	-
(k)	Other non-financial assets (to be specified)		-	-
			3,060.89	3,970.44
	Total Assets		70,378.47	71,316.48
LIABILITIES AND EQUITY				
LIABILITIES				
-1 Financial Liabilities				
(a)	Derivative financial instruments		-	-
(b)	Payables	9	-	-
	(I) Trade Payables		-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,070.13	4,435.34
	(II) Other Payables		-	-



(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.32	3.20
(c) Debt Securities		-	-
(d) Borrowings (Other than Debt Securities)		-	-
(e) Deposits		-	-
(f) Subordinated Liabilities		-	-
(g) Other financial liabilities(to be specified)		-	-
		1,074.45	4,438.54
-2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)			
(b) Provisions	10	20.00	10.00
(c) Deferred tax liabilities (Net)			
(d) Other non-financial liabilities(to be specified)		-	-
		20.00	10.00
-3 EQUITY			
(a) Equity Share capital	1	40,000.00	40,000.00
(b) Other Equity	1	29,284.03	26,867.94
		69,284.03	66,867.94
Total Liabilities and Equity		70,378.47	71,316.48


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

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113588W)

G. Acharya


GAUTAM ACHARYA

PARTNER

Membership No: 149632

Place: Rajkot

Date: 27/05/2022

For and on behalf of the Board of Directors

B. V. Va
 Bhavdeep Vata
 Director

DIN: 00153775

H. Bagdai
 Hitesh Bagdai
 Managing Director

DIN: 00575732

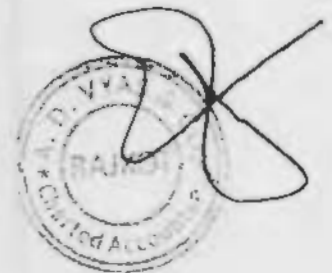
N. Vachhani
 (CS Dea N. Vachhani)
 Company secretary cum
 compliance officer
 M.No. A26801

Standalone Ind AS Statement of Profit and Loss

For the year ended March 31, 2022

(Rupees in Thousand)

Particulars	Note No.	Year Ended	Year Ended
		31.03.2022	31.03.2021
Revenue from operations			
(i) Interest Income	11	3,381.20	3,715.87
(ii) Dividend Income	12	48.20	30.34
(iii) Rental Income			
(iv) Fees and commission income			
(v) Net gain on fair value changes			
(vi) Net gain on derecognition of financial instruments under amortised cost category			
(vii) Sale of products(including Excise Duty)			
(viii) Sale of services			
(ix) Others (to be specified)			
(I) Total Revenue from operations			
(II) Other Income (to be specified)	13	-	-
(III) Total Income (I+II)		3,429.40	3,746.21
Expenses			
(i) Finance Costs			
(ii) Fees and commission expense			
(iii) Net loss on fair value changes			
(iv) Net loss on derecognition of financial instruments under amortised cost category			
(v) Impairment on financial instruments			
(vi) Cost of materials consumed			
(vii) Purchases of Stock-in-trade			
(viii) Changes in Inventories of finished goods, stock-in- trade and work-in- progress	14	-	-
(ix) Employee Benefits Expenses	15	809.79	619.31
(x) Depreciation, amortization and impairment		80.88	275.83
(xi) Others expenses (to be specified)	16	-711.42	2,379.89
(IV) Total Expenses (IV)		179.25	3,275.03
(V) Profit / (loss) before exceptional items and tax (III- IV)		3,250.15	471.19



(VI)	Exceptional items		
(VII)	Profit/(loss) before tax (V -VI)		
(VIII)	Tax Expense:		
	(1) Current Tax		
	(2) Deferred Tax	-828.67	-297.45
	Excess/short provision relating earlier year tax	-5.38	-
	Profit / (loss) for the		
(IX)	period from continuing operations(VII-VIII)	2,416.09	173.74
(X)	Profit/(loss) from discontinued operations		
(XI)	Tax Expense of discontinued operations		
(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)		
(XIII)	Profit/(loss) for the period (IX+XII)	2,416.09	173.74
(XIV)	Other Comprehensive Income		
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)		
	(ii) Income tax relating to items that will not be reclassified to profit or loss		
	Subtotal (A)		
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		
	(ii) Income tax relating to items that will be reclassified to profit or loss		
	Subtotal (B)		
	Other Comprehensive Income (A + B)		
	Total Comprehensive Income for the period		
(XV)	(XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for	2,416.09	173.74



the period)

(XVI) Earnings per equity share (for continuing operations)

Basic (Rs.)	0.60	0.04
Diluted (Rs.)	-	0

(XVII) Earnings per equity share (for discontinued operations)

Basic (Rs.)	-	-
Diluted (Rs.)	-	-

(XVIII) Earnings per equity share (for continuing and discontinued operations)

Basic (Rs.)	0.60	0.04
Diluted (Rs.)	-	0

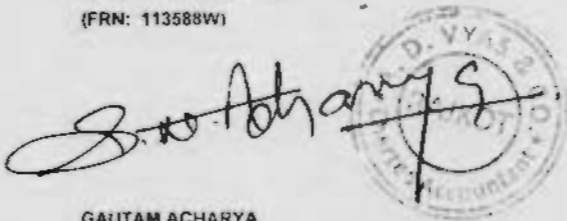
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113588W)



GAUTAM ACHARYA

PARTNER

Membership No.: 149632

Place: Rajkot

Date: 27/05/2022

For and on behalf of the Board of Directors

Bhavdeep Vala

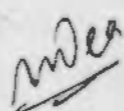
Director

DIN: 00153775

Hitesh Bagdai

Managing Director

DIN: 00575732



(Cs Dea N. Vachhani)
company secretary cum
compliance officer
M.No. A26801

Standalone Ind AS statement of change in Equity
For the year ended March 31, 2022

NOTE NO. 1

a) Equity Share Capital

Balances as on April 01, 2021	40000000
Add: Issue of share capital	0
Balances as on March 31, 2022	40000000

b) Other Equity

(Rupees in Thousand)

	Share applicab on money pending allocat ion	Equity component of compou nd financial instrume nts	Reserves and Surplus						Debt instrumen ts through Other Comprehen sive Income	Equity Instrumen ts through Other Comprehen sive Income	Effecti ve portio n of Cash Flow Hedge s	Revalu ation Surplus	Exchang e differenc es on translati ng the financial stateme nts of a foreig n operatio n	Other items of Other Compre hensive Income (specify nature)	Money receiv ed again st share warra nt s	Total
			Statutory Reserves	Capital Reserves	Securities Premium	Special Reserve	General Reserve	Retained Earning								
Balance at the beginning of the reporting period	-	-	-	30,056.50	-	5,051.35	2,432.88	-10,672.80	-	-	-	-	-	-	-	26,767.93
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A circular stamp of a Chartered Accountant is visible, containing the text 'C.A. D.V.' and 'Chartered Accountant'. A handwritten signature is written over the stamp.

Comprehensive Income for the year																
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	-	483.22	-	1,932.87	-	-	-	-	-	-	-	2,416.09
Balance at the end of the reporting period	-	-	-	30,056.50	-	5,534.57	2,432.88	(8,739.92)	-	-	-	-	-	-	-	29,284.03

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "A. D. VYAS" at the top, "RAJKOT" in the center, and "Chartered Accountant" at the bottom.

Note No. 1 Share Capital

(Rupees in Thousand)

Particulars	As at 31st March 2022	As at 31st March 2021
Authorised :		
7500000 (31/03/2019 7500000) Equity shares of Rs. 10.00/- par value	75000.00	75000.00
Issued :		
4000000 (31/03/2019 4000000) Equity shares of Rs. 10.00/- par value	40000.00	40000.00
Subscribed and paid-up :		
4000000 (31/03/2019 4000000) Equity shares of Rs. 10.00/- par value	40000.00	40000.00
Total	40000.00	40000.00

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

(Rupees in Thousand)

	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	4000.00	40000.00	40000.00	40000.00
Issued during the Period	Nil	Nil	Nil	Nil
Redeemed or bought back during the period	Nil	Nil	Nil	Nil
Outstanding at end of the period	4000.00	40000.00	4000.00	40000.00

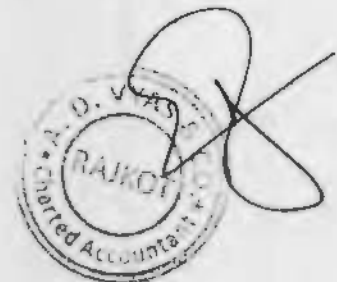
Details of shareholders holding more than 5% shares in the company

Type of Share Name of Shareholders

Type of Share	Name of Shareholders	As at 31st March 2022		As at 31st March 2021	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Equity (NV, 10.00)	Hitesh Bagdai	896,853	22.42	896,853	22.42
Equity (NV, 10.00)	Poonam Bagdai	896,851	22.42	896,851	22.42
Equity (NV, 10.00)	Bhavdeep Vala	996,851	24.92	996,851	24.92
Equity (NV, 10.00)	Samco Securities Limited	826,012	20.65	826,012	20.65
	Total :	3,616,567	90.41	3,616,567	90.41

Details of Shareholding by Promoters

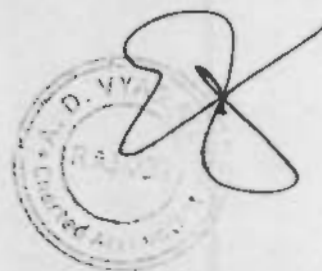
Type of Share	Name of Shareholders	No. of Shares as on 31-03-2022	No. of Shares as on 31-03-2021
Equity (NV, 10.00)	Hitesh Bagdai	896,863	896,863
Equity (NV, 10.00)	Poonam Bagdai	896,851	896,851
Equity (NV, 10.00)	Bhavdeep Vala	996,851	996,851



Note: 2 Cash and cash equivalents

(Rupees in Thousand)

Particulars	As	at	As	at
	31.03.2022	31.03.2021	31.03.2021	31.03.2021
Cash on Hand	380.78		418.92	
	-		-	
Balance with Bank	-		-	
- In Current Accounts	12,763.13		4,316.99	
Total	13,143.91		4,735.90	

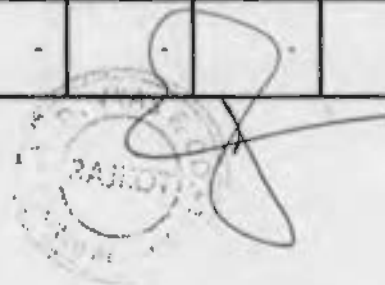


NOTE NO.3 LOANS

(Rupees in Thousand)

	(Current Year)						(Previous Year)								
	Amortised cost	At Fair Value			Sub- total	Total	Amortise d cost	At Fair Value			Sub- total	Total			
		Through Other Comprehensive Income	Through profit or loss	Designat ed at fair value through profit or loss				Through Other Comprehensive Income	Through profit or loss	Designat ed at fair value through profit or loss					
													-1	-2	-3
Loans															
(A)															
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	56,927.28	-	-	-	-	56,927.28	67,415.18	-	-	-	-	-	-	-	67,415.18
(iii) Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) – Gross	56,927.28	-	-	-	-	56,927.28	67,415.18	-	-	-	-	-	-	-	67,415.18

Less: Impairment loss allowance	3,215.71	-	-	-	-	3,215.71	5,249.66	-	-	-	-	5,249.66
Total(A) Net	53,711.57	-	-	-	-	53,711.57	62,165.52	-	-	-	-	62,165.52
(B) (i) Secured by tangible assets	0	-	-	-	-	-	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Govern ment Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	53,711.57	-	-	-	-	53,711.57	62,165.52	-	-	-	-	62,165.52
Total (B)- Gross	53,711.57	-	-	-	-	53,711.57	62,165.52	-	-	-	-	62,165.52
Less: Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)- Net	53,711.57	-	-	-	-	53,711.57	62,165.52	-	-	-	-	62,165.52
(C) (i) Loans in India												



RAJIV D. SHAH

(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others (to individual and entities other than public sector)	53,711.57	-	-	-	-	53,711.57	62,165.52					62,165.52
Total (C)-Gross	53,711.57	-	-	-	-	53,711.57	62,165.52					
Less: Impairment loss Allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (I)-Net	53,711.57	-	-	-	-	53,711.57	62,165.52					62,165.52
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss Allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II)-Net	-	-	-	-	-	-	-	-	-	-	-	-
Total C(I) and C (II)	53,711.57	-	-	-	-	53,711.57	62,165.52					62,165.52

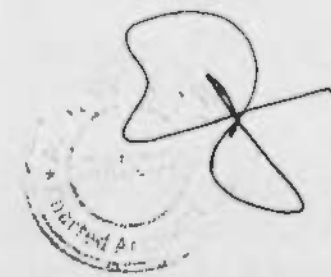
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NOTE NO.4 INVESTMENT

(Rupees in Thousand)

Investments	(Current Year)							(Previous Year)						
	Amortised cost	At Fair Value			Sub- Total	Others	Total	Amortised cost	At Fair Value			Sub- Total	Others'	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss					Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
		-1	-2	-3					-4	-5	-6			
				(5) = (2) + (3) + (4)		(7) = (1) + (5) + (6)					(12) = (9) + (10) + (11)		(14) = (8) + (12) + (13)	
Mutual funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Government securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other approved securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Instruments	1.5	0	0	0	0	0	1.5	1.5	0	0	0	0	0	1.5
Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - Gross (A)	1.5	0	0	0	0	0	1.5	1.5	0	0	0	0	0	1.5
(I) Investments outside India	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(A) Investments in India	1.5	0	0	0	0	0	0	1.5	1.5	0	0	0	0	0	1.5
Total (B)	1.5	0	0	0	0	0	0	1.5	1.5	0	0	0	0	0	1.5
Total (A) to tally with (B)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Allowance for impairme nt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
loss (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - Net D= (A)- (C)	1.5	0	0	0	0	0	0	1.5	1.5	0	0	0	0	0	1.5
* Other basis of measurement such as cost may be explained as a footnote															



A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "Director of" and "Company" in a circular arrangement, with some illegible text in the center.

Note: 5 Other financial Assets

(Rupees in Thousand)

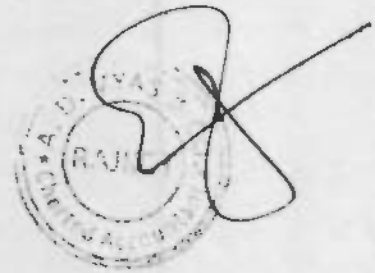
Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured considered good		
At amortised Cost		
Security Deposit	269.62	269.62
Other advances	190.98	173.49
Total	460.60	443.11

A handwritten signature in black ink is written over a circular stamp. The stamp is partially obscured by the signature and contains some illegible text.

Note No.6 inventories

(Rupees in Thousand)

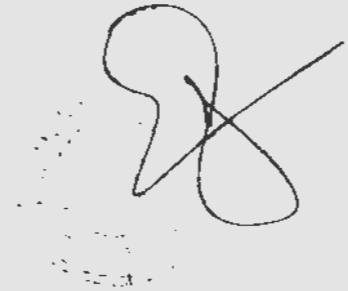
Particulars	31st March 2022	31st March 2021
Inventory at the end of the year		
Shares	209.43	209.43
	209.43	209.43
Inventory at the beginning of the year		
Shares	209.43	209.43
	209.43	209.43



Note No. 7 Deferred Tax

(Rupees in Thousand)

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax liability		
Deferred tax liability depreciation	461.92	457.34
Gross deferred tax liability	461.92	457.34
Deferred tax assets		
Deferred tax asset on npa provision	809.39	1,321.34
Deferred tax asset on loss	307.77	619.91
Gross deferred tax asset	1,117.16	1,941.25
Net deferred tax assets	655.24	1,483.91



A handwritten signature in black ink is written over a circular stamp. The signature is a stylized, cursive name. The stamp is faint and mostly illegible, but it appears to be an official seal or stamp.

Note No. 8 Property, Plant and Equipment as at 31st March 2022

Rupees in Thousand

Assets	Useful Life (In Years)	Gross Block				Accumulated Depreciation/ Amortisation and Impairment				Net carrying amount		
		Gross carrying amount 1st April 2021	Additions during the year	Addition on account of business acquisition	Disposals	Gross carrying amount 31st March 2022	Balance as at 1st April 2021	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2022	Balance as at 31st March 2022	Balance as at 31st March 2021
Own Assets												
Premises	60	3,494.61				3,494.61	1,266.79	58.60	Nil	1,325.39	2,169.23	2,227.83
Office Equipments	5	178.64				178.64	178.42	0.23	Nil	178.64		0.23
Air Conditioners	5	39.13				39.13	39.13		Nil	39.13		
Furniture and Fixtures	10	2,188.21				2,188.21	2,177.11	1.43	Nil	2,178.54	9.67	11.09
Computers	3	1,690.61				1,690.61	1,642.68	20.62	Nil	1,663.28	17.33	37.95
Total (A)		7,581.21			Nil	7,581.21	5,304.11	80.88	Nil	5,384.99	2,196.22	2,277.10
P.Y Total		7,569.40	11.81	Nil	Nil	7,581.21	5,028.28	275.83	Nil	5,304.11	2,277.10	2,541.12
Method of Depreciation: Straight Line Method												

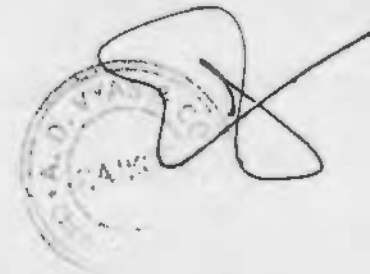
General

No depreciation if remaining useful life is negative or zero.

Depreciation is calculated on pro-rata basis in case assets is purchased/sold during current F.Y.

If above assets is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.

In case of leap year, depreciation is calculated on the basis of 366 days in a year.



Note No. 9 Payables

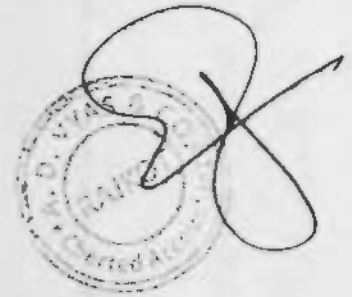
(Rupees in Thousand)

Particulars	As at 31st March 2022	As at 31st March 2021
(I) Trade Payables		
Creditors for Expenses	1,070.13	4,435.34
Gross Trade Payables	1,070.13	4,435.34
(II) Other Payables		
Professional Tax Payables	4.32	3.20
TDS Payable	-	-
Gross Other Payables	4.32	3.20
Gross Payables	1,074.45	4,438.54

Ageing for Trade Payables as at 31-03-2022

(Rupees in Thousand)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME						
Others	873.00	48.60	148.53	0.00	0.00	1070.13



Note No. 10 Provisions

A

Rupees in Thousand

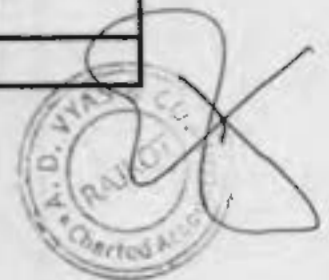
Particulars	As at 31st March 2022			As at 31st March 2021		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Provision for leave encashment	Nil	0	0	Nil	0	0
Provision for bonus	Nil	0	0	Nil	0	0
	Nil	0	0	Nil	0	0
Other provisions						
Audit fee provisions	Nil	20	20	Nil	10	10
	Nil	20	20	Nil	10	10
Total	Nil	20	20	Nil	10	10

A handwritten signature is present, along with a circular stamp that is partially obscured and mostly illegible.

