



## GEOJIT FINANCIAL SERVICES LIMITED

Our Company was incorporated as a public limited company under the name and style of 'Geojit Securities Limited' under the Companies Act, 1956 on November 24, 1994 and a certificate of commencement of business was granted dated January 25, 1995 by the Registrar of Companies, Kerala. Subsequently, our Company acquired the assets and liabilities of the business of the proprietorship firm, 'Geojit & Company' on February 6, 1995. The firm, Geojit & Company initially began as C J George & Co. on January 1, 1987, founded by C J George. On November 4, 1988, Ranajit Kanjilal joined C J George to form a partnership firm 'Geojit & Company', operating as stock and sharebrokers with membership in the Cochin Stock Exchange. The partnership was dissolved on February 15, 1994, and the firm became a sole proprietorship, continuing its brokerage business under the name Geojit & Company.

In Fiscal 2003, pursuant to a resolution passed by our Shareholders at the extraordinary general meeting held on September 27, 2003, the name of our Company was changed to 'Geojit Financial Services Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Assistant Registrar of Companies, Kerala on October 16, 2003. In Fiscal 2007, pursuant to investment by BNP Paribas S.A, and a resolution passed by our Shareholders at the extraordinary general meeting held on June 29, 2007, the name of our Company was changed to 'Geojit BNP Paribas Financial Services Limited'. Subsequently, a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Kerala and Lakshadweep on April 1, 2009. Thereafter, pursuant to a resolution passed by our Shareholders at the extraordinary general meeting held on January 25, 2017, the name of our Company changed to 'Geojit Financial Services Limited' and our Company was granted a fresh certificate of incorporation by the Registrar of Companies, Ernakulam at Kerala ("RoC") on February 9, 2017. For details in relation to the change in name of our Company and the address of our registered office of our Company, see "General Information" on page 48.

**Registered Office and Corporate Office:** 11th Floor, 34/659-P Civil Line Road, Padivattom, Kochi, Kerala, India, 682024;  
**Telephone:** +91 484-2901000 **Contact Person:** Liju Kaitherathu Johnson, Company Secretary and Compliance Officer  
**E-mail:** companysecretary@geojit.com; **Website:** www.geojit.com.  
**Corporate Identity Number:** L67120KL1994PLC008403

### OUR PROMOTERS: CHENAYAPPILLIL JOHN GEORGE, KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION AND BNP PARIBAS SA

### FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF GEOJIT FINANCIAL SERVICES LIMITED ("THE COMPANY") ONLY

**ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹50 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹49 PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 20,000 LAKHS\* ON A RIGHTS BASIS TO THE HOLDERS OF THE EQUITY SHARES OF OUR COMPANY AS ON THE RECORD DATE ("ELIGIBLE EQUITY SHAREHOLDERS") IN THE RATIO OF 1 RIGHTS EQUITY SHARE FOR EVERY SIX FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS, ON [●] ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 198.**

\*Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.

### WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoters, or any of our Directors have been or are categorized as Wilful Defaulters (*as defined hereinafter*) or Fraudulent Borrowers (*as defined hereinafter*).

### 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 with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, Investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered 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 Letter of Offer. Specific attention of Investors is invited to the section "Risk Factors" on page 20.

### 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 our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

## LISTING

The existing Equity Shares of our Company are listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”). Our Company has received “*in-principle*” approval from BSE and NSE for listing the Rights Equity Shares proposed to be issued pursuant to the Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make application to BSE and NSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circular, along with any subsequent circulars or notifications issued by SEBI in this regard. For the purposes of the Issue, the Designated Stock Exchange is NSE.

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
		
<b>DAM CAPITAL ADVISORS LIMITED</b> One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051 Maharashtra, India <b>Telephone:</b> +91 22 4202 2500 <b>E-mail:</b> geojit.rights@damcapital.in <b>Investor Grievance ID:</b> complaint@damcapital.in <b>Website:</b> www.damcapital.in <b>Contact person:</b> Chandresh Sharma/ Puneet Agnihotri <b>SEBI Registration No.:</b> MB/INM000011336		<b>LINK INTIME INDIA PRIVATE LIMITED</b> C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India <b>Telephone.:</b> +91 81081 14949 <b>Fax:</b> +91 22 49186060 <b>E-mail:</b> geojit.rights@linkintime.co.in <b>Investor grievance e-mail:</b> geojit.rights@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration No.:</b> INR000004058
ISSUE PROGRAMME		
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 Renouncee(s) on or prior to the Issue Closing Date.