Note No. 11 Interest Income

Rupees in Thousand

Particulars	(Current Year)			(Previous Year)		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets Classified at fair Value through profit or Loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans		3,381.20			3,715.87	
Interest income from investments						
Interest on deposits with Banks						
Other interest Income						
Total		3,381.20			3,715.87	

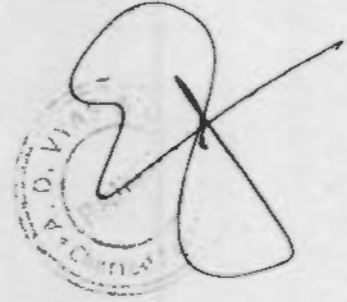


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Note No. 12 Dividend Income

Rupees in Thousand

Particulars	31st March 2022	31st March 2021
Dividend	48.20	30.34
Total	48.20	30.34

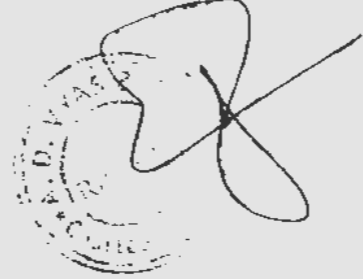
A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "D. V. V. V." around the perimeter. The signature is a stylized, cursive mark.

Note No. 13 Other income

A

Rupees in Thousand

Particulars	31st March 2022	31st March 2021
Other non-operating income		
Interest on income tax refund	0	0
	0	0
Total	0	0



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Note No. 14 Changes in inventories

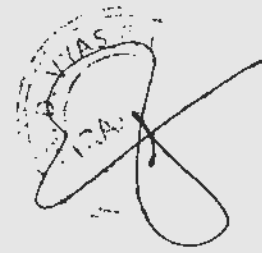
Rupees in Thousand

Particulars	31st March 2022	31st March 2021
Inventory at the end of the year		
Shares	209	209
	209	209
Inventory at the beginning of the year		
Shares	209	209
	209	209

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "D.I." at the top and "C.A." at the bottom, with some illegible text in the center.

Note No. 15 Employee benefit expenses**Rupees in Thousand**

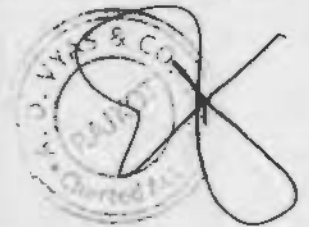
Particulars	31st March 2022	31st March 2021
Salaries and Wages	798.96	612.71
Staff welfare Expenses		
Bonus to employees	6.60	6.60
Leave Encashment	4.23	0.00
	10.83	6.60
Total	809.79	619.31

A circular stamp with the text "VIAS" and "13/03/2022" is partially visible. Overlaid on the stamp is a large, handwritten signature in black ink.

Note No. 16 Other expenses

Rupees in Thousand

Particulars	31st March 2022	31st March 2021
Advertising expenses	46.57	45.72
Annual custodial fee	21.24	21.24
Audit fees	10.00	14.75
Repairs and maintenance expenses	2.00	3.85
Travelling Expenses	149.05	48.53
D-mat charges	0.58	2.60
Donations	-	515.00
Electricity expenses	27.39	24.71
Interest on late payment of taxes	0.53	3.03
Information technology expenses	5.30	4.99
Legal and professional expenses	173.84	773.37
Listing fee	364.62	354.00
Office exp.	32.56	29.88
Periodicals and newspapers	-	-
Telephone and postage expenses	0.42	15.26
Printing and stationery	-	22.47
Provision against npa	-2,000.00	-
Bad debts expense	-	-
Provision against standard assets	-33.95	-0.81
Car hire charges	480.00	480.00
Misc exp.	1.00	1.60
Bank Charges	7.45	2.00
Membership Fee	-	17.70
Total	-711.42	2,379.89



Note No. 17 Earning Per Share

in rupees

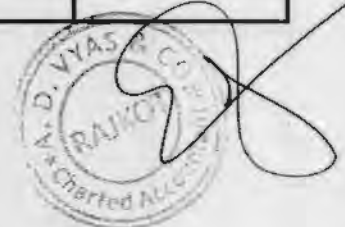
Particulars	Before Extraordinary items		After Extraordinary items	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Basic				
Profit after tax (A)	2,416,091	173,376	2,416,091	173,376
Weighted average number of shares outstanding (B)	40,00,000	40,00,000	40,00,000	40,00,000
Basic EPS (A / B)	0.60	0.04	0.60	0.04
Face value per share	10	10	10	10

A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text, possibly a company name or official designation.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2022

Rupees in Thousand

	PARTICULARS	31st March 2022	31st March 2021
A.	Cash Flow From Operating Activities		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	3,244.76	471.19
	Adjustments for non Cash/ Non trade items:		
	Depreciation & Amortization Expenses	-1,953.07	275.83
	Dividend income	-48.20	-30.34
	Other Inflows / (Outflows) of cash	0.00	-0.81
	Operating profits before Working Capital Changes	1,243.49	715.87
	Adjusted For:		
	Increase / (Decrease) in trade payables	-3,365.22	864.46
	Increase / (Decrease) in other current liabilities	11.12	-73.71
	(Increase) / Decrease in Short Term Loans & Advances	10,470.41	158.89
	Cash generated from Operations	7,116.32	949.65
	Income Tax (Paid) / Refund	0.00	-
	Net Cash flow from Operating Activities(A)	8,359.81	1,665.51
B.	Cash Flow From Investing Activities		
	Purchase of tangible assets	0.00	-11.81
	Non Current Investments / (Purchased) sold	0.00	-
	Dividends received	48.20	30.34
	Net Cash used in Investing Activities(B)	48.20	18.54
C.	Cash Flow From Financing Activities		
D.	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	8,408.01	1,684.05
E.	Cash & Cash Equivalents at Beginning of period	4,735.90	3,051.85
F.	Cash & Cash Equivalents at End of period	13,143.91	4,735.90
G.	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	8,408.01	1,684.05



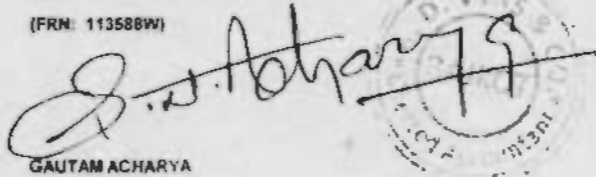
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113588W)


GAUTAM ACHARYA

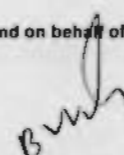
PARTNER

Membership No.: 149632

Place: Rajkot

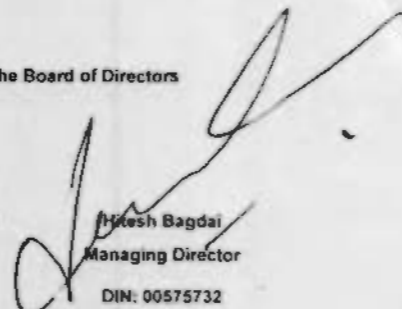
Date: 27/05/2022

For and on behalf of the Board of Directors


Bhavdeep Vala


Director

DIN: 00153775


Hitesh Bagdai

Managing Director

DIN: 00575732



(CS Dea N. Vachhani)
Company secretary cum
compliance officer
M.No. A-16801

Note:

1. The Cash Flow Statement has been prepared by Indirect Method as per AS-3 issued by ICAI.

2. Figures of previous year have been rearranged/regrouped wherever necessary

3. Figures in brackets are outflow/deductions

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

A. Significant Accounting Policies1. Basis of accounting:-

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared under the historical cost convention on accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition: -

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Income on Loan Transactions

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognized on non-performing assets as per the prudential norms for income recognition issued by RBI for NBFCs. Interest income on such assets are recognized on receipt basis.

However, no interest income has been booked on loan provided to the following borrowers, as interest waiver letter has been received from the borrower, and a board resolution to that effect has been passed in the board meeting held on 01st November, 2021;

Account Name	Principal Amount (Recovered from the borrower)	Interest Amount not recognized as income
Ashokbhai G. Dobaria	7,18,455/-	14,881/-
Jagdishbhai G. Dobaria	70,94,562/-	1,62,509/-



b. Other Income

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

4. Property, Plant & Equipment :-

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.

5. Depreciation :-

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Investments :-

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Dividend is accrued when the right to receive is established i.e. when declared by the investee company.

7. Inventories :-

Inventories are valued as under:-

1. Inventories : At cost value

8. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax^o assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.



9. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

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 the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) 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 in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

(B) Notes on Financial Statements

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Salaries includes directors remuneration on account of salary Rs.4,50,000/-
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
4. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
5. No provision for retirement benefits has been made, in view of accounting policy No. 11. The impact of the same on Profit & Loss is not determined.
6. Related Party disclosure as identified by the company and relied upon by the auditors:

(A) Related Parties and their Relationship

(i) Key Management Personnel

1. Hitesh M Bagdai
2. Bhavedeep Vala
3. Poonam Bagdai
4. Kantilal Khakhar
5. Ketanbhai Dhulesiya
6. Janish Ajmera
7. Dev Vachhani



Transactions with Related parties

(Figure in Lacs)

Particulars	Transactions during the year			
	Current Year		Previous year	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Remuneration Paid	4.50	-	4.50	-
Rent Paid	4.80	-	4.80	-

7. % of imported & indigenous raw material & consumables

Particulars	2022		2021	
	%	Amount	%	Amount
Imported	0.00	0.00	0.00	0.00
Indigenous	0.00	0.00	0.00	0.00

8. Value of Imports

Raw Material	Nil	Nil
Finished Goods	Nil	Nil

9. Expenditure in Foreign Currency Nil Nil

10. Earning in Foreign Exchange Nil Nil

11. Previous year figures have been regrouped/rearranged wherever necessary.

Signature to notes 1 to 11

In terms of Our Separate Audit Report of Even Date Attached.

For A. D. Vyas & Co.
Chartered Accountants

Gautam Acharya
(GAUTAM ACHARYA)
PARTNER
Membership No. 149632
Registration No. 113588W
Place: - Rajkot
Date: - 27/05/2022



For M/S RAJATH FINANCE LTD.

Hitesh Bagdai
Sd/-
Hitesh Bagdai
Director

DIN : 00575732

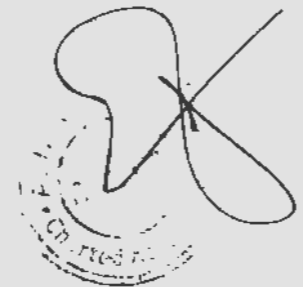
Bhavdeep Vala
Sd/-
Bhavdeep Vala
Director

DIN : 00153775

mdea
(CS Dea N. Vachhani)
Company Secretary cum
compliance officer
M. No. A26801

Ratio Analysis

PARTICULARS	Unit	2021-22	2020-21
Current Ratio	Times	19.36	8.86
Debt-Equity Ratio	Times	0	0
Debt Service Coverage Ratio	Times	#DIV/0!	#DIV/0!
Return on Equity Ratio	%	3.49	0.26
Inventory Turnover Ratio	Times	16.14	17.74
Trade Receivable Trunover Ratio	Times	0.00	0.00
Net Capital Turnover Ratio	%	4.88	5.56
Net Profit Ratio	%	96.12	12.68
Return on Capital Employed	%	3.49	0.26
Return on Investment	%	3.49	0.26



A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text, possibly a company name or official seal.

RAJATH FINANCE LTD.

Statutory Audit Report
(F.Y. 2022-23)

Auditor:

A.D. Vyas & Co.

Chartered Accounts

Navin Complex, Kotecha Nagar Main Road,

Opp. Kotecha Girls High School



Independent Auditor's Report

To the Members of **M/S RAJATH FINANCE LTD.**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of M/S RAJATH FINANCE LTD. ("The Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



... otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has



... financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- ... in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us



to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

- v. No dividend have been declared or paid during the year by the company.

Place:-Rajkot
Date: 22/05/2023
UDIN:
23124446BGXRPR8179



For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

Jasmin.
JASMIN D. UMRANIYA
(PARTNER)
Membership No. 124446

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- (iii) During the year the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) In respect of loans, investments, guarantees, and security, provisions of sections 185 and 186 of the Companies Act have been complied with.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.



- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,
- (d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.



- (v) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a Nidhi Company. Therefore, clause xii is not applicable on the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company does not require to have an internal audit system.
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) In our Opinion and based on our examination, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the registration has been obtained;
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.



- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:-Rajkot
Date: 22/05/2023



For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

Jasmin D. Umraniya

JASMIN D. UMRANIYA
(PARTNER)
Membership No. 124446

Report on Internal Financial Controls with reference to financial statements

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

We have audited the internal financial controls over financial reporting of M/S RAJATH FINANCE LTD. ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control



stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place:-Rajkot
Date: 22/05/2023



For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

Jasmin.

JASMIN D. UMRANIYA
(PARTNER)
Membership No. 124446



A. D. Vyas

B.Com., F.C.A., D.I.S.A.

A. D. Vyas & Co.

Chartered Accountants

Auditor's Additional Report

The Board of the Directors

Rajath Finance Ltd.

Rajkot

1. This report is issued in accordance with the requirements of Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 (the "Directions") and on the basis of explanation provided by management of Rajath Finance Ltd. (hereinafter referred to as the "Company") and to the best of our knowledge and belief, for the year ending on 31st March, 2023, we report that
2. We have audited the accompanying financial statements of Company comprising Balance Sheet as at March 31, 2023 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued our report dated 12/05/2023.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



4. The Management is also responsible for compliance with the Reserve Bank of India (hereinafter RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

Auditor's Responsibility

5. Pursuant to the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 as consolidated in RBI Master circular, it is our responsibility to examine the audited books and records of the Company for the year ended 31-03-2023 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on Audit reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India

Opinion

7. Based on our examination of the audited books and records of the Company for the year ended 31-03-2023 as produced for our examination and the information and explanations given to us we report that:
 - 7.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration (CoR) from the bank bearing registration number 01.00245 dated 14th May, 2003.
 - 7.2 The Company is entitled to continue to hold such CoR in terms of its asset as on March 31, 2023.
 - 7.3 Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No. 85/03.02.089 /2006-07 dated 6th December, 2006; the company is not an Asset Finance Company (AFC) for the financial year 2021-22.
 - 7.4 Based on the criteria set forth by the Bank in the Notification viz. Non-Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2011 dated December 02, 2011 for classification of NBFCs as NBFC-MFIs, the company is not a NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the financial year 2021-22.
 - 7.5 The Company has not accepted any public deposits during the year ended March, 2023.



- 7.6 The Company has complied with the prudential norms relating to income recognition, accounting standards asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended up to the date of this report).
- 7.7 Company has not obtained membership of all four Credit Information Companies (CICs) and registered itself with CERSAI for CKYC as required in terms of relevant provisions of RBI Master Directions, Prevention of Money Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

Restriction on Use

8. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing said in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
9. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used by any other person or for any other purpose. A. D. Vyas & Co neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Place: Rajkot
Date: 22/05/2023



For, A.D.Vyas & Co.
Chartered Accountants
(FRN: 1135588W)

Jasmin

JASMIN D. UMRANIYA
(Partner)
M.No.124446
UDIN: 23124446BGXRPR8179

Rajath Finance Limited

Standalone Ind As Balance Sheet as on 31-03-2023

(Rupees in Thousand)

	Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
ASSETS				
-1 Financial Assets				
(a)	Cash and cash equivalents	2	1,037.81	13,143.91
(b)	Bank Balance other than (a) above		-	-
(c)	Derivative financial instruments		-	-
(d)	Receivables		-	-
	(I) Trade Receivables		-	-
	(II) Other Receivables		-	-
(e)	Loans	3	61,600.12	53,711.57
(f)	Investments	4	1.50	1.50
(g)	Other Financial assets (to be specified)	5	481.55	460.60
			63,120.98	67,317.58
-2 Non-financial Assets				
(a)	Inventories	6	209.43	209.43
(b)	Current tax assets (Net)		-	-
(c)	Deferred tax Assets (Net)	7	988.68	655.24
(d)	Investment Property		-	-
(e)	Biological assets other than bearer plants		-	-
(f)	Property, Plant and Equipment	8	10,700.60	2,196.22
(g)	Capital work-in-progress		-	-
(h)	Intangible assets under development		-	-
(i)	Goodwill		-	-
(j)	Other intangible assets		-	-
(k)	Other non-financial assets (to be specified)		-	-
			11,898.71	3,060.89
	Total Assets		75,019.70	70,378.47
LIABILITIES AND EQUITY				
LIABILITIES				
-1 Financial Liabilities				
(a)	Derivative financial instruments		-	-
(b)	Payables	9	-	-
	(I) Trade Payables		-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		357.60	1,070.13
	(II) Other Payables		-	-



	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16.42	4.32
(c)	Debt Securities		-	-
(d)	Borrowings (Other than Debt Securities)	10	6,401.37	-
(e)	Deposits		-	-
(f)	Subordinated Liabilities		-	-
(g)	Other financial liabilities(to be specified)		-	-
			6,775.39	1,074.45
-2	Non-Financial Liabilities			
(a)	Current tax liabilities (Net)			
(b)	Provisions	11	66.60	20.00
(c)	Deferred tax liabilities (Net)			
(d)	Other non-financial liabilities(to be specified)		-	-
			66.60	20.00
-3	EQUITY			
(a)	Equity Share capital	1	40,000.00	40,000.00
(b)	Other Equity	1	28,177.71	29,284.03
			68,177.71	69,284.03
	Total Liabilities and Equity		75,019.70	70,378.47

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

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113588W)

Jasmine

JASMIN D. UMRANIYA

PARTNER

Membership No.: 124446

Place: Rajkot

Date: 22/05/2023

UDIN: 23124446BGXRPR8179



B. V. V.
Bhavdeep Vata

Director

DIN: 00153775

For and on behalf of the Board of Directors

Ramesh Ranil
Ramesh Ranil
Managing Director
DIN:
00575732

Dea N. Vachhani
Dea
Company Secretary
cash
compliance officer

Anil C.R.
Anil
C.F.O.

Standalone Ind AS Statement of Profit and Loss

For the year ended March 31, 2023

(Rupees in Thousand)

	Particulars	Note No.	Year Ended	Year Ended
			31.03.2023	31.03.2022
	Revenue from operations			
(i)	Interest Income	11	3,274.04	3,381.20
(ii)	Dividend Income	12	38.00	48.20
(iii)	Rental Income			
(iv)	Fees and commission Income			
(v)	Net gain on fair value changes			
(vi)	Net gain on derecognition of financial instruments			
	under amortised cost category			
(vii)	Sale of products(including Excise Duty)			
(viii)	Sale of services			
(ix)	Others (to be specified)			
(I)	Total Revenue from operations			
(II)	Other Income (to be specified)		-	-
(III)	Total Income (I+II)		3,312.04	3,429.40
	Expenses			
(i)	Finance Costs			
(ii)	Fees and commission expense			
(iii)	Net loss on fair value changes			
(iv)	Net loss on derecognition of financial instruments under			
	amortised cost category			
(v)	Impairment on financial instruments			
(vi)	Cost of materials consumed			
(vii)	Purchases of Stock-in-trade			
(viii)	Changes in Inventories of			
	finished goods, stock-in- trade and work-in- progress	13	-	-
(ix)	Employee Benefits Expenses	14	885.30	809.79
(x)	Depreciation, amortization and impairment		900.38	80.88
(xi)	Others expenses (to be specified)	15	2,966.11	-711.42
(IV)	Total Expenses (IV)		4,751.80	179.25
(V)	Profit / (loss) before exceptional items and tax (III- IV)		-1,439.76	3,250.15
	(VI)	Exceptional items		



(VII)	Profit/(loss) before tax (V -VI)			
(VIII)	Tax Expense:			
	(1) Current Tax			
	(2) Deferred Tax		-333.44	-828.67
	Excess/short provision relating earlier year tax			-5.38
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)		-1,106.32	2,416.09
(X)	Profit/(loss) from discontinued operations			
(XI)	Tax Expense of discontinued operations			
(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)			
(XIII)	Profit/(loss) for the period (IX+XII)		-1,106.32	2,416.09
(XIV)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Subtotal (A)			
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)			
	Other Comprehensive Income (A + B)		-	-
(XV)	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		-1,106.32	2,416.09



(XVI)	Earnings per equity share (for continuing operations)			
	Basic (Rs.)		-0.28	0.60
	Diluted (Rs.)		-	1
(XVII)	Earnings per equity share (for discontinued operations)			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
(XVIII)	Earnings per equity share (for continuing and discontinued operations)			
	Basic (Rs.)		-0.28	0.60
	Diluted (Rs.)		-	-

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

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113586W)



Jasmin

JASMIN D. UMRANIYA

PARTNER

Membership No.: 124446

Place: Rajkot

Date: 22/05/2023

UDIN: 23124446BGXRPR8179

For and on behalf of the Board
of Directors

Bhavdeep Vala

Director

DIN: 00153775

Hitesh Bagdai
Managing
Director
DIN:
00575732

Dea N. Vachhani

Dea

*Company Secretary
cum
Compliance officer*

Dr. C. R.

[Signature]

C.F.O

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2023

Rupees in Thousand

	PARTICULARS	31st March 2023	31st March 2022
A.	Cash Flow From Operating Activities		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	-1,439.76	3,250.15
	Adjustments for non Cash/ Non trade items:		
	Depreciation & Amortization Expenses	900.38	-1,953.07
	Dividend income	-38.00	-48.20
	Other Inflows / (Outflows) of cash	0.00	0.00
	Operating profits before Working Capital Changes	-577.38	1,248.88
	Adjusted For:		
	Increase / (Decrease) in trade payables	-712.53	-3,365.22
	Increase / (Decrease) in other current liabilities	-2,909.62	11.12
	(Increase) / Decrease in Short Term Loans & Advances	-4,941.16	10,470.41
	Cash generated from Operations	-8,563.33	7,116.31
	Income Tax (Paid) / Refund		-5.38
	Net Cash flow from Operating Activities(A)	-9,140.70	8,359.81
B.	Cash Flow From Investing Activities		
	Purchase of tangible assets	-9,404.77	0.00
	Non Current Investments / (Purchased) sold	0.00	0.00
	Dividends received	38.00	48.20
	Net Cash used in Investing Activities(B)	-9,366.77	48.20
C.	Cash Flow From Financing Activities	6,401.37	



	PARTICULARS	31st March 2023	31st March 2022
D.	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	-12,106.09	8,408.01
E.	Cash & Cash Equivalents at Beginning of period	13,143.91	4,735.90
F.	Cash & Cash Equivalents at End of period	1,037.82	13,143.91
G.	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	-12,106.09	-8,408.01

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

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113586W)

Jasmine

JASMIN D. UMRANIYA

PARTNER

Membership No.: 124446

Place: Rajkot

Date: 22/05/2023

UDIN: 23124446BGXRPR8179



For and on behalf of the Board of Directors

B. V. Vals

Bhavdeep Vals

Director

DIN: 00153775

Hitesh Bagdal

Hitesh Bagdal
Managing Director

DIN:
00575732

Dea N. Vachhani

mDea

*Company Secretary
cash
compliance officer*

Hitesh Bagdal

(C.F.O.)

Note:

1. The Cash Flow Statement has been prepared by Indirect Method as per AS-3 issued by ICAI
2. Figures of previous year have been rearranged/regrouped wherever necessary
3. Figures in brackets are outflow/deductions

Note No. 1 Share Capital

₹ (Rupees in Thousand)

Particulars	As at 31st March 2023	As at 31st March 2022
Authorised :		
7500000 (31/03/2019:7500000) Equity shares of Rs. 10.00/- par value	75000.00	75000.00
Issued :		
4000000 (31/03/2019:4000000) Equity shares of Rs. 10.00/- par value	40000.00	40000.00
Subscribed and paid-up :		
4000000 (31/03/2019:4000000) Equity shares of Rs. 10.00/- par value	40000.00	40000.00
Total	40000.00	40000.00

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

₹ (Rupees in Thousand)

	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	4000.00	40000.00	40000.00	40000.00
Issued during the Period	Nil	Nil	Nil	Nil
Redeemed or bought back during the period	Nil	Nil	Nil	Nil
Outstanding at end of the period	4000.00	40000.00	4000.00	40000.00

Details of shareholders holding more than 5% shares in the company

Type of Share Name of Shareholders

Type of Share	Name of Shareholders	As at 31st March 2023		As at 31st March 2022	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00]	Hitesh Bagdai	8,96,853	22.42	8,96,853	22.42
Equity [NV: 10.00]	Poonam Bagdai	8,96,851	22.42	8,96,851	22.42
Equity [NV: 10.00]	Bhavdeep Vala	9,96,851	24.92	9,96,851	24.92
Equity [NV: 10.00]	Samco Securities Limited	8,26,012	20.65	8,26,012	20.65
	Total :	36,16,567	90.41	36,16,567	90.41

Details of Shareholding by Promoters

Type of Share	Name of Shareholders	No. of Shares as on 31-03-2022	No. of Shares as on 31-03-2021
Equity [NV: 10.00]	Hitesh Bagdai	8,96,863	8,96,863
Equity [NV: 10.00]	Poonam Bagdai	8,96,851	8,96,851
Equity [NV: 10.00]	Bhavdeep Vala	9,96,851	9,96,851



Note: 2 Cash and cash equivalents

(Rupees in Thousand)

Particulars	As	at	As	at
	31.03.2023	31.03.2022	31.03.2022	
Cash on Hand	159.35		380.78	
	-		-	
Balance with Bank	-		-	
- In Current Accounts	878.47		12,763.13	
Total	1,037.81		13,143.91	



NOTE NO.3 LOANS

	(Current Year)					(Previous Year)					(Rupees in Thousand)	
	At Fair Value					At Fair Value					Sub-total	Total
	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
(A)	(1)	(2)	(3)	(4)	(5 = 2 + 3 + 4)	(6 = 1 + 5)	(7)	(8)	(9)	(10)	(11 = 8 + 9 + 10)	(12 = (7) + (11))
Loans	-1	-2	-3	-4	(5 = 2 + 3 + 4)	(6 = 1 + 5)	-7	-8	-9	-10	(11 = 8 + 9 + 10)	(12 = (7) + (11))
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	61,847.51	-	-	-	-	61,847.51	56,927.28	-	-	-	-	56,927.28
(iii) Term Loans	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	61,847.51	-	-	-	-	61,847.51	56,927.28	-	-	-	-	56,927.28



Less: Impairment loss	247.39									247.39	3,215.71	-	-	-	-	-	3,215.71
Total(A) Net	61,600.12	-	-	-	-	-	-	-	61,600.12	53,711.57	-	-	-	-	-	-	53,711.57
(B) (i) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	61,600.12	-	-	-	-	-	-	-	61,600.12	53,711.57	-	-	-	-	-	-	53,711.57
Total (B)-		-	-	-	-	-	-	-									
Gross	61,600.12	-	-	-	-	-	-	-	61,600.12	53,711.57	-	-	-	-	-	-	53,711.57
Less: Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)- Net	61,600.12	-	-	-	-	-	-	-	61,600.12	53,711.57	-	-	-	-	-	-	53,711.57



(C) (i)	Loans in India															
(i) Public Sector	-															
(ii) Others (to individual and entities other than public sector)	61,600.12	-	-	-	-	-	-	61,600.12	53,711.57	-	-	-	-	-	53,711.57	
Total (C)- Gross	61,600.12	-	-	-	-	-	61,600.12	53,711.57							53,711.57	
Less: Impairment loss Allowance	-	-	-	-	-	-	-	-							-	
Total (C) (i)- Net	61,600.12	-	-	-	-	-	61,600.12	53,711.57							53,711.57	
(C) (ii) Loans outside India	-	-	-	-	-	-	-	-							-	
Less: Impairment loss Allowance	-	-	-	-	-	-	-	-							-	
Total (C) (ii)- Net	-	-	-	-	-	-	-	-							-	
Total (C) and C (ii)	61,600.12	-	-	-	-	-	61,600.12	53,711.57							53,711.57	



NOTE NO. 4 Investments

Investments	(Current Year)							(Previous Year)					(Rupees in Thousands)		
	Amortised cost	At Fair Value			Designated at fair value through profit or loss	Sub-Total	Others	Total	Amortised cost	At Fair Value			Sub-Total	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss						Amortised cost	Through Other Comprehensive Income	Through profit or loss			
Mutual funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Government securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other approved securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	1.5	0	0	0	0	0	1.5	1.5	0	0	0	0	0	0	1.5
Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - Gross (A)	1.5	0	0	0	0	0	1.5	1.5	0	0	0	0	0	0	1.5





Other basis of measurement such as cost may be explained as footnote												
(i)	Investment	0	0	0	0	0	0	0	0	0	0	0
	to outside India	0	0	0	0	0	0	0	0	0	0	0
	in India	0	0	0	0	0	0	0	0	0	0	0
(j)	Investment to	1.5	0	0	0	0	0	0	0	0	0	1.5
	in India	1.5	0	0	0	0	0	0	0	0	0	1.5
	Total (B)	1.5	0	0	0	0	0	0	0	0	0	1.5
	Total (A)	0	0	0	0	0	0	0	0	0	0	0
	to tally with (B)	0	0	0	0	0	0	0	0	0	0	0
	Less: Allowance for impairment	0	0	0	0	0	0	0	0	0	0	0
	Loss (C)	0	0	0	0	0	0	0	0	0	0	0
	Total - Net D= (A)-	1.5	0	0	0	0	0	0	0	0	0	1.5
(C)		0	0	0	0	0	0	0	0	0	0	0

Note: 5 Other financial Assets

(Rupees in Thousand)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured considered good		
At amortised Cost		
Security Deposit	269.62	269.62
Other advances	211.93	190.98
Total	481.55	460.60



Note No.6 inventories

A

(Rupees in Thousand)

Particulars	31st March 2023	31st March 2022
Inventory at the end of the year		
Shares	209.43	209.43
	209.43	209.43
Inventory at the beginning of the year		
Shares	209.43	209.43
	209.43	209.43



Note No. 7 Deferred Tax

(Rupees in Thousand)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax liability		
Deferred tax liability depreciation	608.88	461.92
Gross deferred tax liability	608.88	461.92
Deferred tax assets		
Deferred tax asset on npa provision	62.27	809.39
Deferred tax asset on loss	1,535.29	307.77
Gross deferred tax asset	1,597.56	1,117.16
Net deferred tax assets	988.68	655.24



Note No. 8 Property, Plant and Equipment as at 31st March 2023

Assets	Useful Life (in Years)	Gross Block				Accumulated Depreciation/ Amortisation and Impairment				Rupees in Thousand		
		Gross carrying amount 1st April 2022	Additions during the year	Addition on account of business acquisition	Disposals	Gross carrying amount 31st March 2023	Balance as at 1st April 2022	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2023	Balance as at 31st March 2023	Balance as at 31st March 2022
Own Assets												
Premises	60	3,494.61	-	-	0	3,494.61	1,325.39	58.60	-	1,383.99	2,110.62	2,159.23
Office Equipments	5	178.64	-	-	-	178.64	178.64	-	-	178.64	-	-
Air Conditioners	5	39.13	38.00	-	-	77.13	39.13	7.22	-	46.35	30.78	-
Furniture and Fixtures	10	2,188.21	-	-	-	2,188.21	2,178.54	1.43	-	2,179.97	8.24	9.68
Computers	3	1,680.61	72.50	-	-	1,753.11	1,663.28	22.75	-	1,686.03	67.08	17.33
Motorcycles		-	9,294.27	-	-	9,294.27	-	810.38	-	810.38	8,483.89	-
Total (A)		7,581.21	9,404.77	-	Nil	16,985.97	5,384.99	900.38	Nil	6,285.37	10,700.60	2,196.22
P. Y Total		7,581.21	-	Nil	Nil	7,581.21	5,304.11	80.88	Nil	5,384.99	2,196.22	2,277.10

Method of Depreciation: Straight Line Method

General

No depreciation if remaining useful life is negative or zero.

Depreciation is calculated on pro-rata basis in case assets is purchased/sold during current F. Y.

If above assets is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.

In case of leap year, depreciation is calculated on the basis of 366 days in a year.



Note No. 9 Payables

(Rupees in Thousand)

Particulars	As at 31st March 2023	As at 31st March 2022
(I) Trade Payables		
Creditors for Expenses	357.60	1,070.13
Gross Trade Payables	357.60	1,070.13
(II) Other Payables		
Professional Tax Payables	10.72	4.32
TDS Payable	5.70	-
Gross Other Payables	16.42	4.32
Gross Payables	374.02	1,074.45

Ageing for Trade Payables as at 31-03-2023

(Rupees in Thousand)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME						
Others	362.80	0.00	0.00	0.00	0.00	362.80



Note No. 10 Provisions

←

Rupees in Thousand

Particulars	As at 31st March 2023			As at 31st March 2022		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Provision for leave encasement	Nil	0	0	Nil	0	0
Provision for bonus	Nil	6.60	6.60	Nil	0	0
	Nil	6.60	6.60	Nil	0	0
Other provisions						
Audit fee provisions	Nil	10	10	Nil	20	20
Other provisions	Nil	50	50	Nil		
	Nil	60	60	Nil	20	20
Total	Nil	66.60	66.60	Nil	20	20



(J) Borrowings (Other than Debt Securities)

	(Current Year)				(Previous Year)			
	At Amortised Cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	-1	-2	-3	(4)=(1)+(2) 3	-1	-2	-3	(4)=(1)+(2) 3
(a) Term loans								
(i) from banks	6401.371	0	0	6401.371				
(ii) from other parties	0							
(b) Deferred payment liabilities	0							
(c) Loans from related parties	0							
(d) Finance lease obligations	0							
(e) Liability component of compound financial instruments	0							
(f) Loans repayable on demand	0							
(i) from banks								
(ii) from								
(g) Other Loans (specify nature)								
Total (A)								
Borrowings India	6401.371			6401.371				
Borrowings outside India								
Total (B) to tally with (A)	6401.371			6401.371				



Note No. 11 Interest Income

4

Rupees in Thousand

Particulars	(Current Year)			(Previous Year)		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets Classified at fair Value through profit or Loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans		3,274.04			3,381.20	
Interest income from investments						
Interest on deposits with Banks						
Other interest Income						
Total		3,274.04			3,381.20	

Note No. 12 Dividend Income

Particulars	31st March 2023	31st March 2022
Dividend	38.00	48.20
Total	38.00	48.20



Note No. 14 Changes in inventories

Rupees in Thousand

Particulars	31st March 2023	31st March 2022
Inventory at the end of the year		
Shares	209	209
	209	209
Inventory at the beginning of the year		
Shares	209	209
	209	209

Note No. 15 Employee benefit expenses

Rupees in Thousand

Particulars	31st March 2023	31st March 2022
Salaries and Wages	878.70	798.96
Staff welfare Expenses		
Bonus to employees	6.60	6.60
Leave Encashment	0.00	4.23
	6.60	10.83
Total	885.30	809.79



Note No. 16 Other expenses

Rupees in
Thousand

Particulars	31st March 2023	31st March 2022
Advertising expenses	48.07	46.57
Annual custodial fee	21.24	21.24
Audit fees	14.75	10.00
Repairs and maintenance expenses	1.90	2.00
Travelling Expenses	579.00	149.05
D-mat charges	2.05	0.58
Donations	115.00	-
Electricity expenses	30.79	27.39
Interest on late payment of taxes	4.62	0.53
Information technology expenses	5.50	5.30
Legal and professional expenses	1,349.85	173.84
Listing fee	354.00	364.62
Office exp.	37.03	32.56
Car Loan Interest	383.93	-
Telephone and postage expenses	5.08	0.42
Printing and stationery	-	-
Provision against npa	-3,000.00	-2,000.00
Bad debts expense	3,000.00	-
Provision against standard assets	31.68	-33.95
Car hire charges	-	480.00
Misc exp.	1.25	1.00
Bank Charges	0.38	7.45
Membership Fee	-	-
Total	2,966.11	-711.42



Note No. 17 Earning Per Share

in rupees

Particulars	Before Extraordinary items		After Extraordinary items	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Basic				
Profit after tax (A)	-11,06,319	24,16,091	-11,06,319	24,16,091
Weighted average number of shares outstanding (B)	40,00,000	40,00,000	40,00,000	40,00,000
Basic EPS (A / B)	(0.28)	0.60	(0.28)	0.60
Face value per share	10	10	10	10



SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

A. Significant Accounting Policies

1. Basis of accounting:-

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition:-

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Income on Loan Transactions

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognized on non-performing assets as per the prudential norms for income recognition issued by RBI for NBFCs. Interest income on such assets are recognized on receipt basis.

b. Other Income

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

4. Property, Plant & Equipment :-

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.



5. Depreciation :-

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Investments :-

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Dividend is accrued when the right to receive is established i.e. when declared by the investee company.

7. Inventories :-

Inventories are valued as under:-

1. Inventories : At cost value

8. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

9. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

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 the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) 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 in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

(B) Notes on Financial Statements

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Salaries includes directors remuneration on account of salary Rs.4,50,000/-
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
4. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
5. No provision for retirement benefits has been made, in view of accounting policy No. 11. The impact of the same on Profit & Loss is not determined.
6. Related Party disclosure as identified by the company and relied upon by the auditors:

(A) Related Parties and their Relationship

(I) Key Management Personnel

1. Hitesh M Bagdai
2. Bhavedeep Vala
3. Poonam Bagdai
4. Kantilal Khakhar
5. Ketanbhai Dhulesiya
6. Janish Ajmera
7. Dev Vachhani

Transactions with Related parties

(Figure in Lacs)

Particulars	Transactions during the year			
	Current Year		Previous year	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Remuneration Paid	4.50	-	4.50	-
Rent Paid	-	-	4.80	-



7. % of imported & indigenous raw material & consumables

Particulars	2023		2022	
	%	Amount	%	Amount
Imported	0.00	0.00	0.00	0.00
Indigenous	0.00	0.00	0.00	0.00

8. Value of Imports

Raw Material Nil Nil
 Finished Goods Nil Nil

9. Expenditure in Foreign Currency Nil Nil

10. Earning in Foreign Exchange Nil Nil

11. Previous year figures have been regrouped/rearranged wherever necessary.

Signature to notes 1 to 11

In terms of Our Separate Audit Report of Even Date Attached

For A. D. Vyas & Co.
 Chartered Accountants

Jasmine
 JASMIN D. UMRANIYA
 Partner
 Membership No. 124446
 Registration No. 113588W
 Place: - Rajkot
 Date: - 22/05/2023



For M/S RAJATH FINANCE LTD.

Hitesh Bagdai
 Hitesh Bagdai
 Director

DIN : 00575732

Bhavdeep Vala
 Bhavdeep Vala
 Director

DIN : 00153775

Dea N Vachhani

mDea
CS
 Company Secretary
 Curb
 Compliance officer

Anil C.R.

Anil
 C.F.O.

RAJATH FINANCE LIMITED

Statutory Audit Report **(F.Y. 2023-24)**

Auditor:

A.D. Vyas & Co.