# Our Board or Rights Issue Committee 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.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

*References to any legislation, act, regulation, rules, circular, guidelines or policies shall be to such legislation, act, regulation, rules, circular, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the same meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act and/or the rules and regulations made thereunder, each as amended.*

*Provided that terms used in the sections titled “Summary of this Letter of Offer”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Financial Statements”, “Outstanding Litigation and Defaults” and “Terms of the Issue” on pages 17, 64, 76, 93, 181 and 198, respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.*

#### General Terms

Term	Description
Company / our Company / the Company / the Issuer	Unless the context otherwise requires, indicates or implies, or unless otherwise specified, our Company, Geojit Financial Services Limited, on a standalone basis, a company incorporated in India under the Companies Act, 1956, having its Registered Office and Corporate Office at 11th Floor, 34/659-P Civil Line Road, Padivattom, Kochi, Kerala 682024, India
We, Our, Us or our Group	Unless the context otherwise requires, indicates or implies, or unless otherwise specified, our Company together with our Subsidiaries, Joint Ventures and Associate, on a consolidated basis

#### Company Related Terms

Term	Description
Articles of Association/ Articles / AoA	The articles of association of our Company, as amended
Associate Companies or Associates	Companies constituting the associate companies of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company as at and for the financial years ended March 31, 2024 (along with comparative financial statements for the year ended March 31, 2023) which comprises the consolidated balance sheet as at March 31, 2024 (along with comparative balance sheet as at March 31, 2023), the consolidated statement of profit and loss for the year ended March 31, 2024 (along with comparative profit and loss statement for the year ended March 31, 2023), including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Statements” on page 93
Audit Committee	Audit committee of our Board of Directors
Board of Directors / Board	Board of directors of our Company or any duly constituted committee thereof
Chairman and Managing Director	The chairman and managing director of our Company, Chenayappillil John George. For details, see “Our Management-Board of Directors” on page 86
Chief Financial Officer	The chief financial officer of our Company, Mini Rajeev Nair
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Liju Kaitherathu Johnson

<b>Term</b>	<b>Description</b>
Director(s)	The directors on our Board
Equity Shareholder	A holder of Equity Shares of our Company, from time to time
Equity Shares	Fully paid-up equity shares of our Company having a face value of ₹ 1 each, unless otherwise specified
Executive Director	Executive director of our Company, unless otherwise specified
Financial Statements	Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results. For details, see “ <i>Financial Statements</i> ” on page 93
Group Company(s)	The group companies of our Company as defined under Regulation 2(1)(t) of the SEBI ICDR Regulations
Independent Director	Independent directors on our Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 86
Independent Chartered Accountant	The independent chartered accountant appointed by our Company, namely Elias George & Co
Joint Ventures	The joint ventures of our Company
Key Managerial Personnel/ KMP	The key managerial personnel of our Company as per the definition provided in Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Management – Details of Key Managerial Personnel, and members of the Senior Management of our Company</i> ” on page 90
Material Subsidiaries	The material subsidiaries of our Company identified in accordance with the SEBI Listing Regulations namely: Geojit Technologies Private Limited
Materiality Threshold	Materiality threshold adopted by our Board by way of its resolution dated September 19, 2024, in relation to the disclosure of outstanding civil litigation, including tax litigation, involving our Company and/or our Subsidiaries, where the amount involved is equal to or in excess of ₹ 674 lakhs (being 5% percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company) in conformity with the ‘Policy for Determination of Materiality of Events’ framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board.
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended
Non-Executive Director	A Director, not being an Executive Director of our Company, appointed as per the Companies Act and the SEBI Listing Regulations
Promoters	The promoters of our Company being, Chenayappillil John George, Kerala State Industrial Development Corporation and BNP Paribas SA
Promoter Group	Persons and / or entities constituting the promoter group as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office and Corporate Office	Registered and corporate office of our Company situated at 11th Floor,34/659-P Civil Line Road, Padivattom, Kochi, Kerala 682024, India
Registrar of Companies / RoC	Registrar of Companies, Kerala at Ernakulam
Senior Management	Senior management of our Company determined in accordance with Regulation 2(1)(bbbbb) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Management – Details of Key Managerial Personnel, and members of the Senior Management of our Company</i> ” on page 90
Shareholders	The shareholders of our Company
Statutory Auditors	Statutory auditors of our Company, being M/s B S R & Associates LLP
Subsidiaries	Subsidiaries of our Company being: <ul style="list-style-type: none"> <li>• Geojit Technologies Private Limited;</li> <li>• Geojit Credits Private Limited;</li> <li>• Geojit Techloan Private Limited;</li> <li>• Geojit IFSC Limited;</li> <li>• Geojit Investments Limited; and</li> <li>• Qurum Business Group Geojit Securities LLC</li> </ul>
Unaudited Consolidated Financial Results	The unaudited consolidated financial results of the Group as at and for the three months period ended June 30, 2024, with the comparatives for the three months ended June 30, 2023, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder

## Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allot / Allotment / Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to the Issue, into which the amounts blocked by ASBA 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
Allotment Account Bank(s) or Refund Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Issue
Applicant(s) / Investors(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the 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 Rights 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 Investor to make an application for the Allotment of Equity Shares in the Issue
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an Applicant to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI Rights Issue Circulars (to the extent it pertains to the rights issue process) and any subsequent circulars or notifications issued by SEBI in this regard
Banker(s) to the Issue	Collectively, the Allotment Account Bank(s) and the Refund Bank(s) to the Issue
Banker(s) to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account from SCSBs 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 198
Controlling Branches	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Demographic Details	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
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
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, used by the Applicant and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Designated Stock Exchange	National Stock Exchange of India Limited