Chartered Accounts

Navin Complex, Kotecha Nagar Main Road,

Opp. Kotecha Girls High School,

Rajkot - 360001

Independent Auditor's Report

To the Members of **M/S RAJATH FINANCE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of M/S RAJATH FINANCE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act and rules made thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us. (applicable in case of Public Company)
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of



the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

- v. No dividend have been declared or paid during the year by the company.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place:-Rajkot
Date: 21/06/2024
UDIN:
24047250BKCRJD5262

For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

A D Vyas

ASHA VYAS
(PARTNER)
Membership No. 47250



The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B) The company has maintained proper records showing full particulars of intangible assets;
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As company is not holding any physical inventory, hence Not Applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned during any point of time of the year, working



capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.
- (v) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



- (viii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (b) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained
- (c) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (d) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us , no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central



Government;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company

(xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;

(xiv) (a) Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company

(xvi) (a) In our Opinion and based on our examination, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the registration has been obtained;

(xvii) Based on our examination, the company has incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,



which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) Based on our examination, the provision of section 135 are not applicable on the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:-Rajkot
Date: 21/06/2024

For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

Ashya

ASHA VYAS
(PARTNER)
Membership No. 47250



Report on Internal Financial Controls with reference to financial statements

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

We have audited the internal financial controls over financial reporting of M/S RAJATH FINANCE LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control



stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

A. D. Vyas

ASHA VYAS
(PARTNER)
Membership No. 47250



Place:-Rajkot
Date: 21/06/2024



A. D. Vyas

B.Com., F.C.A., D.I.S.A.

A. D. Vyas & Co.

Chartered Accountants

Auditor's Additional Report

**The Board of the Directors
Rajath Finance Limited
Rajkot**

1. This report is issued in accordance with the requirements of Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 (the "Directions") and on the basis of explanation provided by management of Rajath Finance Limited (hereinafter referred to as the "Company") and to the best of our knowledge and belief, for the year ending on 31st March, 2024, we report that
2. We have audited the accompanying financial statements of Company comprising Balance Sheet as at March 31, 2024 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued our report dated 21/06/2024.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



4. The Management is also responsible for compliance with the Reserve Bank of India (hereinafter RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

Auditor's Responsibility

5. Pursuant to the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 as consolidated in RBI Master circular, it is our responsibility to examine the audited books and records of the Company for the year ended 31-03-2024 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on Audit reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India

Opinion

7. Based on our examination of the audited books and records of the Company for the year ended 31-03-2024 as produced for our examination and the information and explanations given to us we report that:
 - 7.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration (CoR) from the bank bearing registration number 01.00245 dated 14th May, 2003.
 - 7.2 The Company is entitled to continue to hold such CoR in terms of its asset as on March 31, 2024.
 - 7.3 Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No. 85/03.02.089 /2006-07 dated 6th December, 2006; the company is not an Asset Finance Company (AFC) for the financial year 2023-24.
 - 7.4 Based on the criteria set forth by the Bank in the Notification viz. Non-Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2011 dated December 02, 2011 for classification of NBFCs as NBFC-MFIs, the company is not a NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the financial year 2023-24.



- 7.5 The Company has not accepted any public deposits during the year ended March, 2024.
- 7.6 The Company has complied with the prudential norms relating to income recognition, accounting standards asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended up to the date of this report).
- 7.7 Company has not obtained membership of all four Credit Information Companies (CICs) and registered itself with CERSAI for CKYC as required in terms of relevant provisions of RBI Master Directions, Prevention of Money Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

Restriction on Use

8. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing said in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
9. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used by any other person or for any other purpose. A. D. Vyas & Co neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Place: Rajkot
Date: 21/06/2024

For, A.D.Vyas & Co.
Chartered Accountants
(FRN: 1135588W)

A. D. Vyas

ASHA D. VYAS
(Partner)
M.No.047250
UDIN: 24047250BKCRJD5262





A. D. Vyas

B.Com., F.C.A., D.I.S.A.

A. D. Vyas & Co.

Chartered Accountants

We have examined the books of accounts and other records of **Rajath Finance Limited** for the Financial Year ending March 31, 2024. On the basis of the information submitted to us, we certify the following:

(Write NA whichever is Not applicable)

Sl.	Particulars	Details
1	Name of the company	Rajath Finance Ltd.
2	Certificate of Registration No.	01.00245
3	Registered office Address	Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Marol Bazar, Mumbai, Maharashtra, India, 400059
4	Corporate office Address	Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Marol Bazar, Mumbai, Maharashtra, India, 400059
5	The company has been classified by RBI as : (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6	Net Owned Fund (in Rs. Crore) (Calculation of the same is given in the Annex)	5.11
7	Total Assets (in Rs. Crore)	6.55
8	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income	76.05% 87.42%



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	<i>(NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)</i>	
9	Whether the company was holding any Public Deposits, as on March 31, 2019? If Yes, the amount in Rs. Crore	(Yes/No)
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? <i>(in terms of Sec 45-IC of the RBI Act, 1934).</i>	(Yes/No/NA)
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	(Yes/No)
12	If the company is classified as an NBFC-Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA
13	If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets <i>(refer to Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011)</i>	NA
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	NA
15	If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets	NA
16	Has there been any takeover/acquisition of control/ change in shareholding/	(Yes/No)



Management during the year which required prior approval from RBI? <i>(please refer to per DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015 on the subject for details)</i>	Prior approval has been taken from Reserve Bank of India as per approval letter dated 23-02-2023.
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In terms of paragraph 2 of Notification No. DNBS.201 /DG (VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

I have read and understood paragraph 5 of Notification No. DNBS. 201 /DG (VL)-2008 dated September 18, 2008.

Place: Rajkot
Date: 21/06/2024



For A.D. Vyas & Co.
Chartered Accountants
(FRN: 113588W)
A. D. Vyas
(ASHA D. VYAS)
Partner
Membership no. :047250

Annex

Capital Funds - Tier I		<i>(Rs. In crore)</i>
1.	Paid up Equity Capital	4.00
2.	Pref. shares to be compulsorily converted into equity	Nil
3.	Free Reserves:	
	a. General Reserve	0.24
	b. Share Premium	Nil
	c. Capital Reserves	3.01
	d. Debenture Redemption Reserve	Nil
	e. Capital Redemption Reserve	Nil
	f. Credit Balance in P&L Account	Nil
	g. Other free reserves (may be specified)	Nil
4.	Special Reserves	0.55
	Total of 1 to 4	7.80
5.	Less: i. Accumulated balance of loss	2.24
	ii. Deferred Revenue Expenditure	Nil
	ii. Deferred Tax Assets (Net)	0.45
	iii. Other intangible Assets	Nil
	Owned Fund	5.11
6.	Investment in shares of	Nil
	(i) Companies in the same group	
	(ii) Subsidiaries	Nil
	(iii) Wholly Owned Subsidiaries	Nil
	(iv) Other NBFCs	Nil
7.	Book value of debentures, bonds outstanding loans and advances, bills purchased and iscounted(including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	Nil
	(ii) Subsidiaries	Nil
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	Nil
8.	Total of 6 and 7	Nil
9.	Amount in item 8 in excess of 10% of Owned Fund	Nil
10.	Net Owned Fund	5.11



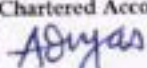
RAJATH FINANCE LIMITED
BALANCE SHEET AS AT March 31, 2024

(Amount in Thousand)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Financial assets			
(a) Cash & cash equivalents	3	1,030.81	1,039.28
(b) Loans	4	3,995.77	61,600.13
(c) Investments	5	43,864.07	1.50
(d) Other financial assets	6	891.00	-
Sub total of financial assets		49,781.66	62,640.92
2 Non - financial assets			
(a) Current tax assets (Net)	7	211.98	211.94
(b) Deferred tax assets (Net)	8	4,497.79	988.68
(c) Property, plant and equipment	9	9,866.04	10,700.63
(d) Intangible assets	10	247.22	-
(f) Inventories	11	209.43	209.43
(e) Other non - financial assets	12	642.07	269.62
Sub total of non - financial assets		15,674.53	12,380.30
TOTAL		65,456.19	75,021.22
LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Payables			
- Trade payables	13	1,031.99	-
(i) total outstanding dues of micro enterprises and small enterprises		1,727.46	357.60
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,656.00	6,401.37
(b) Borrowings	14	7,415.45	6,758.97
Sub total of financial liabilities			
2 Non- financial liabilities			
(a) Provisions	15	162.79	16.60
(b) Other non-financial liabilities	16	1,242.16	66.42
Sub total of non - financial liabilities		1,404.95	83.02
3 Equity			
(a) Equity share capital	15	40,000.00	40,000.00
(b) Other equity	16 & 17	16,635.79	28,179.24
Sub total of equity		56,635.79	68,179.24
TOTAL		65,456.19	75,021.22

See accompanying notes to the financial statements '1 to 44'

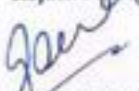
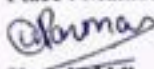
This is the balance sheet referred to our report of even date

For A. D. Vyas & Co.
 Firm Registration Number: 113588W
 Chartered Accountants

 Asha Vyas
 Partner
 Membership No. 047250

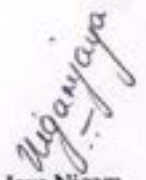
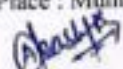


Place: Rajkot
 Date: 21/06/2024
 UDIN: 24047250 BKCRJD5262

For and on behalf of the Board of Directors
 Rajath Finance Limited


 Chutam K. Shah
 Director
 DIN - 06379806
 Place : Mumbai

 Lavashi M Parmar
 Chief Financial Officer
 DIJPP8553F
 Place : Mumbai




 Jaya Nigam
 Whole time Director
 DIN: 05193565
 Place : Mumbai

 Akash H Bheda
 Company Secretary
 A68264
 Place : Mumbai

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

(Amount in Thousand)

Particulars	Note No.	March 31, 2024	March 31, 2023
Revenue from operations			
(a) Interest income	18	818.60	3,274.04
Total revenue from operations (I)		818.60	3,274.04
Other income (II)	19	117.84	38.00
Total income III = (I) + (II)		936.43	3,312.03
Expenses			
(a) Finance cost	20	448.47	363.93
(b) Impairment on financial instruments	21	2,218.52	-
(c) Employee benefits expense	22	891.56	435.30
(d) Depreciation & amortisation	9 & 10	1,243.34	900.38
(e) Other expenses	23	12,476.80	3,050.65
Total Expenses (IV)		17,278.69	4,750.26
Profit/(loss) Before Tax (V) = (III - IV)		-16,342.26	-1,438.23
Tax Expense (VI) :			
a) Current Tax		-	-
b) Deferred Tax/ (Credit)		3,834.97	333.44
c) Excess/short provision adjusted relating earlier year tax		-4.94	-
Profit/(loss) After Tax (VII) = (V-VI)		-12,512.22	-1,104.79
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Change in Fair Value through OCI		1,294.63	-
Income tax relating to items that will not be reclassified to profit or loss		-325.86	-
Other Comprehensive Income for the year (VIII)		968.77	-
Total Comprehensive Income for the year (IX) = (VII + VIII)		-11,543.46	-1,104.79
Earnings Per Equity Share (X)	25		
(Face value of Rs. 10 each fully paid up)			
Basic (in Rupees)		(3.13)	(0.28)
Diluted (in Rupees)		(3.13)	(0.28)

See accompanying notes to the financial statements '1 to 44'

This is the statement of profit and loss referred to our report of even date

For A. D. Vyas & Co.

Firm Registration Number: 113588W

Chartered Accountants

Asha Vyas

Partner

Membership No. 047250

Place: Rajkot

Date: 21/06/2024



For and on behalf of the Board of Directors

Rajath Finance Limited

Gautam K. Shah

Director

DIN :- 06379806

Place : Mumbai

Urvashi M Parmar

Chief Financial Officer

DIJPP8553F

Place : Mumbai

Jaya Nigam

Whole time Director

DIN: 05193565

Place : Mumbai

Akash H Bheda

Company Secretary

A68264

Place : Mumbai



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

Particulars	Nos.	Amount				
		General Reserve	Capital Reserve	Reserves and surplus Special Reserve	Surplus/ (deficit) in the statement of profit and loss	Other comprehensive Change in Fair Value through OCI
a) Equity Share Capital						
Equity Shares of Rs. 10 each						
As at April 1, 2022	40 00 000					40,000.00
Issue of Share Capital	-					-
As at March 31, 2023	40 00 000					40,000.00
Issue of Share Capital	-					-
As at March 31, 2024	40 00 000					40,000.00
b) Other equity						
As at March 31, 2022		2,432.88	30,056.50	5,534.57	- 8,798.92	29,284.03
Profit for the year		-	-	-	-1,104.79	-1,104.79
Other comprehensive income		-	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-1,104.79	-1,104.79
Transactions with owners in their capacity as owners:						
- Issue of equity shares during the year		-	-	-	-	-
- Transfers to:						
Statutory reserve fund		-	-	-	-	-
As at March 31, 2023		2,432.88	30,056.50	5,534.57	-9,844.71	28,179.24
Profit for the year		-	-	-	-12,512.22	-12,512.22
Other comprehensive income		-	-	-	-	1,294.63
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-325.86
As at March 31, 2024		2,432.88	30,056.50	5,534.57	-22,356.93	16,638.79

Note-Statutory Reserve fund transferred will be considered at the year end not at the time of quarter closing.

See accompanying notes to the financial statements 1 to 44

This is the statement of changes in equity referred to in our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants



Ashya
Asha Yash
Partner
Membership No. 647250

Place: Rajkot
Date: 21/06/2024

For and on behalf of the Board of Directors
Rajlath Finance Limited



Rajlath
Captain K. Shaab
Director
DIN: 06379806
Place: Mumbai
Umesh M Parmar
Chief Financial Officer
DIPR38533F
Place: Mumbai

Madhava
Jaya Nigam
Whole time Director
DIN: 05193565
Place: Mumbai
Rajlath
Akshay H Bherda
Company Secretary
A66284
Place: Mumbai

RAJATH FINANCE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousands)

Particulars	March 31, 2024		March 31, 2023	
(a) Cash flow from operating activities :				
Profit/(Loss) before tax		-16,342.26		-1,438.23
Adjustments :				
Depreciation & amortisation	1,243.34		900.88	
Impairment on financial instruments	634.52		-	
Dividend received	-0.68		-38.00	
Finance cost	448.47		363.93	
Change in fair value of investment	1,294.63		-	
Provision on Standard Assets	-		-	
		3,620.28		1,226.31
Operating profit before working capital changes		-12,721.98		-211.92
Adjustments for (increase)/ decrease in operating assets:				
Loans	56,969.86		-4,914.18	
Other Non - financial assets	-372.45		-	
Adjustments for increase/ (decrease) in operating liabilities				
Trade payables & other payables	2,401.85		-740.53	
Other non-financial liabilities	1,321.93		-2,910.16	
		59,430.19		-8,564.87
Cash generated from operations		46,708.21		-8,776.79
Less : Interest paid	-448.47		-363.93	
Less : Income taxes paid (net of refunds)	-4.98		-	
		-453.45		-363.93
Net cash (outflow) from operating activities (a)		46,254.76		-9,140.72
(b) Cash flow from investing activities :				
Purchase of investment	-43,862.57		-	
Purchase of property, plant and equipments	-399.75		-9,404.77	
Purchase of Investment property	-256.22		-	
Dividend	0.68		38.00	
		-44,517.86		-9,366.77
Net cash inflow / (outflow) from investing activities (b)		-44,517.86		-9,366.77
(c) Cash flow from financing activities :				
(Repayment)/Borrowings from banks & financial institutions (Net)	-1,745.37		6,401.37	
		-1,745.37		6,401.37
Net cash (outflow) / inflow from financing activities (c)		-1,745.37		6,401.37
Net decrease in cash and bank balances (a + b+ c)		-8.47		-12,106.12
Add : cash and cash equivalents at beginning of the year		1,039.28		13,143.91
Cash and cash equivalents at end of the year		1,030.81		1,039.28

This is the statement of cashflows referred to our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024



For and on behalf of the Board of Directors
Rajath Finance Limited

Gautam K. Shah
Director
DIN :- 06379806
Place : Mumbai
Urvashi M Parmar
Chief Financial Officer
DIJPP8553F
Place : Mumbai



Jaya Nigam
Whole time Director
DIN: 05193565
Place : Mumbai
Akash H Bheda
Company Secretary
A68264
Place : Mumbai

1. Corporate information

Rajath Finance Limited, was incorporated on August 17, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently, as on December 13, 1984 The Company was registered as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45-1A of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, two wheeler loans, loans against property, personal loans and financing of various micro enterprises.

The registered office of the Company is located at 208-215, Star Plaza, Prabhukh-Chowk, Rajkot 360005. The Company is a public limited company.

2. Significant accounting policies and critical accounting estimate and judgments

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Basis of Preparation of Financial Statements:

(i) Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the NBFC Master Directions) issued by Reserve Bank of India (RBI). The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended March 31, 2018, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as "Previous GAAP"). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company, which has been prepared in accordance with Ind AS.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by

- (i) certain financial assets and financial liabilities at fair value,
- (ii) assets held for sale measured at fair value less cost to sell, and
- (iii) defined benefit plans - plan assets that are measured at fair value.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 - 'Presentation of Financial Statements' and amendment to Division III of Schedule III to the Companies Act, 2013 dated October 11, 2018, the Company presents its balance sheet in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note No. 48 (i).

(iv) Compliance with RBI Master Direction

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the master directions issued by the Reserve Bank of India (RBI) in terms of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" ("RBI Master Direction") vide Reserve Bank of India (RBI) Notification No. RBI/DNDR/2016-17/45 Master Direction DNDR, FD, 008/03.10.119/2016-17 dated September 1, 2016 updated on timely basis (the "RBI Directions") as applicable to the Company. Indian Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India (referred to in these Directions as "ICAI") shall be followed insofar as they are not inconsistent with any of these Directions.

(v) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialised.

2.1.2 Revenue Recognition:

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the service rendered (including estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

1. Identification of contract(s) with customers;
2. Identification of the separate performance obligations in the contract;
3. Determination of transaction price;
4. Allocation of transaction price to the separate performance obligations; and
5. Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Interest income

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognized at the contractual rate of interest. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability 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 amortized cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognized on realisation.

Interest income on fixed deposits is recognized as it accrues on a time proportion basis taking into account the amount outstanding

(ii) Loan processing fees and other operating income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognized on accrual basis over the life of the loan. Other operating income i.e. Foreclosure, Bounce Charges and Loan Re-scheduling Charges are accounted on cash basis.

(iii) Income from investments

Profit / (Loss) earned from sale of investments is recognized on trade date basis net off expenses incurred on sale. The cost of investment is computed based on weighted average basis.

(iv) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.



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2.1.3 Foreign currency translation:

(i) **Functional and presentation currency**
Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

(ii) **Translation and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.1.4 Financial instruments:

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2.1.5 Financial assets:

(i) **Classification and subsequent measurement**

The Company has applied Ind AS 109 "Financial Instruments" and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.

Fair value option for financial assets: The Company may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Re-classification: The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Equity Instruments:

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

(b) Impairment

ECL are recognised for financial assets held under amortised cost. The Company follows 'simplified approach' for recognition of impairment loss allowance on loans which contain a financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolio over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.

- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

(iii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.

- Significant extension of the loan term when the borrower is not in financial difficulty.

- Significant change in the interest rate.

- Change in the currency the loan is denominated in.

- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company de-recognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay these cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions are not de-recognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Company retains a subordinated residual interest.

2.1.6 Financial Liabilities:

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

(a) Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss.

(b) Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognises any expense incurred on the financial liability; and

(c) Financial guarantee contracts and loan commitments.

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(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.1.7 Financial guarantee contracts and loan commitments :

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) The amount of the loss allowance; or

(b) The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115.

Loan commitments provided by the Company are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.1.8 Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the executive director who has been identified as the chief operating decision maker.

The Company is mainly engaged in the commercial finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment as specified in Ind AS 108 on "Operating Segment".

2.1.9 Income Tax :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

2.1.10 Off-setting financial instruments :

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.1.11 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.1.12 Property, plant and equipment :

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life (Years)
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Buildings	50 years
Plant & machinery	8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit or loss.