Term	Description
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
ICRA	ICRA Limited
ICRA Report	Report titled “Indian Securities Broking Industry” dated “August 16, 2024” issued by ICRA
IEPF	Investor Education and Protection Fund
Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹ 50 per Rights Equity Share (including a premium of ₹ 49 per Rights Equity Share) aggregating up to ₹ 20,000 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of one Rights Equity Share for every six fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date  <i>*Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment</i>
Issue Agreement	Agreement dated [●] entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[●]
Issue Material	Collectively, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 20,000.00* lakhs <i>* Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment</i>
Lead Manager	DAM Capital Advisors Limited
Letter of Offer / LOF	This letter of offer dated [●] filed with the Stock Exchanges and SEBI in accordance with the SEBI ICDR Regulations
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	Agreement dated [●] between our Company and the Monitoring Agency in relation to monitoring of Issue Proceeds
Multiple Application Forms	More than one application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional 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 Issue related expenses. For details, see “ <i>Objects of the Issue</i> ” on page 57
Off Market Renunciation	The renoucement 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, circulars issued by the Depositories from time to time and other applicable laws.  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
On Market Renunciation	The renoucement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchange from time to time and other applicable laws, on or before [●]
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 Axis Bank Limited
Registrar Agreement	Agreement dated [●] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue /	Link Intime India Private Limited

<b>Term</b>	<b>Description</b>
Registrar	
Renounee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation, in accordance with the SEBI Rights Issue Circulars
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
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 such Eligible Equity Shareholder on the Record Date, in this case being 1 (one) Rights Equity Share for every 6 (six) Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements
Rights Equity Shareholders	Holders of the Rights Equity Shares, pursuant to this Issue
Rights Equity Shares	Equity shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment
Rights Issue Committee	The committee of our Board constituted by way of resolution of the Board dated July 13, 2024. The rights issue committee was empowered to do acts for the purposes of the Issue and incidental matters thereof
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the issue and which offers the facility of ASBA. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or such other website as updated from time to time
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the Application Money blocked in the ASBA Accounts will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
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, in respect of the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

### Conventional and General Terms or Abbreviations

<b>Term</b>	<b>Description</b>
₹, Rs., Rupees or INR	Indian Rupees
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, as amended
Arbitration Act	Arbitration and Conciliation Act, 1996, as amended
“AS” or “Accounting Standards”	Accounting standards issued by the ICAI
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Calendar Year	Calendar year ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Central Government / Government of India / GoI	Central Government of India



<b>Term</b>	<b>Description</b>
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
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
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, as amended
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
DIN	Director identification number
DP / Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, GOI
DP ID	Depository participant identification
EBITDA/ Earnings Before Interest, Taxes, Depreciation and Amortization Expenses	Profit for the year plus total tax expenses plus finance costs plus depreciation and amortisation expenses
EGM	Extra-ordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 28, 2020 effective from October 15, 2020, issued by the DPIIT
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FEMA Debt Regulations	Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
Financial Year, Fiscal, or FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
Government/ GoI	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax	Income-Tax Act, 1961
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended, notified under Section 133 of the Companies Act
India	Republic of India
ISIN	International Securities Identification Number
IT Act	Income-tax Act, 1961
ITAT	Income Tax Appellate 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, as amended
N.A.	Not Applicable
NACH	National Automated Clearing House

<b>Term</b>	<b>Description</b>
NBFC	Non-banking financial companies
NCLT	National Company Law Tribunal
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Debt	Net Debt refers to the sum of non-current borrowing, current borrowing, interest accrued but not due on borrowings (including debentures) reduced by cash and cash equivalent and bank balance
Net Debt to Equity Ratio	Net Debt / Equity Ratio is calculated as net debt divided by total equity
Net Worth	Equity attributable to the owners of the Company
NI Act	Negotiable Instruments Act, 1881, as amended
NRI	Non-resident Indian
NRO	Non-Resident Ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
PAN	Permanent account number
PAT	Profit After Tax
Profit after Tax Margin	Profit after Tax Margin is calculated by dividing profit after tax for the year by total income
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RTGS	Real Time Gross Settlement
Sales	Sale of residential/commercial units for any period is reported basis threshold collection
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, as amended
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
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) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI ICDR Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	SEBI (Merchant Bankers) Regulations, 1992, as amended
SEBI Rights Issue Circulars	SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the any subsequent circulars or notifications issued by SEBI in this regard.
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

<b>Term</b>	<b>Description</b>
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
TAN	Tax deduction account number
Trade Mark Act	Trade Mark Act, 1999, as amended
TRAI	Telecom Regulatory Authority of India
UPI	Unified Payment Interface
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S., U.S.A. or United States	United States of America
U.S. GAAP	The U.S. Generally Accepted Accounting Principles
Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value added tax
VCF	Venture capital fund as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