2.1.13 Intangible assets:

(i) Intangibles Assets

Intangible assets are recognised where it is probable that the future economic benefits attributable to the assets will flow to the Company and its cost can be reliably measured.

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortises intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use.

The Company provides pro-rata depreciation from the day the asset is put to use.

The estimated useful lives for the different types of assets are:

Asset	Useful Life (Years)
Computer software	3 years

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.1.14 Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.1.15 Provisions:

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

2.1.16 Employee benefits:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

2.1.17 Earning Per Share:

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares if any (Note No.42).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.1.18 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Company acting as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

2.1.19 Inventories

Inventory is related to shares and carried at cost

2.1.20 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

2.2 Critical accounting estimates and judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

2.2.1 Effective interest rate method:

The Company recognises interest income/expense using the effective interest rate, i.e., a rate that represents the best estimate of a constant rate of return over the expected life of the loans. The effective interest method also accounts for the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

2.2.2 Impairment of financial assets using the expected credit loss method:

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

2.2.3 Business model assessment:

Classification and measurement of financial assets depends on the results of the SPPI test and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement considered by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

2.2.4 Provisions and contingent liabilities:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

3. Cash & cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	152.69	159.35
Balance with banks		
- In current accounts	<u>878.13</u>	<u>878.46</u>
	<u>878.13</u>	<u>878.46</u>
	<u>1,030.81</u>	<u>1,037.80</u>

4. Loans

Particulars	As at March 31, 2024	As at March 31, 2023
a) Loans		
(i) Unsecured		
Private company in which director is a member/director		
Others	4,877.68	61,847.52
Gross credit exposure	4,877.68	61,847.52
Less: Expected credit loss		
- Contingent provision against standard assets	-1.91	-247.39
- Provision for NPA & doubtful debts	<u>-680.00</u>	
	<u>-681.91</u>	<u>-247.39</u>
Net credit exposure	<u>3,995.77</u>	<u>61,600.13</u>

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Secured by tangible assets	4,877.68	61,847.52
- By tangible assets	-	-
- By intangible assets	-	-
- By bank/government guarantees		
	<u>4,877.68</u>	<u>61,847.52</u>
Unsecured		
Total - Gross	4,877.68	61,847.52
Less: Impairment loss allowance	681.91	247.39
Total - Net	<u>3,995.77</u>	<u>61,600.13</u>

5. Investments

Particulars	Face Value / Issue Price	As at March 31, 2022	
		Quantity	Value
Investments			
(a) Equity shares valued at fair value unless stated otherwise			
Quoted, fully paid-up			
Investment in Shares	1.50	-	1.50
Investment in Mutual Fund	43,864.07	-	-
Total	<u>43,864.07</u>		<u>1.50</u>
Less: Provision for diminution in the value of investments	-		-
Total - Net Investments	<u>43,864.07</u>		<u>1.50</u>
Investment out side India	-		-
Investments in India	43,864.07		1.50
Gross Investments	43,864.07		1.50
Less: Allowance for impairment	-		0.00
Total - Net Investments	<u>43,864.07</u>		<u>1.50</u>

1. The aggregate value of investments:
(Net of provision for diminution in the value of investments)

	As at March 31, 2019	
	Book Value	Market Value
Quoted	1.50	1.50
Unquoted	-	-
TOTAL	<u>1.50</u>	<u>1.50</u>

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

6. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2023
Security deposit	891.00	-
	<u>891.00</u>	<u>-</u>

7. Current tax assets

Particulars	As at March 31, 2023	As at March 31, 2023
Unsecured, considered good		
Taxes paid	206.99	211.94
(Net of income tax provision, as at March 31, 2024 Rs Nil and as at March 31, 2023 Rs Nil)		
	4.99	-
	<u>211.98</u>	<u>211.94</u>

8. Deferred tax assets

Particulars	As at March 31, 2023	As at March 31, 2023
Deferred tax asset disclosed in the balance sheet comprises the following:-		
a) Deferred tax liability		
(i) Related to property, plant and equipment	37.53	-
(ii) Deferred tax on Ind AS Adjustment	325.86	-
(iii) Fair value of investments		-
(iv) Excess interest spread receivable		-
(v) Interest on collateral deposits		-
	<u>363.39</u>	<u>-</u>
b) Deferred tax asset		
(i) Deferred tax on Ind AS Adjustment	-	-
(ii) Expected credit loss	159.71	-
(iii) Tax losses	3,712.79	968.68
	<u>3,872.50</u>	<u>968.68</u>
Net deferred tax liabilities/(asset) (a) - (b)	<u>3,509.11</u>	<u>968.68</u>

c) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax assets / liabilities

Particulars	As at April 1, 2023	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2024
Deferred Tax Assets	988.68	3,834.97	-325.86	4,497.79
Net deferred tax liabilities/(asset)	988.68	3,834.97	-325.86	4,497.79

Note:

As a matter of prudence, w.e.f. March 31, 2024 the company has decided to recognise any deferred tax assets (if any) in books of accounts. In future, it is recognised only to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilised.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Rupees)

9 Property, plant and equipment

Particulars	Buildings	Furniture & fixtures	Office Equipments	Computers	Plant & Machinery	Vehicles	Total
Carrying amount as at March 31, 2022	3,494.61	2,188.21	217.78	1,680.61	-	-	7,581.22
Additions during the year	-	-	38.00	72.50	-	9,294.27	9,404.77
Deduction during the year	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Carrying amount as at March 31, 2023	3,494.61	2,188.21	255.78	1,753.11	-	9,294.27	16,985.99
Additions during the period	-	-	34.16	240.25	125.34	-	399.75
Deduction during the period	-	-	-	-	-	-	-
Carrying amount as at March 31, 2024	3,494.61	2,188.21	289.94	1,993.36	125.34	9,294.27	17,285.74
b) Accumulated depreciation							
Opening accumulated depreciation	1,325.59	2,178.54	217.77	1,663.28	-	-	5,384.98
For the year	58.60	1.43	7.22	22.75	-	810.38	900.38
Deduction during the year	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2023	1,383.99	2,179.97	224.99	1,686.03	-	810.38	6,285.36
For the period	58.76	1.43	8.55	54.72	4.16	1,106.72	1,234.34
Deduction during the period	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2024	1,442.75	2,181.40	233.54	1,740.75	4.16	1,917.10	7,519.70
c) Net carrying amount							
As at March 31, 2023	2,110.62	8.24	30.79	67.08	-	8,483.89	10,700.63
As at March 31, 2024	2,051.86	6.81	96.40	252.61	121.18	7,377.17	9,866.04

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property. The vehicle is in the name of erstwhile director who was using the same for business purposes. The present management will take the necessary steps to regularize the accounts in the matter of this vehicle.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2024

(Amount in Thousand)

10 Intangible Asset

Particulars	Software and Website	Total
Carrying amount as at March 31, 2022	-	-
Additions during the year	-	-
Deduction during the year	-	-
Adjustments /Transfer from	-	-
Carrying amount as at March 31, 2023	-	-
Additions during the year	256.22	256.22
Deduction during the year	-	-
Carrying amount as at June 30, 2022	256.22	256.22
Accumulated depreciation as at March 31, 2022	-	-
For the year	-	-
Deduction during the year	-	-
Accumulated depreciation as at March 31, 2023	-	-
For the year	9.00	9.00
Deduction during the year	-	-
Accumulated depreciation as at June 30, 2022	9.00	9.00
c) Net carrying amount		
As at March 31, 2023	-	-
As at March 31, 2024	247.22	247.22

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

11. Inventories		
Particulars	As at March 31, 2024	As at March 31, 2023
Inventory at the end of the year		
Shares	209.43	209.43
	<u>209.43</u>	<u>209.43</u>
Inventory at the beginning of the year		
Shares	209.43	209.43
	<u>209.43</u>	<u>209.43</u>

12. Other non-financial assets		
Particulars	As at March 31, 2024	As at March 31, 2023
Other Deposit	269.62	269.62
GST Input Credit	308.48	-
Prepaid expenses	63.97	-
	<u>642.07</u>	<u>269.62</u>

13. Trade payables		
Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of:		
- Micro enterprises and small enterprises	1,031.99	-
- Creditors other than micro enterprises and small enterprises		
(i) Due to related party	-	-
(ii) Due to others	<u>1,727.45</u>	<u>357.60</u>
	<u>2,759.45</u>	<u>357.60</u>

11. a) Trade payables March 31, 2024			
Particulars	Outstanding for following periods from due date of payment*		
	Less than 1 year	Less than 1 year	1-2 years
(i) MSME	1,031.99	-	-
(ii) Others	1,727.45	-	-
(iii) Disputed dues - MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
	<u>2,759.45</u>	<u>-</u>	<u>-</u>

11. a) Trade payables March 31, 2023			
Particulars	Outstanding for following periods from due date of payment*		
	Less than 1 year	Less than 1 year	1-2 years
(i) MSME	-	-	-
(ii) Others	357.60	-	-
(iii) Disputed dues - MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
	<u>357.60</u>	<u>-</u>	<u>-</u>

14. Borrowings		
Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
From banks / financial institutions		
- Secured		
(i) Vehicle loan (Refer note "a" below)	4,656.00	6,401.37
	<u>4,656.00</u>	<u>6,401.37</u>
Total borrowings (a)	<u>4,656.00</u>	<u>6,401.37</u>
Borrowings in India	4,656.00	6,401.37
Borrowings outside India	-	-
Total borrowings (b)	<u>4,656.00</u>	<u>6,401.37</u>

13. Provisions		
Particulars	As at March 31, 2024	As at March 31, 2023
Provision for expenses	162.79	16.60
	<u>162.79</u>	<u>16.60</u>

14. Other non-financial liabilities		
Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1,342.36	66.42
	<u>1,342.36</u>	<u>66.42</u>

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

15 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Value	Nos.	Value
Authorised				
Equity shares of Rs. 10 each	7,500,000	75,000.00	7,500,000	75,000.00
		<u>75,000</u>		<u>75,000</u>
Issued, subscribed & paid-up Equity share capital				
Equity shares of Rs. 10 each	4,000,000	40,000.00	4,000,000	40,000.00
		<u>40,000.00</u>		<u>40,000.00</u>

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Outstanding at the beginning of the year	4,000,000	40,000,000.00	4,000,000	40,000,000.00
Shares issued during the year	-	-	-	-
Less: Shares cancelled due to amalgamation	-	-	-	-
Outstanding at the end of the year	4,000,000	40,000,000.00	4,000,000	40,000,000.00

b) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing annual general meeting, is paid in Indian rupees, except in case of interim dividend.

c) Terms/rights/restrictions attached to preference shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per sharehold. The equity shareholders are entitled for dividend as may be proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e) Details of shareholders holding more than 5% of the shares in the Company

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Hitesh Bagdai	-	0.00%	896,853	22.42%
Peenam Bagdai	-	0.00%	896,851	22.42%
Bhavdeep Vala	-	0.00%	996,851	24.92%
Samco Securities Limited	-	0.00%	826,012	20.65%
9Anium Tech LLP	29 50 055	73.75%	-	0.00%
Hiral A Garhani	8 25 862	20.65%	-	0.00%
	3,775,917	94.40%	3,616,567	98.41%

e) Details of shareholding of promoter

	As at March 31, 2024	As at March 31, 2023
	No. of Shares	No. of Shares
Hitesh Bagdai	-	896,863
Peenam Bagdai	-	896,851
Bhavdeep Vala	-	996,851



RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2024

(Amount in Thousands)

16 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
i) General Reserve		
As per last balance sheet	2,432.88	2,432.88
Add : Transfer during the year	-	-
Less : Paid during the year	-	-
	<u>2,432.88</u>	<u>2,432.88</u>
ii) Capital Reserve		
As per last balance sheet	30,056.50	30,056.50
Add : Transfer during the year	-	-
Less : Paid during the year	-	-
	<u>30,056.50</u>	<u>30,056.50</u>
iii) Special reserve (Refer note 2 below)		
As per last balance sheet	5,534.57	5,534.57
Add : Transfer from retained earning during the year	-	-
	<u>5,534.57</u>	<u>5,534.57</u>
iv) Retained earning		
As per last balance sheet under Previous GAAP		-
Add/(Less) : Ind AS Adjustments		-
Deferred tax on above adjustment		
As per last balance sheet	-9,844.71	-8,739.92
Add : Transfer from statement of profit & loss	-12,512.22	-1,104.79
	<u>-22,356.93</u>	<u>-9,844.71</u>
TOTAL	<u>15,667.02</u>	<u>28,179.24</u>

Notes:

1. Statutory reserve fund created pursuant to section 45-IC of the Reserve Bank of India Act, 1934.

17 Nature and purpose of other equity

a) Statutory reserve fund in terms of section 45-IC (1) of the Reserve Bank of India Act, 1934

Statutory reserve fund is created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20% of the profit for the year for NBFC companies.

b) Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

The company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/(asset).

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

18. Interest income	March 31, 2024	March 31, 2023
Particulars		
On financial assets measured at amortised costs:		
Interest income on :		
- Loans	818.60	3,274.04
	<u>818.60</u>	<u>3,274.04</u>
	<u>818.60</u>	<u>3,274.04</u>

19. Other income	March 31, 2024	March 31, 2023
Particulars		
Profit on sale of mutual fund	49.89	-
Dividend received	67.95	38.00
	<u>117.84</u>	<u>38.00</u>
	<u>117.84</u>	<u>38.00</u>

20. Finance cost	March 31, 2024	March 31, 2023
Particulars		
On financial liabilities measured at amortised cost:		
Interest on :		
- Borrowings from banks & financial institutions	448.47	363.93
	<u>448.47</u>	<u>363.93</u>
	<u>448.47</u>	<u>363.93</u>

21. Impairment on financial instruments	March 31, 2024	March 31, 2023
Particulars		
At amortised cost:		
- Loans		
(i) Bad Debts written off	-	-
(ii) Provision/(Reversal) for NPA & doubtful debts	120.86	3,000.00
(iii) Contingent provision against standard assets	1,217.65	-
(iv) Provision for impairment loss	880.00	(3,000.00)
(v) (Profit)/ Loss on sale of repossessed assets	-	-
	<u>2,218.52</u>	<u>-</u>
	<u>2,218.52</u>	<u>-</u>

Disclosure on the asset classification and computation of provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

Asset Classification as per RBI Norms	Standard Assets	Non Performing Assets	Total
Loans	479.58	5,280.00	5,759.58
Impairment provision	-1.90	-880.00	-881.90
Loans (net of provision)	<u>477.68</u>	<u>4,400.00</u>	<u>4,877.68</u>

22. Employee benefits expense	March 31, 2024	March 31, 2023
Particulars		
- Salaries and wages	891.56	435.30
	<u>891.56</u>	<u>435.30</u>
	<u>891.56</u>	<u>435.30</u>

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

23. Other expenses

	March 31, 2024	March 31, 2023
Auditor's remuneration (Refer Note No. 24)	12.50	14.75
Director Remuneration	4,000.00	450.00
Bank charges	1.21	0.38
Directors' sitting fees	600.00	-
Donation	-	115.00
Insurance	76.64	-
Legal & professional fees	4,059.10	1,349.85
Rates and taxes	455.95	4.62
Miscellaneous expenses	87.83	23.00
Printing and stationery	20.89	-
Postage, telegram & telephone	22.30	5.08
IT expenses	15.65	5.50
GST expenses	347.13	-
Rent	1,336.50	-
Repairs & maintenance - others	-	1.90
ROC Filing Fees & Stamp Duty	46.96	-
Travel & conveyance	374.21	579.00
Marketing expenses	449.75	48.07
Electricity expenses	53.30	30.79
Debit balance written off	4.41	-
Listing expenses	383.50	354.00
Office expenses	128.97	68.71
	<u>12,476.80</u>	<u>3,050.65</u>

24. Auditors' remuneration

	March 31, 2024	March 31, 2023
Audit fees	12.50	14.75
Total	<u>12.50</u>	<u>14.75</u>

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousands)

25 Computation of Earnings per Share (Basic and Diluted):

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of shares outstanding during the year.

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
I. Profit Computation for both Basic and Diluted Earnings Per Share of Rs 10 each: Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (amount in thousands)	(12,512.22)	(1,104.79)
II. Weighted average number of Equity Shares for Earnings Per Share computation: Number of shares for Basic Earnings Per Share	4,000,000	4,000,000
Number of shares for Diluted Earnings Per Share	4,000,000	4,000,000
III. Earnings Per Share: Basic (in Rs)	(3.13)	(0.28)
Diluted (in Rs)	(3.13)	(0.28)

26 Related Party Disclosures

(a) Names of related parties and nature of relationship

Names of Related party	Nature of Relationship
Jaya Nigam	Whole Time Director
Guram Kiritkumar Shah	Managing Director
Prakash Darshibhai Shah	Independent Director
Jayna Rachit Shah	Independent Director
Urvashi Manoj Parmar	Chief Financial Officer
Akash Hirebbhai Bhedra	Company Secretary and Compliance Officer
Sarat Kumar Malik	Independent Director

(b) Related Party Disclosures

The following transactions were carried out during the year with the related parties in the ordinary course of business:

Sl. No	Particulars	Key Management person and relatives	Subsidiary/ Associate	Companies in which key management person has significant control	Total
1	Director's Remuneration & Reimbursement	4,000.00 (450.00)	- (-)	- (-)	4,000.00 (450.00)
2	Rent paid	1,764.18	-	-	1,764.18
3	Security deposit	891.00	-	-	891.00
4	Director sitting fees	600.00	-	-	600.00

(iii) Maturity pattern of assets and liabilities

Particulars	Repayable on demand	Long term	Total
Liabilities			
Borrowings from Others		4,656	4,656
Assets			
Loans		3,996	3,996
Investments	43,864	-	43,864

27 Dues to Micro, Small and Medium Enterprises (MSME)

The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the 'Act') and hence disclosure regarding following has not been provided.

- Amount due and outstanding to MSME suppliers as at the end of the accounting year.
- Interest paid during the year to MSME
- Interest payable at the end of the accounting year.
- Interest accrued and unpaid at the end of the accounting year to MSME

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act. Management believes that the figures for disclosure will not be significant.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

28 Risk management objectives and policies

60 Risk Management Framework

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Nature of Risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: (i) when long term assets cannot be funded at the expected term resulting in cashflow mismatches; (ii) amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: (i) measured by identifying gaps in the structural and dynamic liquidity statements. (ii) monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NSFCs. - a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. - periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. (iii) managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee (ALCO)	Interest rate risk is: (i) monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. (ii) managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	Credit risk is: (i) measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various metrics such as EMI default rate, overdue position, collection efficiency, customers non performing loans etc. are used as leading indicators to assess credit risk. (ii) monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, geographic, customer and portfolio concentration risks. (iii) managed by a robust control framework by the risk department which continuously align credit policies and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee

(4) Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

28 (i) Risk management objectives and policies (Contd.)

The table below shows an analysis of assets and liabilities (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial assets						
(a) Cash and cash equivalents	1,030.81	-	1,030.81	1,039.28	-	1,039.28
(b) Loans	3,995.77	-	3,995.77	61,600.13	-	61,600.13
(c) Investments	43,864.07	-	43,864.07	1.50	-	1.50
(d) Other financial assets	891.00	-	891.00	-	-	-
2. Non-financial assets						
(a) Inventories	-	209.43	209.43	-	209.43	209.43
(b) Current tax assets (Net)	211.98	-	211.98	211.94	-	211.94
(c) Deferred tax assets (Net)	-	4,497.79	4,497.79	-	988.68	988.68
(d) Property, plant and equipment	-	9,866.04	9,866.04	-	10,700.63	10,700.63
(e) Other intangible assets	-	247.22	247.22	-	-	-
(f) Other non-financial assets	642.07	-	642.07	289.62	-	289.62
Total assets	59,635.70	14,626.48	65,456.18	63,122.47	11,898.74	75,021.21

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial liabilities						
(a) Payables						
- Trade payables	2,759.45	-	2,759.45	357.60	-	357.60
- Other payables	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	2,054.45	2,601.85	4,656.30	1,745.07	4,656.30	6,401.37
(e) Other financial liabilities	1,242.16	-	1,242.16	66.42	-	66.42
2. Non-financial Liabilities						
(a) Provisions	162.79	-	162.79	16.60	-	16.60
Total liabilities	6,218.85	2,601.85	8,820.70	2,185.69	4,656.30	6,841.99
Net	44,416.85	12,218.63	56,635.47	60,936.78	7,242.44	68,179.22

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

29 Fair values

a) Financial instruments - fair value and risk management

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

(i) Fair values of investments held for trading under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;

(ii) Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.

(iii) Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;

(iv) Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs - financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Disclosures of Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

As at March 31, 2024

(Amount in Thousand)

Assets and liabilities measured at fair value - recurring fair value measurements	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	43,864.07	43,864.07	-	-	43,864.07
Total financial assets	43,864.07	43,864.07	-	-	43,864.07
Financial liabilities	-	-	-	-	-
Total financial liabilities	-	-	-	-	-

As at March 31, 2024

(Amount in Thousand)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivalents	1,030.81	-	-	1,030.81	1,030.81
Loans	3,995.77	-	-	3,995.77	3,995.77
Total financial assets	5,026.58	-	-	5,026.58	5,026.58
Financial liabilities					
Payables					
- Trade payable	2,759.45	-	-	2,759.45	2,759.45
Borrowings	4,656.00	-	-	4,656.00	4,656.00
Total financial liabilities	7,415.45	-	-	7,415.45	7,415.45

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As at March 31, 2023

(Amount in Thousand)

Assets and liabilities measured at fair value - recurring fair value measurements	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	1.50	-	1.50	-	1.50
Total financial assets	1.50	-	1.50	-	1.50
Financial liabilities					
	-	-	-	-	-
Total financial liabilities	-	-	-	-	-

As at March 31, 2023

(Amount in Thousand)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivalents	1,039.28	-	-	1,039.28	1,039.28
Loans	61,600.13	-	-	61,600.13	61,600.13
Total financial assets	62,639.41	-	-	62,639.41	62,639.41
Financial liabilities					
Payables					
- Trade payable	357.60	-	-	357.60	357.60
Borrowings	6,401.37	-	-	6,401.37	6,401.37
Total financial liabilities	6,758.97	-	-	6,758.97	6,758.97

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Listed equity investments (other than subsidiaries and associates) - Quoted bid price on stock exchange
- Mutual fund - net asset value of the scheme
- Debentures or bonds - based on market yield for instruments with similar risk / maturity, etc.
- Private equity investment fund - price to book value method and
- Other financial instruments - discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, cash and cash equivalents, bank deposits and trade payables. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of debt securities, borrowing other than debt securities, subordinate liability are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

30 Financial instruments - fair value and risk management

a) Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities

(Amount in Rupees)

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
(a) Cash and cash equivalents	-	-	1,030.81	-	-	1,039.28
(b) Loans	-	-	3,995.77	-	-	61,600.13
(c) Investments	-	43,864.07	-	-	1.50	-
(d) Other financial assets	-	-	891.00	-	-	-
Total financial assets	-	43,864.07	5,917.58	-	1.50	62,639.41
Financial liabilities						
(a) Payables						
- Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	1,031.99	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,727.46	-	-	357.60
- Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	-	-	4,656.00	-	-	6,401.37
Total financial liabilities	-	-	7,415.45	-	-	6,758.97

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

31 Segment Reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.

32 Events After Reporting Date

There have been no events after the reporting date.

33 Compliance With Number of Layers of Companies

The Company has complied with the number of layers prescribed under clause (b) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

34 Undisclosed Income

There are no transactions not recorded in the books of accounts for the financial years ended March 31, 2024 and March 31, 2023.

35 Items of Income and Expenditure of Exceptional Nature

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2024 and March 31, 2023.

36 Loans to Directors, Senior Officers and Relatives of Directors

disclosure pursuant to RBI notification RBI/2021-21/29 dated 20.03.2021 and RBI/2021-21 dated April 18, 2021.

Particulars	Aggregate amount of such sanctioned loans and advances	
	March 31, 2024	March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

37 Details of Cryptocurrency or Virtual Currency

The Company has not traded or invested in Cryptocurrency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

38 Details of Benami Property Held

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 thereunder in the financial years ended March 31, 2024 and March 31, 2023.

39 Willful Defaulter

The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

40 Relationship With Struck Off Companies

No transactions are with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 260 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023.

41 Title Deeds of Immovable Properties Held in Name of The Company

The Company confirms that the title deeds of immovable properties are held in the name of the Company.

42 Ratio Analysis

Particulars		March 31, 2024	March 31, 2023	Reason for ratio variance
Current Ratio	Times	0.71	0.27	
Debt Equity Ratio	Times	0.08	0.08	
Debt Service Coverage Ratio	Times	-	-	
Return on Equity Ratio	%	-0.22	-0.02	
Inventory Turnover Ratio	Times	NA	NA	
Trade Receivable Turnover Ratio	Times	NA	NA	
Net Capital Turnover Ratio	%	1.05%	4.80%	
Net Profit Ratio	%	-199%	-4%	
Return on Capital Employed	%	-21.87%	-0.26%	
Return on Investment	%	-21.05%	-1.67%	

During the year, company has not given new loans to customers, hence its turnover has been reduced.

43 Contingent liabilities not provided for in respect of:

Particulars	Assessment year	Date of Notice	Principal	Interest	Balance Outstanding payable
Income tax act	2014-2015	10-Feb-20	1,584.53	-	1,584.53
Income tax act	2014-2015	18-Apr-14	479.27	851.88	1,331.15
Income tax act	2014-2015	16-Apr-17	1,306.26	427.75	1,734.01
Total			3,369.06	1,279.71	4,648.77

44 Previous Year Comparatives

The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year presentation.

For A. D. Vyas & Co.
Firm Registration Number: 113586W
Chartered Accountants
A.D. Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024



For and on behalf of the Board of Directors
Rajath Finance Limited

Arjun K. Shah
Director
DIN - 06178606
Place: Mumbai
Siddhant Parmer
Chief Financial Officer
DIPF05510
Place: Mumbai

Jaya Nigam
Whole time Director
DIN: 0190365
Place: Mumbai
Company Secretary
AM204
Place: Mumbai



RAJATH FINANCE LIMITED

(Rs in Lakh)

Standalone Statement of Assets and Liabilities for the Quarterly and Half year ended on 30-09-2024

Particulars		Figures for the current reporting period	Figures for the previous reporting period
Date of start of reporting period		01-04-2024	01-04-2023
Date of end of reporting period		30-09-2024	31-03-2024
Whether accounts are audited or unaudited		Unaudited	Audited
Nature of report standalone or consolidated		Standalone	Standalone
ASSETS			
1	Financial Assets		
(a)	Cash and cash equivalents	3.18	10.31
(b)	Receivables	0.0	0.0
	(i) Trade Receivables	0.0	0.0
	(ii) Other Receivables	0.0	0.0
(c)	Loans	0.0	39.96
(d)	Investments	340.42	438.64
(e)	Other Financial assets	8.02	8.91
	Sub total of financial assets	351.62	497.82
2	Non- financial Assets		
(a)	Inventories	2.09	2.09
(b)	Current tax assets (Net)	1.72	2.12
(c)	Deferred tax Assets (Net)	50.71	44.98
(d)	Property, Plant and Equipment	92.16	98.66
(e)	Other Intangible assets	2.12	2.47
(f)	Right of Assets	35.27	0.0
(g)	Other non-financial assets	15.52	6.42
	Sub total of non - financial assets	199.59	156.75
	Total Assets	551.21	654.56
LIABILITIES AND EQUITY			
LIABILITIES			
1	Financial Liabilities		
(a)	Payables		
	(i) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.0	10.32
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.26	17.27
	(ii) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.0	0.0
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.0	0.0
(b)	Borrowings	45.04	46.56
(c)	Lease Liabilities	36.45	0.0
	Sub total of financial liabilities	90.75	74.15
2	Non-Financial Liabilities		
(a)	Provisions	1.43	1.63
(b)	Other non-financial liabilities	1.37	12.42
	Sub total of non-financial liabilities	2.80	14.05
3	EQUITY		
(a)	Equity Share capital	400.00	400.00
(b)	Other Equity	57.66	166.36
	Sub total of equity	457.66	566.36
	Total Liabilities and Equity	551.21	654.56

James



RAJATH FINANCE LIMITED

STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2024

(Amount in Lacs)

Particulars	September 30, 2024		March 31, 2024	
(a) Cash flow from operating activities :				
Profit/(Loss) before tax:		(118.09)		(163.42)
Adjustments :				
Depreciation & amortisation	18.66		12.43	
Impairment on financial instruments	35.18		6.35	
Dividend received	(0.10)		(0.01)	
Interest Income on Lease Deposits	(0.28)		0.0	
Net (gain) / loss on Sale of financial instruments (Net)	(9.32)		0.0	
Finance cost	1.80		4.48	
Change in fair value of investment	3.66		12.95	
		49.60		36.20
Operating profit before working capital changes		(68.49)		(127.22)
Adjustments for (increase)/ decrease in operating assets:				
Loans	4.78		569.70	
Other financial assets	0.89		0.0	
Other Non - financial assets	(9.10)		(12.63)	
Adjustments for increase/ (decrease) in operating liabilities				
Trade payables & other payables	(18.34)		24.02	
Other financial liabilities	47.62		0.0	
Other non-financial liabilities	(11.25)		13.22	
		14.60		594.30
Cash generated from operations		(53.89)		467.08
Less : Interest paid	(1.80)		(4.48)	
Less : Income taxes paid (net of refunds)	0.40		(0.05)	
		(1.40)		(4.53)
Net cash (outflow) from operating activities (a)		(55.29)		462.55
(b) Cash flow from investing activities :				
Purchase of investment	(90.66)		(438.63)	
Sale of investment	206.20		0.0	
ROU	(47.07)		0.0	
Purchase of property, plant and equipments	0.0		(4.00)	
Sale of property, plant and equipments	0.0		0.0	
Purchase of investment property/Right of Use Asset	0.0		(2.58)	
Dividend	0.10		0.01	
		60.57		(445.18)
		0.0		0.0

James



Net cash inflow / (outflow) from investing activities (b)		60.57		(445.18)
(c) Cash flow from financing activities :				
Lease Payments	(10.89)			
(Repayment)/Borrowings from banks & financial institutions (Net)	(1.52)	0.0	(17.45)	0.0
	0.0	(12.41)	0.0	(17.45)
Net cash (outflow) / inflow from financing activities (c)		(12.41)		(17.45)
Net decrease in cash and bank balances (a + b+ c)		(7.12)		(0.08)
Add : cash and cash equivalents at beginning of the year		10.31		10.39
		0.0		0.0
Cash and cash equivalents at end of the year		3.18		10.31

This is the statement of cashflows referred to our report of even date

For and on behalf of the Board of Directors
Rajath Finance Limited


Anand K. Shah
Managing Director
DIN - 06379806



Place: Mumbai
Date:

RAJATH FINANCE LIMITED							
Statement of standalone UNAUDITED financial results for the Quarter and Half Year Ended 30/09/2024							
(Rs in Lakhs)							
PART - I		Quarterly Ended			Half Yearly		Year Ended
	Particulars	3 months ended (30/09/2024)	Preceding 3 months ended (30/06/2024)	Corresponding 3 months ended in the previous year (30/09/2023)	Year to Date figures for current Period ended (30/09/2024)	Year to Date figures for the previous year ended (30/09/2023)	Previous accounting year ended (31/03/2024)
	(Refer Notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	Net sales/income from operations (Net of excise duty)	-	0.01	1.96	0.01	3.41	8.19
	Other Operation income	8.23	3.41	0.13	11.64	0.13	1.18
	Total income from operations (net)	8.23	3.43	2.09	11.65	3.54	9.37
2	Expenses						
	a) Cost of materials consumed	-	-	-	-	-	-
	b) Purchases of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-
	d) Employee benefits expenses	3.99	4.47	18.36	8.47	19.32	5.92
	e) Depreciation and amortisation expenses	9.35	9.31	-	18.66	-	12.43
	f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	27.01	8.58	7.37	35.59	7.88	124.77
	Conveyance & Travelling	-	-	-	-	2.49	-
	Director Remuneration	5.00	15.00	1.21	20.00	1.21	-
	Bad debt	-	-	16.15	10.05	24.10	-
	Legal & Professional fees	4.56	5.49	-	35.20	-	10.01
	NPA provision	(0.48)	0.46	-	(0.02)	-	12.18
	Provision Against Standard Asset	-	-	-	-	-	-
	Total Expenses	49.43	28.52	43.09	127.95	55.00	168.31
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(41.20)	(25.09)	(41.00)	(116.29)	(51.46)	(158.94)
4	Other income	-	-	-	-	-	-
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 +/- 4)	(41.20)	(25.09)	(41.00)	(116.29)	(51.46)	(158.94)
6	Finance costs	0.70	1.10	1.17	1.80	2.42	4.48
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 +/- 6)	(41.90)	(26.19)	(42.17)	(118.09)	(53.88)	(163.42)
8	Exceptional items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7 +/- 8)	(41.90)	(26.19)	(42.17)	(118.09)	(53.88)	(163.42)
10	Tax Expenses (Current)	0.64	(7.21)	-	(6.57)	-	(8.30)
	Tax Expenses (Deferred)	-	-	-	-	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9 +/- 10)	(42.54)	(33.40)	(42.17)	(124.66)	(53.88)	(171.72)
12	Other Comprehensive Income for the year	0.20	(3.02)	-	(2.82)	-	(9.69)
13	Net Profit / (Loss) for the period (11 +/- 12)	(42.34)	(36.42)	(42.17)	(127.48)	(53.88)	(181.41)
14	Share of profit / (loss) of associates *	NA	NA	NA	NA	NA	NA
15	Minority interest *	NA	NA	NA	NA	NA	NA
16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 +/- 14 +/- 15) *	(42.34)	(36.42)	(42.17)	(127.48)	(53.88)	(181.41)
17	Paid-up equity share capital (Face value of the share shall be indicated)	400.00 (4000000 equity shares of Rs. 10/- each)	400.00 (4000000 equity shares of Rs. 10/- each)	400.00 (4000000 equity shares of Rs. 10/- each)	400.00 (4000000 equity shares of Rs. 10/- each)	400.00 (4000000 equity shares of Rs. 10/- each)	400.00 (4000000 equity shares of Rs. 10/- each)
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	57.66	100.40	281.78	57.66	281.78	186.36
19.i	Earning per share (before extraordinary items) (of Rs. 10/- each) (not annualised):						
	(a) Basic	(1.06)	(1.72)	(1.05)	(2.79)	(1.35)	(3.13)
	(b) Diluted	(1.06)	(1.72)	(1.05)	(2.79)	(1.35)	(3.13)
19.ii	Earning per share (after extraordinary items) (of Rs. 10/- each) (not annualised):						
	(a) Basic	(1.07)	(1.65)	(1.05)	(2.72)	(1.35)	(2.89)
	(b) Diluted	(1.07)	(1.65)	(1.05)	(2.72)	(1.35)	(2.89)
	See accompanying note to the financial results						



PART B							
Select information for the Quarter and 3 Months Ended 31/03/2024							
	Particulars	3 months ended (30/09/2024)	Preceding 3 months ended (30/06/2024)	Corresponding 3 months ended in the previous year (30/09/2023)	Year to Date figures for current Period ended (30/09/2024)	Year to Date figures for the previous year ended (30/09/2023)	Previous accounting year ended (31/03/2024)
A	PARTICULARS OF SHAREHOLDING						
1	Publics Shareholding						
	a) Number of shares	1209445	1209445	1047261	1209445	1047261	1209445
	b) Percentage of shareholding	30.24%	30.24%	26.18%	30.24%	26.16%	30.24%
2	Promoters and Promoter Group Shareholding						
	a) Pledge / Encumbered						
	- Number of shares	0	0	0	0	0	0
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total sharecapital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	b) Non-Encumbered						
	- Number of shares	2950055	2950055	2950055	2950055	2950055	2950055
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total sharecapital of the company)	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%

	Particulars	Preceding 3 months ended (31/12/2023)
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

Notes:

- 1 Depreciation, income-tax/ Deferred tax, amortisation of miscellaneous expenditure, NPA provision are recognised at the last day of the financial year.
- 2 Figures for the previous periods have been re-arranged and/or regrouped to conform to the presentation adopted in this statement.
- 3 The Above Results of Rajath Finance Ltd. Were Reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 22, 2024. The Statutory Auditor of company Have Conducted the Audit of Above standalone Financial Results For the year ended March 31, 2024.
- 4 The Above Financial result are Prepared in compliance with Indian Accounting Standard ("Ind AS") as notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], as amended.
- 5 The Company is primarily engaged in the activity of Finance. Information is reported to and evaluated regularly by the Chief Operating Decision Maker (COMDS) for the Purpose of resource allocation and assessing performance. Focuses on the business as whole and accordingly, there is a single reportable segment defined under Ind AS 108.
- 6 The Result for the last Quarter are the balancing figures between the audited figure in respect of the full Financial year and the Unaudited published year to date figure up to third Quarter of the financial year.
- 7 The figure for the corresponding previous period have been regrouped/reclassified Whenever is necessary.
- 8 In line with the requirement of Regulation 47(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the result are available on the Stock Exchange website at (WWW.bseindia.com and WWW.nseindia.com) and on the Company's Website <https://rajathfinance.in/>.

PLACE: MUMBAI
DATE: 22/10/24

FOR, Rajath Finance Limited

Anoop K. Shah
Managing Director
CIN: 06379606



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**TO THE BOARD OF DIRECTORS
RAJATH FINANCE LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of **RAJATH FINANCE LIMITED** ("the Company"), for the quarter and three months ended September 30, 2024 ("the Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. (a) The Financial results of the company for the quarter ended September 30, 2023 and June 30, 2024 were reviewed by another firm of Chartered Accountants who issued their unmodified conclusion on these financial results vide their reports dated October 28, 2023 and August 14, 2024.
- (b) The Financial Statements of the Company for the year ended March, 2024 was audited by another firm of Chartered Accountants, who issued an unmodified opinion vide their report dated June 21, 2024.

For N C Vaishnav & Co
Chartered Accountants
FRN: 112712W


CA Jayesh Mehta
Partner
M. No.: 037267
Place: Vadodara
Date: October 22, 2024
UDIN: 24037267BKASCO4844



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 "Financial Statements" beginning on page 97 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 16 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 Audited Financial Statements, included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 97 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 14 of this Draft Letter of Offer.

BUSINESS OVERVIEW

The Company was originally incorporated on December 13, 1984, as Rajath Leasing and Finance Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 13, 1984 issued by Registrar of Companies, Gujarat. The Company obtained the certificate of commencement of business on February 4, 1985, from the Registrar of Companies, Gujarat. The name of the company was changed to Rajath Finance Limited and a fresh certificate of incorporation consequent upon change of name was obtained on July 8, 1999. The Registered Office of the Target Company was changed from state of Gujarat situated at '208-215, Star Plaza, Phulchhab Chowk, Rajkot, Gujarat – 360001, India' to State of Maharashtra situated at 'Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai, Maharashtra, 400059' w.e.f. February 20, 2024. The Corporate Identification Number of the Target Company is L65910MH1984PLC419700.

Target Company is registered with Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under section 45 IA of the Reserve Bank of India Act 1934. The Target Company is engaged in the business of leasing, finance, hire purchase and other allied financial services.