### Industry Related Terms

<b>Term</b>	<b>Description</b>
AIFs	Alternative Investment Funds
AUM	Assets under management
BPS	Business Process Services
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
EPFO	Employees Provident Fund Organisation
CY	Calander Year
ETFs	Exchange Traded Funds
FPI	Foreign Portfolio Investors
F&O	Futures and Options
FY	Financial Year
IPO	Initial Public Offering
GDP	Gross Domestic Product
NIFTY	National Stock Exchange Fifty
NSE	National Stock Exchange
MFs	Mutual Funds
MTF	Margin Trade Funding
PMS	Portfolio Management Services
RBI	Reserve Bank of India
SIP	Systematic Investment Plan
SME	Small and Medium Enterprises
UHNIs	Ultra-High Net Worth Individuals
USD	United States Dollar
YoY	Year-over-Year

## NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material (collectively termed as, the “**Issue Materials**”) and the issue of Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Issue Materials will be sent/ dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. The overseas Eligible Equity Shareholders who have not updated their records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent to such overseas Eligible Equity Shareholders.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials 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 affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For further details, see “*Restriction on Purchases and Resales*” beginning on page 233.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders (being the Equity Shareholders as on the Record Date), however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders, who have provided an Indian address to our Company, have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager and the Stock Exchanges.

Our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue Materials in the event the Issue Materials have been sent on the registered email addresses as provided by such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction,

except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (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 authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares and the Rights Entitlements, distribute or send the Issue Materials 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 Issue Materials are 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 and the Rights Entitlements referred to in the Issue Materials.

**Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is authorized to acquire the Rights Entitlements and the Rights 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). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "Other Regulatory Statutory Disclosures – Selling Restriction" on page 186.**

**Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights 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 outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.**

**Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares 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 Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares and Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares and Rights Entitlements. For restrictions relating to any change in shareholding of 5% or more of the total issued capital of our Company, see "Terms of the Issue" on page 198.**

In addition, neither our Company nor the Lead Manager or its affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The above information is given for the benefit of the Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

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

### **NO OFFER IN THE UNITED STATES**

THE RIGHTS ENTITLEMENT AND THE RIGHTS EQUITY SHARES ARE OFFERED AND SOLD ONLY TO INVESTORS OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE, ON REGULATION S. NONE OF THE RIGHTS ENTITLEMENT OR THE RIGHTS EQUITY SHARES HAS BEEN, OR WILL BE, REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS IN THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS.

### **ENFORCEMENT OF CIVIL LIABILITIES**

Our Company is a public limited (listed) company under the laws of India and all the Executive Directors are residents of India. It may not be possible or may be difficult for investors to affect service of process upon our Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code.

Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such

judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

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

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

## PRESENTATION OF FINANCIAL INFORMATION

### Certain Conventions

In this 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. 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. 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.

Unless otherwise specified, any time mentioned in this Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer. In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

### Financial Data

Unless otherwise stated, references to “we”, “us”, “our” or “our Group” and similar terms are to Geojit Financial Services Limited on a consolidated basis and references to “the Company” and “our Company” are to Geojit Financial Services Limited on a standalone basis.

Unless stated otherwise, financial data in this Letter of Offer is derived from the Financial Statements, which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Letter of Offer. Our Company publishes its financial statements in Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31 of that year. For details, see “*Financial Statements*” on page 93. Financial information for the three months period ended June 30, 2024 and June 30, 2023 is not indicative of our future operating results and is not comparable with our annual financial information.

In this Letter of Offer, any discrepancies in the tables included herein between the sums of amounts listed and the totals are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Certain financial information, i.e., the ratios and the percentages thereof have been rounded off to two decimal places and the remaining financial information has been rounded off to the nearest amount in Rupees in lakhs. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees in lakhs. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

### Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Accordingly, Investors should not place undue reliance on this information. Certain information in “*Our Business*” on page 80 have been derived from the ICRA Report, which has been prepared and issued by ICRA.

### Non-GAAP Measures



We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively “**Non-GAAP Financial Measures**”, and each, a “**Non-GAAP Financial Measure**”) in this Letter of Offer, which are EBITDA, net assets value per equity share, net worth and Return on net worth. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such Non-GAAP Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations.

### Currency Presentation

All references to

- ‘INR’, ‘₹’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of the Republic of India; and
- ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. dollars’ are to the legal currency of the United States of America.

Please note:

- One million is equal to 1,000,000 or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

### Conversion rates for foreign currency

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency	As of June 30, 2024 (in ₹)	As of March 31, 2024 (in ₹)	As of March 31, 2023 (in ₹)
1.	1 United States Dollar	83.45	83.37	82.22

Source: [www.fbil.org.in](http://www.fbil.org.in)

Note: In the event that any of the abovementioned dates of any of the respective years is a public holiday, the previous calendar day not being a public holiday shall be considered

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (₹) at any particular rate, the rates stated above or at all.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements and any projections contained in this Letter of Offer (whether made by our Company or third parties) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- general economic and market conditions in India and globally that affect trading volumes.
- extensive statutory and regulatory requirements, which have material influence on, and consequences for, our business operations.
- periodic inspections by regulatory authorities.
- operation of our businesses being highly dependent on information technology, and us being subject to risks arising from any failure of, or inadequacies in, our IT systems.
- operational risks associated with the financial services industry.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections "*Risk Factors*" and "*Our Business*" on pages 20 and 80, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and neither our Company nor any of the Lead Manager undertakes any 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 and Stock Exchange requirements, our Company and the Lead

Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

## SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the 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 Letter of Offer, including, “*Objects of the Issue*”, “*Our Business*”, “*Outstanding Litigation and Defaults*”, “*Financial Information*” and “*Risk Factors*” on pages 57, 80, 181, 93, and 20, respectively.

### Summary of Primary Business of our Company

We provide various services, such as, advisory, financial product distribution and equity and commodity and offer a wide range of financial products and services, including stock and currency derivatives, portfolio management, mutual fund and insurance distribution, online financial planning, and commodity derivatives and have a wide network with 497 offices in India and six overseas through joint ventures.

For further details, see “*Our Business*” at page 80 of this Letter of Offer.

### Objects of the Issue

Our Company intends to utilize the Net Proceeds towards funding of the following objects:

The details of the proceeds of the Issue are summarised in the table below:

		<i>(in ₹ lakhs)</i>
<b>Particulars</b>		<b>Estimated amount (up to)</b>
Gross proceeds from the Issue <sup>^</sup>		20,000.00
<i>Less:</i>	Estimated Issue related expenses <sup>#</sup>	[•]
<b>Net Proceeds</b>		<b>[•]</b>
Prepayment and / or repayment of all, or a portion of, certain outstanding borrowings availed by our Company		15,000.00
General corporate purposes		[•]
<b>Total Net Proceeds</b>		<b>[•]</b>

<sup>^</sup> Assuming full subscription in the Issue with respect to the Rights Equity Shares. Subject to finalisation of the Basis of Allotment.

For further details, see “*Objects of the Issue*” on page 57 of this Letter of Offer.

### Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their Rights Entitlement; and (ii) their intention to subscribe over and above their Rights Entitlements

Our Promoters, and the members of the Promoter Group, have confirmed to (i) subscribe to the full extent of their Rights Entitlements and not renounce their Rights Entitlements, (except to the extent of Rights Entitlements renounced by any of them in favour of our Promoters or other member(s) of the Promoter Group), (ii) subscribe to Rights Entitlements over and above their Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group; and (iii) subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the aggregate shareholding of our Promoters and the members of the Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations and in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

The acquisition of Rights Equity Shares by our Promoters and the members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations and 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 Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

### Summary of Outstanding Litigation and Defaults

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below.

Type of Proceedings	Number of cases	Amount (₹ in lakhs)*
<b>Cases by our Company</b>		
Issues involving moral turpitude or criminal liability	1	11.00
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	800.00
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil
<b>Cases against our Company</b>		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
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	Nil
<b>Tax cases involving our Company</b>		
Direct tax proceedings	12	111.57
Indirect tax proceedings	11	429.01
<b>Cases by our Subsidiaries</b>		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil
<b>Cases against our Subsidiaries</b>		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
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	Nil
<b>Tax cases involving our Subsidiaries</b>		
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	2	22.00

\*To the extent quantifiable.

For further details, see “*Outstanding Litigation and Defaults*” on page 181.

### Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares see “*Risk Factors*” on page 20.

### Contingent Liabilities

For details regarding our contingent liabilities as per Ind AS 37 as at March 31, 2024, see “*Financial Statements – Note 33 – Contingent liabilities and commitments (to the extent not provided for)*” on page 125.

### **Related Party Transactions**

For details of our related party transactions as per Ind AS 24, see “*Financial Statements – Note 41 – Related party disclosures*” on page 140.

### **Issue of Equity Shares for consideration other than cash**

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing this Letter of Offer.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all the information disclosed in this Letter of Offer, including the risks and uncertainties described below, before making an investment in Rights Equity Shares. The risks described below are those that we consider to be most significant to our business, cash flows, results of operations and financial conditions as of the date of this Letter of Offer. However, they may not be exhaustive or are not the only risks relevant to us or Equity Shares or the industry 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 prospects, cash flows, results of operations and financial condition. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, cash flows, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of the value of your investment.*

*Any potential Investor in the Rights Equity Shares should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ significantly from that in other jurisdictions. In making an investment decision, prospective Investors must rely on their own examination of us and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, on pages 80, 93, and 157, respectively, as well as the other financial information included in this Letter of Offer.*

*This Letter of Offer contains certain 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 Letter of Offer. For further information, see “Forward Looking Statements” on page 15. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Financial Statements included in this Letter of Offer. For further information, see “Financial Statements” on page 93. Our financial year ends on March 31 of each year, and references to a ‘Financial Year’ are to the twelve months ended March 31 of that year.*

*In this section, unless the context otherwise indicates or implies, “we”, “us” and “our” refer to our Company together with our Subsidiaries, Joint Ventures and Associates, and references to “our Company” are to Geojit Financial Services Ltd only.*