SIGNIFICANT DEVELOPMENTS SUSEQUENT TO SEPTEMBER 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements (half year ended September 2024) contained in this Draft Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

1. Resignation of Mrs. Jaya Nigam from the post of Dy CEO and Whole time director of the Company due to personal reasons *w.e.f* October 01, 2024.
2. Approved the technological and commercial transaction with Billmart fintech Private Limited
3. Increase in Borrowing Limits
4. Approved the Co-Lending arrangements and Business Correspondence (BC) with other NBFCS, Fls and Banks.
5. Approved various Products for Providing Credit Facilities or Loans for starting the Lending Business.
6. Approval of Business Arrangements with Banks and NBFCS under FLDG (First Loss Default Guarantee) Scheme with various lenders.
7. Approval for Sourcing Business from various Sourcing Partners under FLDG Scheme as approved by RBIL.

8. To Enter into Agreement with Life and General Insurance Co for Insurance of Borrowers and/or Property (ies).
9. Approval of internal policies of the company.
10. **Non Applicability of Related Party Transaction disclosure** - As per Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply, in respect of the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crores, as the last day of the quarter and half year ended 30th September 2024. Since the paid-up capital of the Company is less than Rs. 10 Crores and net worth is less than Rs. 25 Crores, the company falls under the ambit of the aforesaid exemption and is not required to submit the disclosure of Related Party Transactions under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for the quarter and half year ended September 30, 2024. The same was intimated to Stock Exchange as Media Release under Regulation 30 of SEBI (LODR), 2015 on dated October 10, 2024.
11. The Company has made an application to the BSE Limited on May 10, 2023 towards the reclassification of erstwhile *i.e.* Mr. Bhavdeep Vajubhai Vala, Mr. Hitesh Mansuklal Bagdai and Mrs. Poonamben H Bagdai from “Promoter/Promoter Group” Category to “Public” Category Shareholders of the Company in terms of Regulation 31A (10) of SEBI Listing Regulations. The approval has been accorded by BSE *vide* its letter dated December 13, 2024.
12. Constitution of Right Issue Committee in Board meeting date November 13, 2024.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled “**Risk Factors**” on page 20 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations

- adverse effect of competition on our market share and profits;
- Credit quality and provisioning
- our ability to manage our growth effectively, to manage our quality of services, to hire and retain senior management personnel and other skilled manpower, to manage cost of compliance with labour laws or other regulatory developments, to manage our operating costs, to successfully implement our business strategies and expansion plans, to maintain effective internal controls.
- Competition in our industry
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India

RESULTS OF OPERATION

The following table sets forth, for the fiscal years indicated, certain items derived from our Company’s Audited financial statements and Unaudited financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Amount in Lakh)

Particulars	30 September 2024		31 March 2024		31 March 2023		31 March 2022	
Revenue from operations	0.01	0.09%	8.19	87.42%	32.74	98.85%	34.29	100.00%
Other Income	11.64	99.91%	1.18	12.58%	0.38	1.15%	0.00	0.00%
Total Income	11.65	100%	9.36	100%	33.12	100%	34.29	100%
Finance Cost	1.80	15.45%	4.48	47.89%	3.64	10.99%	0.00	0.00%
Impairment on Financial Instruments	0.00	0.00%	22.19	236.91%	0.00	0.00%	0.00	0.00%
Employee Benefits Expenses	8.47	72.70%	8.92	95.21%	4.35	13.14%	8.10	23.61%
Depreciation & Amortisation	18.66	160.17%	12.43	132.77%	9.00	27.19%	0.81	2.36%

Particulars	30 September 2024		31 March 2024		31 March 2023		31 March 2022	
Other Expenses	100.86	865.75%	124.77	1332.37%	30.51	92.11%	-7.11	-20.74%
Total Expenses	129.79	1114.08%	172.79	1845.15%	47.50	143.42%	1.79	5.23%
Profit/(Loss) before Tax	-118.14	-1014.08%	-163.42	-1745.15%	-14.38	-43.42%	32.50	94.77%
Current Tax	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Deferred Tax/(Credit)	-6.57	-56.39%	38.35	409.53%	3.33	10.07%	-8.29	-24.16%
Excess/Short Provision	0.00	0.00%	-0.05	-0.53%	0.00	0.00%	-0.05	-0.16%
Total Tax Expense	-6.57	-56.39%	38.30	409.00%	3.33	10.07%	-8.34	-24.32%
Profit/(Loss) after Tax	-111.57	-957.68%	-125.12	408.47%	-11.05	-33.36%	24.16	70.45%
Other Comprehensive Income								
(i) items that will not be reclassified to P&L								
Change in Fair Value through Other Comprehensive Income	0.00	0.00%	12.95	138.25%	0.00	0.00%	0.00	0.00%
Income tax relating to items that will not be reclassified to P&L	0.00	0.00%	-3.26	-34.80%	0.00	0.00%	0.00	0.00%
Other Comprehensive Income for the year	-2.82	-24.21%	9.69	103.45%	0.00	0.00%	0.00	0.00%
Total Comprehensive Income for the year	-108.75	-933.48%	-115.43	206.90%	-11.05	-33.36%	24.16	70.45%

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Limited Review Unaudited Standalone Financial Statements and Audited Standalone Financial Statements. For details of our significant accounting policies, please refer chapter titled “*Financial Statements*” on page 97 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES in PREVIOUS 3 YEARS

Except as mentioned in chapter titled “*Financial Statements*” on page 97, there has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, please refer chapter titled “*Financial Statements*” on page 97 of this Draft Letter of Offer

COMPARISON OF YEAR ENDED MARCH 2024 WITH MARCH 2023

Total Income

Particulars	31 March 2024	31 March 2023	Variance In %
Revenue from operations	8.19	32.74	(75.00%)
Other Income	1.18	0.38	210.11%
Total Income	9.36	33.12	(71.73%)

The operating income of the Company for the year ending March 31, 2024 is Rs. 8.19 lakhs as compared to Rs. 32.74 lakhs for the year ending March 31, 2023, showing a decrease of 75%, and such decrease is due to decrease in interest income on Loans given.

The other income of the Company for the year ending March 31, 2024 is Rs. 1.18 lakhs as compared to Rs. 0.38

lakhs for the year ending March 31, 2023, showing an increase of 210%, and such increase is due to profit on sale of mutual funds during 2023-2024 and increase in receipt of dividend income from Rs. 0.38 lakhs in March 2023 to Rs. 67.95 lakhs in March 2024.

Expenses

Finance Cost

Finance Cost for the Financial Year 2024 have increased to Rs. 4.48 lakh as compared to Rs. 3.64 lakh for the Financial Year 2023 on account of increased interest on borrowings from banks and financial institutions.

Impairment on Financial Instruments

Impairment on Financial Instruments Cost for the Financial Year 2024 have increased to Rs. 22.19 lakh as compared to Nil for the Financial Year 2023 on account of Contingent provision against standard assets of Rs. 12.17 lakh, Provision for impairment loss of Rs. 8.80 lakh and Provision/(Reversal) for NPA & doubtful debts of Rs. 1.21 lakh.

Employee Benefit Expenses

Employee Benefit Expenses for the Financial Year 2024 have increased to Rs. 8.92 lakh as compared to Rs. 4.35 lakh for the Financial Year 2023 on account of increase in Salary and wages.

Other Expenses

Other expenses for the Financial Year 2024 have significantly increased to Rs. 124.77 lakh as compared to Rs. 30.51 lakh for the Financial Year 2023 majorly on account of the following

- increase in Directors remuneration by 788.89% from Rs. 4.5 lakh in FY 2023 to Rs. 40 lakh in FY 2024,
- increase in directors sitting fees from Nil in FY 2023 to Rs. 6 lakhs in FY 2024
- increase in legal and professional fees from Rs. 13.49 lakh in FY 2023 to Rs. 40.59 lakh in FY 2024
- increase in rates and taxes from Rs. 0.46 lakh in FY 2023 to Rs. 4.55 lakh in FY 2024
- Addition of Rent of Rs. 13.36 lakh in FY 2024
- increase in marketing exp from Rs. 0.48 lakh in FY 2023 to Rs. 4.50 lakh in FY 2024

Profit/(Loss) before Tax

The Company has incurred losses for the FY 2023 and FY 2024. The losses has been increased from Rs. 14.38 lakh in FY 2023 to Rs. 163.42 lakh in FY 2024 majorly on account of steep fall in Revenue and significant increase in Finance Cost, Impairment on Financial Instruments, Employee Benefits Expenses and Other expenses. During FY 2023-2024, the company was taken over by the new management and hence was in transition phase.

Provision for Tax and Net Profit/ Loss

Since the Company is incurring losses for the FY 2023 and FY 2024, there are no taxes for the said period. However, the deferred tax has increased from Rs. 3.33 lakh in FY 2023 to Rs. 38.30 lakh in FY 2024. Our Company Net Loss has also increased significantly from Rs. 14.38 lakh to Rs. 163.42 lakh.

COMPARISON OF YEAR ENDED MARCH 2023 WITH MARCH 2022

Total Income

Particulars	31 March 2023	31 March 2022	Variance In %
Revenue from operations	32.74	34.29	(4.52%)
Other Income	0.38	0.00	-
Total Income	33.12	34.29	(3.41%)

The operating income of the Company for the year ending March 31, 2023 is Rs. 32.74 lakh as compared to

Rs. 34.29 lakh for the year ending March 31, 2022, showing a decrease of 4.52%, and such decrease is due to decrease in interest income on Loans.

The other income of the Company for the year ending March 31, 2023 is Rs. 0.38 lakh as compared to Nil for the year ending March 31, 2022, on account of receipt of dividend income.

Expenses

Finance Cost

Finance Cost for the Financial Year 2023 have increased to Rs. 3.64 lakh showing Nil finance cost for the Financial Year 2022 on account of increased interest on borrowings from banks and financial institutions.

Employee Benefit Expenses

Employee Benefit Expenses for the Financial Year 2023 have decreased to Rs. 4.35 lakh as compared to Rs. 8.10 lakh for the Financial Year 2022 on account of no bonus and leave encashment given to employees during FY 2022-2023.

Depreciation

Depreciation for the Financial Year 2023 have increased to Rs. 9.00 lakh as compared to Rs. 0.81 lakh for the Financial Year 2022 on account of purchase of Rs. 85.04 lakh fixed assets during FY 2022-2023.

Other Expenses

Other expenses for the Financial Year 2023 have significantly increased to Rs. 30.51 lakh as compared to Rs. - 7.11 lakh for the Financial Year 2022 majorly on account of the following

- increase in travelling expenses from Rs. 1.49 lakh in FY 2022 to Rs. 5.79 lakh in FY 2023,
- increase in provision against NPA from Rs. (20) lakh in FY 2022 to Rs. (30) lakhs in FY 2023
- increase in legal and professional fees from Rs. 1.73 lakh in FY 2022 to Rs. 13.50 lakh in FY 2023
- Addition of Car Loan interest and Donation of Rs. 3.83 lakh and Rs. 1.15 lakh respectively in FY 2023

Profit/(Loss) before Tax

The Company has incurred losses for the FY 2023. During the FY 2023, the Company has booked a profit before tax of Rs. 32.50 lakh. However, on account of dip in revenue and exponential increase in total expenses of Rs. 47.50 in FY 2023 against Rs. 1.79 lakh in FY 2022, the Company incurred huge loss of Rs. 14.38 lakh in FY 2023.

Provision for Tax and Net Profit/ Loss

Since the Company is incurring losses for the FY 2023, there are no taxes for the said period. However, the Company has booked deferred tax of Rs. (8.29) lakh in FY 2023 and Rs. 3.33 lakh in FY 2022. Our Company incurred Net Loss of Rs. 11.05 lakh as against profit of Rs. 24.16 lakh in FY 2022.

COMPARISON OF HALF YEAR ENDED SEPTEMBER 2024 WITH SEPTEMBER 2023

Total Income

Total income has increased from ₹ 3.54 lakh during half year ended September 2023 to ₹ 11.66 lakh for the half year ended September 2024, majorly on account of Other Operating Income from ₹ 0.13 lakh during half year ended September 2023 to ₹ 11.64 lakh during half year ended September 2024.

Total Expenditure

Total Expenditure excluding finance costs and depreciation and amortization expenses increased from ₹ 55.00 lakh during half year ended September 2023 to ₹ 127.95 lakh for the half year ended September 2024 mainly on account of increase in depreciation, bad Debt and NPA provision.

Finance costs

Finance Costs has decreased from ₹ 2.42 lakh during half year ended September 2023 to ₹ 1.80 lakhs for the half year ended September 2024 on account of reduction in total borrowings from ₹ 55.46 lakh during half year ended September 2023 to ₹ 45.04 lakh during half year ended September 2024.

Employee benefits expenses

Our employee benefit expenses decreased by ₹ 10.85 Lakh, from ₹19.32 Lakh for the half year ended September 2023 to ₹ 8.47 Lakh for half year ended September 2024 representing a decrease of 56.15%.

Depreciation and amortization expense

The company has not booked depreciation for half year ended September 2023. However, for half year ended September 2024, the Company has incurred a depreciation of ₹18.66 lakh.

Other expenses

Other Expenses increased by ₹ 27.71 lakhs from ₹ 7.88 Lakh for the half year ended September 2023 to ₹ 35.59 Lakh for the half year ended September 2024 representing an increase of 352%.

Profit/(Loss) before tax

The Company has incurred losses of ₹ 53.88 lakh for the half year ended September 2023 and ₹ 108.70 for the half year ended September 2024 on account of exponential increase in total expenses as compared to increase in total income.

Provision for Tax and Net Profit/ Loss

Since the Company is incurring losses for the half year ended 2023 and 2024, there are no taxes for the said period. However, the deferred tax was booked for half year ended 2024 of ₹ (6.57). Our Company Net Loss has also increased significantly from ₹ 53.88 lakh to ₹108.70 lakh.

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. Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the chapter titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 20 and 98, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

5. **The extent to which material increase in net sales or revenue are due to increased sales volumes, introduction of new products or services or increased sales prices.**

The Company has incurred losses for the FY 2024, FY 2023 and for the half year ended September 2024. No material increase in net sales or revenue has been witnessed by the Company due to increased sales volumes, introduction of new products or services or increased sales prices.

6. **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.

7. **The extent to which the business is seasonal**

Our Company's business is not seasonal in nature.

8. **Any significant dependence on a single or few suppliers or customers**

There is no significant dependence on a single or few suppliers or customers

9. **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 81 of this Draft Letter of Offer.

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENTS

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements included in “*Financial Statements*” on page 97 of this Draft Letter of Offer:

Particulars	September 2024	31 March 2024	31 March 2023	31 March 2022
Earnings Per Share (Basis and diluted)	-2.79	-3.13	-0.28	0.60
Return on Networth	-24.38	-22.09	-1.62	3.49
Net Asset Value (per share)	11.44	14.16	17.04	17.32
EBITA	-97.68	-146.50	-1.74	33.31

The formulae used in the computation of the above ratios are as follows:

Particulars	Formulae
Basic EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period
Diluted EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth	Profit/(loss) after tax for the period as presented in the consolidated statement of profit and loss in the Financial Statements / Net Worth
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
Net Asset Value per Equity Share	Net Worth / Number of Equity Shares subscribed and fully paid outstanding as at the end of March 31, 2024
EBITDA	Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, depreciation and amortisation expense, exceptional items, other income as presented in the Audited Consolidated Financial Statements.

Statement of Capitalization

Particulars	Pre-issue as at 30.09.2024	As adjusted for proposed Issue
Total Borrowings	45.04	[●]
Current Borrowing	45.04	[●]
Non-Current Borrowing	0	[●]
Total Equity*		
Equity Share Capital	400.00	[●]
Other Equity	57.66	[●]
Total Capital	457.66	[●]
Ratio: Non-current borrowings/Total Equity	-	[●]

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 124 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:

- Year is a Financial Year, unless otherwise stated;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- 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							
F.Y.	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 * Price (₹)
January 2024 to November 2024	27.79	October 28, 2024	15	21.79	February 19, 2024	15	25.08
January 2023 to December 2023	20.76	November 13, 2023	50	12.79	February 13, 2023	50	16.45
January 2022 to December 2022	12.19	December 01, 2022	100	7.98	January 06, 2022	5	9.48
January 2021 to December 2021	7.71	August 05, 2021	190	7.33	August 10, 2021	34	7.43

* Average of weighted average price during that FY

(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									
Month	High (₹)	Date of High	No. of Shares traded on date of high	Low (₹)	Date of Low	No. of Shares traded on date of low	Average Price for the Month (₹)	Total No of Trading Days	Volume of securities traded*
November, 2024	No Trading								
October, 2024	27.79	October 28, 2024	15	27.79	October 28, 2024	15	27.72	2	25
September, 2024	26.47	September 02, 2024	10	26.47	September 02, 2024	10	26.47	1	10
August, 2024	25.21	August 23, 2024	30	22.87	August 16, 2024	5	24.00	3	40
July, 2024	No Trading								
June, 2024	No Trading								

* No of Shares traded

(Source: www.bseindia.com)

During the preceding 6 months *i.e.* June 2024 to November 2024, the total number of trading days were recorded to be 6 days and the Average volume of equity shares traded was 324.5.

The shares of the Company were not actively traded during preceding 6 months *i.e.* June 2024 to November 2024.

The Market Price of the shares of the Company immediately after the date on which the resolution of the Board of Directors approving the issue *i.e.* August 16, 2024 (as August 15, 2024 was a holiday) was ₹ 22.87.

There has been no trading in the shares of the Company immediately before the date on which the resolution of the Board of Directors approving the issue *i.e.* August 13, 2024.

Week end closing prices of the Equity Shares from November 2024 to December 20, 2024 on the BSE are as below:

Week Ended on	Closing Price (In ₹)	High (In ₹)	Date of High	Low (in ₹)	Date of Low
November 01, 2024	NA	NA	NA	NA	NA
November 08, 2024	NA	NA	NA	NA	NA
November 15, 2024	NA	NA	NA	NA	NA
November 22, 2024	NA	NA	NA	NA	NA
November 29, 2024	NA	NA	NA	NA	NA
December 06, 2024	NA	NA	NA	NA	NA
December 13, 2024	NA	NA	NA	NA	NA
December 20, 2024	NA	NA	NA	NA	NA

VIII LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the Draft Letter of Offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'Materiality Policy' under Regulation 30 of the SEBI Listing Regulations and as adopted by the Board of Directors of the Company on Tuesday, 22nd October 2024 for the purpose of litigation disclosure in this draft Letter of Offer if:

- a) Any outstanding litigation involving monetary amount of claim made by or against the Company exceeds 5% of the Annual turnover or consolidated net worth of preceding Financial Year, whichever is more as per the latest Audited Balance Sheet; or
- b) Any litigation being considered as 'Material' by the Board of the Directors.

For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations, 2015.