*Unless otherwise indicated, industry and market data used in this section has been extracted from ICRA Report. We commissioned and paid for the ICRA Report dated August 16, 2024 prepared by ICRA pursuant to an engagement letter dated [●], for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. The ICRA Report forms part of the material documents for inspection and is available on the website of our Company at [www.geojit.com](http://www.geojit.com). The data included in this section includes excerpts from the ICRA Report and may have been re-ordered by us for the purposes of presentation. For further details, please see “Industry Overview” on page 76.*

### INTERNAL RISKS

#### ***Risks Relating to our Business and the Financial Services Industry***

- 1. General economic and market conditions in India and globally that affect trading volumes could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

We generate revenues from broking and depository operations across equity cash and derivatives, commodity and currency derivatives, margin trading funding, portfolio management services, distribution of third-party financial

products such as mutual funds, insurance products and we distribute initial public offerings to our clients. Accordingly, our business is highly dependent on economic and political conditions in India and other countries, and the level of activity in the securities markets in India.

Global economic and political conditions that may affect the Indian securities markets include macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, and availability of short-term and long-term market funding sources and cost of funding. Any adverse impact of general economic or political conditions could materially adversely affect our business, financial condition, cash flows, results of operations and prospects. Further, if inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline. In addition, we are highly susceptible to downturns in general economic conditions and adverse market conditions as they could materially and adversely affect most aspects of our business. Such downturns and adverse market conditions affect our business, results of operations, financial condition, cash flows and prospects in various ways, including the following:

- the volume of trading in securities that we offer in our brokerage business may be adversely affected by market movements and volatility, thereby reducing our brokerage income;
- the demand for third-party products that we distribute may be adversely affected by market movements and volatility, thereby reducing our commission income;
- we may face higher risk of defaults by clients or counterparties on their contractual obligations during black swan events of the market;
- we may face increased competition in all our businesses, leading to lower fee and commissions and lower income;
- our treasury operations may be affected by volatility in interest rates;
- our financing costs may increase due to the limited access to liquidity or volatility in interest rates, thereby restricting our ability to raise funding; and
- we may not be able to effectively execute our business plans and strategies.

Accordingly, adverse change in the general macroeconomic conditions or in the Indian capital markets may adversely affect our future growth.

**2. *We are subject to extensive statutory and regulatory requirements, which have material influence on, and consequences for, our business operations.***

Our business activities are subject to extensive supervision and regulation by the Government and various regulatory authorities, such as SEBI, Stock Exchanges, Depositories and Clearing Corporations as well as regulatory entities like IRDAI, PFRDA, RBI, and AMFI. For information on our business activities and registrations with various regulatory authorities, please see “*Our Business*” on page 80. To undertake some of our business activities, including the launch of new products, we may need to obtain registrations and approvals under, and comply with, regulations issued by various regulatory authorities. Further, we are subject to various laws including but not limited to the Prevention of Money Laundering Act, 2002, prevention of insider trading, front running and other conflicts of interest. We cannot assure you that our internal controls and measures will always manage such conflicts of interest, including compliance with various applicable laws and regulations. Any such failure to manage such conflicts could harm our reputation and erode client confidence in us. In addition, potential or perceived conflicts of interest may also give rise to litigation or regulatory actions. Due to the nature of business activities undertaken by us, our employees are also required to comply with various regulations, such as SEBI Insider Trading Regulations, SEBI Stock Brokers Regulations, SEBI Portfolio Managers Regulations, SEBI Research Analysts Regulations and SEBI Investment Advisers Regulations SEBI Depository Participant Regulations, SEBI Settlement Proceeding Regulations, SEBI KYC (Know your Client) Registration Agency Regulations, SEBI Intermediaries Regulations, SEBI Certification of Associated Persons in the Securities Market Regulations, SEBI Prohibition of Fraudulent and Unfair Trade Practices relating to Securities



Market Regulations and other regulations and circulars/guidelines issued thereunder. Additionally, we need to ensure compliance with various statutes, such as the SCRA read with the SCRR, the SEBI Act, and various rules, regulations, notifications and circulars issued under such statutes. Even though we have established an internal framework to monitor the conduct of our employees, we cannot assure you that none of our employees will violate the provisions of applicable laws in the course of their employment with us or that all such violations would be detected by us in a timely manner. Any violation of applicable laws by our employees related to their employment with us may affect our business operations or reputation or result in imposition of vicarious liability on us by the Government or regulatory authorities. Additionally, we have adopted various policies and procedures for, among others, regulatory and statutory compliances and risk management, including a code of business conduct and ethics, a code of practice and procedure for fair disclosure of unpublished price sensitive information and vigil mechanism & whistle blower policy.

We cannot assure you that such policies will be adequate for preventing all operational risks in a timely manner, or at all, or that a regulatory, governmental, statutory, or judicial authority would not deem such policies to be inadequate. While we endeavour to ensure compliance with applicable law, we cannot assure you that the Government or the regulatory authorities will not take different interpretations regarding applicability of, or compliance with, the laws and regulatory framework governing our business. Moreover, we cannot assure you that the Government or regulatory authorities will not take a different interpretation regarding any of our current business activities being restricted or prohibited under applicable laws or the terms of the regulatory registrations and approvals obtained by us. Pursuant to inspections, conducted in the ordinary course of business, we have received notices/communications/ correspondence from SEBI and the Stock Exchanges seeking information or explanations regarding compliance with the provisions of SCRR, SEBI Stock Brokers Regulations and circulars issued by SEBI and Stock Exchanges from time to time. Imposition of any penalty or adverse finding by SEBI or any other regulatory authority may have an adverse effect on our reputation and business operations.

**3. *We are subject to periodic inspections by regulatory authorities. Non-compliance with observations of such regulatory authorities could adversely affect our business.***

Our business activities are subject to periodic inspection by various regulatory authorities, such as SEBI, the Stock Exchanges, Depositories, Clearing Corporations as well as RBI, PFRDA, IRDA and AMFI. Any negative findings against us during such inspections may adversely affect our business, cash flows and results of operations. In the past, the regulatory authorities and exchanges have issued administrative warnings and adverse observations, including in relation to (i) not settling accounts as per the preferences of the clients; (ii) incomplete KYC of clients; (iii) unutilised amount of the client lying with our Company; and (iv) upload of incorrect six KYC parameters of clients on the unique client code databases, amongst others. For further details, please see the section entitled “*Outstanding Litigation and Defaults*” on page 181.

We are subject to thematic inspections of books of accounts by SEBI, the Stock Exchanges and Depositories and such inspections may lead to observations on *inter alia*, (i) technical glitches, including non-compliances under guidelines issued by the Stock Exchanges on technical glitches to prevent business disruptions, (ii) advance brokerage, including instances of non-refund of residual/excess amount charged from clients as advanced brokerage; and (iii) accepting securities by way of title transfer in a collateral account, instead of pledge in client securities margin pledge account.

We cannot assure you that we will be able to respond to observations made by regulatory authorities in the future to their satisfaction, within the prescribed timelines, or that such authorities will not make adverse remarks or impose a penalty or initiate regulatory actions. To the extent that any deficiencies are found in the future, or in the event of any levy of fines or penalties against us, our reputation and, business may be adversely affected.

**4. *The operation of our businesses is highly dependent on information technology, and we are subject to risks arising from any failure of, or inadequacies in, our IT systems.***

Our operations rely heavily on the effectiveness of our IT systems and their ability to record and process accurately a large number of transactions on a daily basis and in a timely manner to provide a seamless digital experience to our clients. From time to time, we receive notices from stock exchanges seeking explanation in relation to *inter alia* details

of critical assets, disclosures required to be made in VAPT reports, deficiencies in authentication for external facing applications, for compliance with circulars issued by stock exchanges for cyber incident reporting. While we have not had any such instances which have had a material adverse impact on our operations, results of operations and financial condition in the three preceding Fiscals and the three months period ended June 30, 2024, in the future, if we fail to meet the requirements, we may be subject to disciplinary proceedings, which could result in fines and penalties against us.

We have recognised and continue to address the need to have sophisticated technology systems in place to meet our clients' requirements. A prolonged disruption of, or failure of, our information processing or communications systems would limit our ability to process transactions and execute trades on behalf of clients, which could adversely affect our competitiveness, financial condition, cash flows and results of operations. We cannot assure you that we will be able to process all trading orders at a time of increased demand, including due to increased market volatility. If we are unable to efficiently process all trading orders received, we may lose clients, become subject to client complaints, litigation or regulatory action and face financial losses.

Though we have efficient Disaster Recovery Management, Systems and applications with redundancy, alternate Data Center, our technology operations are also vulnerable to disruptions from human error, catastrophic events including natural disasters, lack of capacity during peak trading times or times of unusual market volatility, power failure, computer systems are subject to cyber-attacks, and we may not be able to adapt to the evolving technology in the industry. An external information security breach, such as hacker attacks, frauds, virus or worm infestation of our IT systems, or an internal problem with information protection, such as failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential information. The proper functioning of our internet-based trading system, mobile platform, order routing system, back office systems, settlement system, risk management system, financial controls, accounting, client database, client service and other data processing systems, together with the communications networks linking our IT systems with relevant exchanges, banks, depositories, registrar and transfer agents and client interfaces, is critical to our business and our ability to compete effectively. Our business activities would be materially disrupted in the event of a partial or complete failure of any of these IT systems, communication networks or their backup systems and procedures. Although we back up our business data regularly and have a contingency disaster recovery centre for our retail brokerage and distribution businesses, we cannot assure you that there will not be an unforeseen circumstance or that our disaster recovery planning is adequate for all eventualities.

If we are unable to keep up with technological changes or effectively compete on IT-enabled offerings, it could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects. To the extent we have outsourced our core order management systems to third parties or integrate our offerings with third party providers to provide financial tools to our clients, or breach of such agreements may adversely affect our business, cash flows, results of operations and financial condition.