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

Pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the Company and Subsidiary Company: Nil

Litigations involving our Company and our Subsidiary Company: Nil

Litigation involving Moral turpitude or criminal liability on the Company and Subsidiary Company: Nil

Material violations of the statutory regulations by the Company and Subsidiary Company:

Violations of the Statutory Regulation by the Company

- A. The following are the regulatory actions taken by the Stock Exchange against the Company in last five financial years as showing on Watch out Investor's Website:

Amount (in Rupees)

Sr No.	Competent Authority	Regulatory Charges	Regulatory Action(S) / Date Of Order	Further Developments
1.	BSE	Did Not Appoint Company Secretary and/or Compliance Officer for The Quarter Ended 31-Dec-2023	Imposed Fine Rs.71,980 31-DEC-2023	Not Appearing in the List for the Quarter Ended 31-MAR-2024
2.	BSE	Delayed Submission of Shareholding Pattern for The Quarter Ended 31-Dec-2020	Imposed fine Rs.21,240 31-Dec-2020	Not appearing in the List for the Quarter Ended 31-Mar-2021

Sr No.	Competent Authority	Regulatory Charges	Regulatory Action(S) / Date Of Order	Further Developments
3.	BSE	Delayed Submission of Statement of Investor's Complaint for The Quarter Ended 31-Dec-2020	Imposed Fine of Rs. 1,180 December 31, 2020	Not appearing in the List for The Quarter Ended 31-Mar-2021
4.	BSE	Did Not Appoint Share Transfer Agent for The Quarter Ended 30-Sep-2020	Imposed Fine of Rs. 1,08,560 September 30, 2020	Not appearing in the List for The Quarter Ended 31-Mar-2020
5.	BSE	Delayed Submission of Financial Results for The Quarter Ended 31-Mar-2019	Imposed Fine of Rs. 5,900 March 31, 2019	Not appearing in the List for The Quarter Ended 30-June-2019
Total Fine Imposed			2,08,860.00	

B. The following are the regulatory actions taken by the Stock Exchange against the Company in the Financial Year 2024-25:

Sr No.	Regulations	Non-Compliance for Period	Date of Intimation by BSE	Amount (In Rupees)
1.	Regulation 33 - Non-submission of the financial results within the period prescribed under this regulation	Quarter / Year - March 2024	BSE mail dated 6/28/2024	1,29,800.00
2.	Regulation 33 - Non-submission of the financial results within the period prescribed under this regulation	Quarter ended June 2024	BSE mail dated 9/13/2024	1,71,100.00
3.	Regulation 6(1), 33, 34, 44(3) consolidated fees for differences in amount identified by BSE for past years	Multiple period	BSE mail dated 7/16/2024	2,60,847.00
Total Fine Imposed				5,61,747.00

Economic offences where proceedings have been initiated against the Company and Subsidiary Company:

Nil

Revenue proceedings against our Company and Subsidiary Company:

Direct tax proceedings against the Company

1. Except the following, there are no e-proceeding showing on the website of Income Tax against the Company, the amount has not been crystallized yet:

SI No.	Proceeding Name	Document Reference ID	Open Date	Assessment Year	Status
1.	Issue Letter	ITBA/COM/F/17/2024-25/1064051456(1)	April 12, 2024	2023-24	Open
2.	Issue Letter	ITBA/RCV/F/17/2021-22/1036909350(1)	November 13, 2021	2004-05	Open
3.	Issue Letter	ITBA/COM/F/17/2019-20/1024903193(1)	Issued on: February 12, 2020	2004-05	Open

4.	Issue Letter	ITBA/COM/F/17/2019-20/1024903909(1)	Issued on: February 12, 2020	2004-05	Open
5.	Recovery Process	ITBA/RCV/S/221/2019-20/1019200198(1)	Issued on: November 06, 2019	-	Open
6.	Adjustment u/s 143(1)(a)	-	-	2017-18	Pending
7.	Adjustment u/s 143(1)(a)	-	-	2017-18	Pending

2. As of filing the Draft Letter of Offer, the Company has the following TDS defaults:

Amount (in Rupees)

Sr No.	Financial Year	Short Payment	Short Deduction	Interest on Payment Default u/s 201	Interest on Deduction Default u/s 201	Late Filing	Total Default
1.	2023-24	-	-	-	-	-	1890.00
2.	2022-23	-	-	-	-	-	310.00
3.	Prior Years	-	-	-	-	-	5,370.00
	Total	-	-	-	-	-	7,570.00

Revenue Proceeding against the Director and Promoter:

Direct Tax

- A. Except the following, Directors has not received any outstanding demand notice from Income Tax Department:

Amount in Rupees (₹)

Sl No.	Assessment Year	Demand Raised u/s.	Demand Outstanding
Gautam Kirtikumar Shah (Director)			
1.	2015	154	68,910.00
2.	2017	143(1)(a)	1,81,260.00
	Total		2,50,170.00

- B. Except the following, there are no e-proceeding showing on the website of Income Tax against the directors, the amount has not been crystalized yet:

Sl No.	Proceeding Name	Document Reference ID	Open Date	Assessment Year	Status
Gautam Kirtikumar Shah					
1.	148A	-	March 19, 2022	2018-19	Open

Proceedings involving issues of moral turpitude or criminal liability involving Promoter and Director:

Criminal Litigation against the Director

- Mr. Ashok Kumar Nag (one of our Independent Director of the Company) was appointed as Non-executive Director on the Board of National Spot Exchange Limited (NSEL) on 01.03.2014 as a part of the new management team much after the NSEL payment default happened in August 2013. On 31.07.2013, post closure of NSEL Exchange due to advise of the Forward Market Commission resulted 22 commodity sellers trading on NSEL Exchange Platform ('Defaulters') failed to meet their respective payment obligations on due dates towards their respective counter parties, who had traded on NSEL's exchange platform through their respective brokers and with whom they had privity of contract. This resulted in the payment defaults of Rs. 5,600 Crores by the 22 Defaulters on the NSEL's Exchange Platform. After said NSEL payment default, several agencies

had initiated investigation into NSEL Payment Default including Serious Fraud Investigation Officer (SFIO), Mumbai.

SFIO filed complaint bearing Petition No. 19 of 2019 before Hon'ble Session Court, Mumbai against more than 100 persons including Mr. Ashok Nag alleging responsible for NSEL payment default though Mr. Ashok Nag was not associated with NSEL in any capacity when NSEL payment default taken place. Allegation against Mr. Ashok Nag are pertaining to violation of the Companies Act, 1956. Hon'ble Session Court, Mumbai, taken a cognizance and issued process against Mr. Nag vide order dated 29.07.2019. Mr. Nag challenged the said the issue process order dated 29.07.2019 before the Hon'ble Bombay High Court by filing Criminal Application No. APL/94 of 2020 on January 14, 2020. The Hon'ble court vide order dated 15.01.2020 granted stay on the operation and effect of the order dated 29.07.2019.

The matter is currently pending before the Hon'ble Court.

Other proceedings involving our Company and/or Subsidiaries which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company: NIL

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS/FRAUDULENT BORROWERS

Neither our Company, nor our Promoter or any of our directors are or have been categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET I.E. MARCH 31, 2024.

Except as below no material circumstances have arisen since the date of last financial statement until the date of filing of this Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and various other government agencies/ regulatory authorities'/ certification bodies required to undertake this issue and to continue our present business activities.

In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the below approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

Currently our Company has following functional offices at:

- a) **Registered Office:**; Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai, Maharashtra, 400059

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

I. APPROVALS FOR THE ISSUE

A. Corporate Approvals

The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on 14th August 2024 and on 13th November 2024 (for modification of certain terms of Issue), authorized the Issue and such other authorities as may be necessary.

B. Approval from the Stock Exchange

In-principle approval dated [●] from stock exchange for using the name of the Exchange in its offer documents for listing of the Equity Shares issued by our Company pursuant to the Issue.

C. Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated March 13, 2006 with the National Securities Depository Limited (“**NSDL**”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its Equity Shares.
2. Similarly, the Company has also entered into an agreement dated June 25, 2009 with the Central Depository Services (India) Limited (“**CDSL**”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its Equity Shares.
3. The International Securities Identification Number (ISIN) of our Company is INE455H01013.

II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

- A. Certificate of Incorporation dated December 13, 1984 issued by the Registrar of Companies, Ahmedabad, Gujarat in the name of “Rajath Leasing and Finance Limited” with registration number 7486 of 1984-85.
- B. Certificate of Incorporation dated July 08, 1999 issued by the Registrar of Companies, Gujarat, Dadar & Nagar Haveli in pursuant to change in name from “Rajath Leasing and Finance Limited” to “Rajath Finance Limited”.

- C. A regional Order has been passed on December 20, 2023 at Ahmedabad, upon change of registered Office of the Company from Registrar of Companies, Gujarat to Registrar of Companies, Maharashtra subsequently a Fresh Certificate of Incorporation dated February 20, 2024 issued by Registrar of Companies, Mumbai.
- D. The Corporate Identification Number (CIN) of our Company is L65910MH1984PLC419700.

III. GENERAL APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

A. BUSINESS AND INDUSTRY SPECIFIC APPROVALS

Sr. No.	Description	Applicable laws	Issued By	Registration/ Application Number	Date of Certificate/ Registration	Date of Expiry
1.	Certificate of Incorporation of the Company in the name of "Rajath Finance Limited"	The Companies Act, 2013	Deputy Registrar of Companies, Ahmedabad, Gujarat	L65910GJ1984P LC007486	July 08, 1999	Valid till Cancel
2.	Registration Certificate under Reserve Bank of India (RBI)	The Reserve Bank of India Act, 1934	General Manger/ Deputy General Manager Reserve Bank of India	B-13.02490	August 12, 2024	Valid till Cancel
3.	Udyam Registration Certificate	The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)	he Ministry of Micro, Small and Medium Enterprises (MSME)	UDYAM-MH-18-0395790	December 06, 2024	Valid till Cancel
4.	Shops and Establishment Certificate	The Maharashtra shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017	Chief Officer, Shops and Establishment	820367169 / KE Ward/COMMERCIAL II	December 06, 2024	NA

B. TAXATION LAWS RELATED APPROVALS


Sr. No.	Description	Applicable laws	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AABCR3205L	December 13, 1984	Valid until cancellation
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department	RKTR00585E	December 13, 1984	Valid until cancellation
3.	Goods & Service Tax Registration Certificate for 10th Floor, 426A Office No 1001, K P Auram, Marol Maroshi Road, Marol, Mumbai, Maharashtra-400059	Maharashtra Goods and Service Tax Act 2017	Government of India	27AABCR3205 L1ZG	December 27, 2023	Valid until cancellation

C. THE DETAILS OF THE DOMAIN NAME IN THE NAME OF OUR COMPANY:

Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
www.fynxcapital.com	Sponsoring Registrar: GoDaddy.com, LLC IANA ID: 146	April 05, 2024	April 05, 2025

D. KEY APPROVALS APPLIED BY OUR COMPANY BUT NOT RECEIVED YET

As on date of the Draft Letter of Offer, the Company has the following Trademark pending application:

Sr No.	Brand Name/Logo Trademark	Class	Application No.	Type of the Trademark	Application Date	Status
1.		36	6379614	Device	April 08, 2024	Objected

E. KEY APPROVALS YET TO BE APPLIED BY OUR COMPANY

1. Our Company has yet to apply Professional Tax certificate under The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

MATERIAL DEVELOPMENT

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect 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.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 98 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

1. The Board, pursuant to its resolution dated Wednesday 14th August, 2024, authorized the Issue under Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.
2. Our Board in its meeting held on Wednesday 14th August, 2024 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders aggregating up to ₹ 1600 lakhs and decided to issue the Rights Equity Shares at an Issue Price of ₹ 10/- per Rights Equity Share at par. Further board in its meeting held on Wednesday 13th November, 2024 revised the ratio of 4 (Four) Rights Equity Shares for every 1 (One) Equity Share, as held on the Record Date *i.e.* [●]. The Issue Price of ₹ 10/- per Rights Equity Share has been arrived at, prior to determination of the Record Date.
3. The Draft Letter of Offer has been approved by our Rights Issuance Committee pursuant to its resolution dated December 23, 2024.
4. The Letter of Offer has been approved by our Board pursuant to its resolution dated [●].
5. Our Company has received In-Principle approval from BSE (being the Designated Stock Exchange) under Regulation 28 of the SEBI Listing Regulation *vide* their letters dated [●] for listing of Right Equity Shares to be allotted in the issue. Our Company will also make applications to the BSE to obtain their trading approvals for the Rights Entitlements as required under the Rights Issue Circulars.
6. Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 124 of this Draft Letter of Offer.

CONFIRMATIONS

- 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 debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/ court.
- 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)

CONFIRMATION – NO 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 2022-2024, 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.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY

Our Company accepts no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have been represented by our Company and it’s respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Right Equity Shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations there-under. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue is BSE Limited.

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.

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.

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 to SEBI for information and dissemination and will be filed with the Stock Exchanges.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any public issues during last one year immediately preceding the date of this Draft Letter of Offer. 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/ unlisted subsidiaries or associate companies as on the date of this Draft Letter of Offer. Further, there have been no instances in the past.

EXPERT OPINION

Our Company has received written consent dated December 11, 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 to the Statement of Tax Benefits dated December 23, 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

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 December 11, 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 December 23, 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.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed on BSE Limited. 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 106 of this Draft Letter of Offer.

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 Regulations 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.

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 AGREEMENT.

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. 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. 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 124. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows

Registrar to the Company and Issue

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, LBS Marg, Surya Nagar,
Gandhi Nagar Vikhroli (West),
Mumbai –400 083, Maharashtra, India

Tel : + 91 8108114949

Email : rajathfinance.rights@linkintime.co.in

Website : www.linkintime.co.in

Investor Grievance Email: rajathfinance.rights@linkintime.co.in

Compliance Officer: Mr. BN Ramakrishnan

Contact Person: Ms. Shanti Gopalkrishnan

SEBI Registration No: INR000004058

CIN: U67190MH1999PTC118368

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post- Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares, refund and such other matters. The contact details of the Compliance Officer are as follows

Company Secretary and Compliance Officer of our Company:

Akash Hirenbhai Bheda

Address: Office No.1001, Tenth Floor, K.P. Aurum Building,
CTS No.426A, Marol Maroshi Road, Andheri (E), Mumbai 400059.

Contact Details: 8655900272

Email-ID: Compliance@fynxcapital.com

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities

STATUS OF OUTSTANDING INVESTOR COMPLAINTS IN RELATION TO OUR COMPANY

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to our Company.

IX 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.

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.

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 Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at www.fynxcapital.com ;
- (ii) the Registrar at www.linkintime.co.in ;
- (iii) the Lead Manager at www.bonanzaonline.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.linkintime.co.in) 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.fynxcapital.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 this 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 THIS 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 Renounees, 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.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled “**Making of an Application through the ASBA Process**” on page 125.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Ground for Technical Rejection” on page 131. 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.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Lead Manager and 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 **Rajath Finance Limited**;
- (b) 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);
- (c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (d) 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;
- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option – only dematerialised form;
- (g) Number of Equity Shares entitled to;
- (h) Number of Equity Shares applied for within the Rights Entitlements;
- (i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Equity Shares applied for;
- (k) Total amount paid at the rate of Rs. 10/- per Equity Share;
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (m) 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;
- (n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (o) 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
- (p) 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 Regulations.

I/ We acknowledge that the Company, 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.linkintime.co.in.

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 rajathfinance.rights@linkintime.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 Renounees 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.

Ground for Technical Rejections

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 (i) debarred by SEBI; or (ii) 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 made 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 FPI's

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 Fund

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 (www.linkintime.co.in) 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.fynxcapital.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 ENTITLEMENTS

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

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 Entitlement

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 Renounees on or prior to the Issue Closing Date to enable Renounees 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:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.

- (e) 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.
- (f) 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 4:1 (4 Equity Share for every 1 Equity Share 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: **507962**) under the ISIN: **INE455H01013**. 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 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 Mumbai, 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.linkintime.co.in. 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: rajathfinance.rights@linkintime.com.

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 Renounees 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) and (b) 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) and (c) above, and the decision of our Board in this regard shall be final and binding.
- e) 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.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

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 4 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 4 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 any of the following modes.

Unblocking amounts blocked using ASBA facility.

NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

Direct Credit – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company

RTGS – If the refund amount exceeds Rs. 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.

Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

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 March 13, 2006 with NSDL and an agreement dated June 25, 2009 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:

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) Renounees 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:

- a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) 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.
- c) 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.
- d) No further issue of securities shall be made till the securities offered through the Letter of Offer are listed or till the Application Money are refunded on account of non-listing, under subscription etc, other than as disclosed in accordance with Regulation 56.
- e) 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.
- f) 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.

- g) Adequate arrangements shall be made to collect all ASBA Applications.
- h) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. WITHDRAWAL OF THE ISSUE

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Company, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed

XVII. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- a) 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.
- b) 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 “[●]” on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

Link Intime India Private Limited

C 101, 247 Park, Lal Bahadur Shastri Marg, Surya Nagar,
Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083

Tel No: + 91 81081 14949;

E-mail ID: rajathfinance.rights@linkintime.co.in;

Investor grievance e-mail: rajathfinance.rights@linkintime.co.in;

Website: www.linkintime.co.in;

Contact Person: Shanti Gopalakrishnan

Validity of Registration: Permanent

SEBI Registration Number: INR000004058;

Corporate Identification Number: U67190MH1999PTC118368;

- c) 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.linkintime.co.in. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 81081 14949.

- d) The Shareholders can visit following links for the below-mentioned purposes:
- (i) Frequently asked questions and online/ electronic dedicated Shareholder helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.linkintime.co.in.
 - (ii) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.linkintime.co.in.
 - (iii) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.linkintime.com
 - (iv) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders at email id at rajathfinance.rights@linkintime.co.in.

This Issue will remain open for a minimum of 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 AND INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the ‘automatic route’, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (‘FDI Circular 2020’), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed

to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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

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, or (c) demat suspense account where the credit of the Rights Entitlements returned/ reversed/ failed.

X OTHER INFORMATION

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 this contracts and documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days and will also be available at the website of our Company from the from the date of this Letter of Offer until the Issue Closing Date.

A. MATERIAL CONTRACTS

- 1) Registrar Agreement dated December 02, 2024 between our Company and M/s Link Intime India Limited, Registrar to the Issue.
- 2) Memorandum of Understanding (MOU) dated November 04, 2024 amongst our Company and Bonanza Portfolio Limited, Lead Manager to Issue.
- 3) Tripartite Agreement dated March 13, 2006 between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
- 4) Tripartite Agreement dated June 25, 2009 between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
- 5) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue / Refund Bank.

B. MATERIAL DOCUMENTS

- 1) Certified copy of the Memorandum of Association and Articles of Association of our Company as amended from time to time;
- 2) Certificate of Incorporation dated 13th December, 1984 and Fresh Certificate of Incorporation dated 8th July, 1999;
- 3) Resolution of the Board of Directors dated 14th August, 2024 and dated November 13, 2024, for authorizing the Issue and altering the Terms of the Issue;
- 4) Copy of the Resolution of Right Issue Committee dated [●], finalizing the terms of the Issue including Record Date and the Rights Entitlement Price;
- 5) Resolution of our Right Issue Committee dated December 23, 2024 approving the Draft Letter of Offer and [●] approving the Letter of Offer;
- 6) Annual reports of our Company for the financial years ended March 31, 2024, 2023 and 2022;
- 7) Statement of Tax Benefits dated December 23, 2024 received from M/s. N C Vaishnav & Co, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
- 8) Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Registrar to the Issue, Legal Advisor to the Issue and Banker to the Issue, for inclusion of their names in the Draft Letter of Offer/ Letter of Offer to act in their respective capacities;

- 9) Audited Financial Results along with Audit Report dated 21st June, 2024 received from M/s. A.D. Vyas & Co., Chartered Accountants, Statutory Auditor for the Financial Year ended March 31, 2024 and Limited review report along with the financial results for the quarter ended June 30, 2024 dated 14th August, 2024.
- 10) In-principle approval *vide* Letter No. [●] dated [●] from BSE Limited;

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 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, 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, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

Sr. No	Name	Signature
1.	Mr. Gautam Kirtikumar Shah Managing Director DIN: 06379806	Sd/-
2.	Mr. Ashok Kumar Nag Independent Director DIN: 06796476	Sd/-
3.	Mr. Sarat Kumar Malik Independent Director DIN: 09791314	Sd/-
4.	Mr. Akash Hirenghai Bheda Company Secretary & Compliance Officer PAN: CAUPB5424K	Sd/-
5.	Ms. Urvashi Manojbhai Parmar Chief Financial Officer PAN: DIJPP8553F	Sd/-

Date: December 23, 2024

Place: Mumbai