**5. *There are operational risks associated with the financial services industry which, if realised, may have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

We face various operational risks related to our business operations in the financial services industry, such as:

- human and systems errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions;
- inadvertent deviations from defined processes and inadvertent errors due to the manual nature of processes;
- delay or failure to timely transfer, pledge or un-pledge securities to and from depository participants;
- failure to establish and maintain an effective controls and compliance oversight by our Authorised Persons network;
- failure of technology in our processes, including risk management and settlement processes, causing errors or disrupting our operations;
- inadequate technology infrastructure or inappropriate systems architecture;
- failure to adequately monitor and control Authorised Persons and personnel at our dealer helpdesks;

- failure to implement sufficient information security, including cyber-security and controls;
- failure to maintain appropriate deposits with exchanges;
- fraud by employees, associates, Authorised Persons or through our digital and online platforms, or by Authorised Persons or personnel at our dealer helpdesks or our employees;
- delay or disruption in timely completion of obligations by market and other intermediaries including banks, exchanges, depositories and other participants;
- an interruption in services by our critical service providers;
- failure to timely report transactions to concerned intermediaries;
- damage to physical assets;
- failure of our complex automated risk management systems due to incorrect or inadequate algorithms;
- authorization of direct market access system for non-institutional investors by SEBI;
- inadequate due diligence, including client verification, non-adherence to anti-money laundering guidelines, KYC processes and client needs analysis, in the sales process; and
- If any of the foregoing were to occur, it could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations. Our risk assessment methods depend upon the extant regulatory requirements, historical market behaviour and statistics, the evaluation of information regarding financial markets, clients or other relevant matters that are publicly available or otherwise accessible to us. Moreover, the information and experience data that we rely on may quickly become obsolete as a result of market and regulatory developments, and our historical data may not be able to adequately reflect risks that may emerge from time to time. Inaccuracy in estimates of the level of margin to be maintained by our clients with us for the transactions undertaken by them could result in a shortfall in margins deposited by our clients with us.

However, our risk management systems and mitigation strategies may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks in a timely manner, or at all. We may also offer a broader and more diversified range of products, services or solutions. We may not be able to fully appreciate or identify operational risks related to the new products, services or solutions introduced by us from time to time. Accordingly, any risk management measures or controls implemented by us for such new products, services or solutions may not be adequate and we may be subject to liabilities arising therefrom. Further, any failure to change our risk management measures and controls to our developing business in a timely manner could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**6. *We may fail to detect money laundering and other illegal or improper activities in our business operations on a timely basis, which may have an adverse effect on our reputation, cash flows, business operations, financial condition and results of operations.***

We are required to comply with applicable anti-money laundering laws and regulations. These laws and regulations require financial institutions to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. Such policies and procedures require us to, among other things, establish or designate an anti-money laundering framework, conduct client identification in accordance with relevant rules, duly preserve client identity information and transaction records and report suspicious transactions to relevant authorities. Since, we handle large volumes of monetary transactions for a significant number of clients, the policies and procedures implemented by us for detecting and preventing the use of our brokerage platforms to facilitate money laundering activities may not comprehensively detect or eliminate instances of money laundering.

We are required to implement effective surveillance controls and measures for ensuring that our electronic brokerage platform is not misused by our clients, Authorised Persons, personnel at our dealer helpdesks or market participants to carry out manipulative trading activities. Failure of the surveillance control and measures implemented by us to detect illegal or improper activities undertaken through our platforms in a timely manner, or at all, could lead to

regulatory actions against us and adversely affect our reputation. If the controls and measures implemented for detecting or eliminating money laundering or other improper or illegal trading activities are considered inadequate under applicable laws and regulations by any regulatory, governmental or judicial authority, we may be subject to penal action, freezing or attachment of our assets, imposition of fines, or both. We cannot assure you that the controls and measures implemented by us are adequate to detect or eliminate every instance of money laundering or illegal trading activities in a timely manner or at all. While there have been no identified instances of money laundering in the three preceding Fiscals and the three months ended June 30, 2023, any such lapse may adversely affect our reputation, business operations, cash flows, financial condition and results of operations.

**7. *We face significant competition in our businesses, which may limit our growth and prospects.***

Our ability to sustain our growth depends on various factors, including our ability to manage our growth and expand our client and Authorised Person base. We may not be able to sustain our growth in light of competitive pressure or other factors, such as not being able to implement business strategies and development plans effectively and efficiently. Sustained growth may place significant demands on our administrative, operational and financial resources, which we may be unable to handle. We cannot assure you that we will succeed in further expanding our network due to changes in regulatory policies, difficulties in managing a large number of staff and other unforeseeable reasons. In addition, as a result of competition, we may face increased pressures on declining fee and commission rates, and will need to provide better and customized services and products to differentiate ourselves and to retain and attract clients and Authorised Persons.

If we are unable to address the needs of our clients and Authorised Persons by offering competitive rates, maintaining high quality client service, continuing product innovation and providing value added services, or if we otherwise fail to meet our clients' and Authorised Persons demands or expectations, we may not be able to sustain our historic growth or lose our existing base to our competitors, which may in turn have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Nearly all of our revenues for Fiscal 2024, Fiscal 2023 and Fiscal 2022 were derived from sales of products and services within India, which in turn exposes us to risks specific to the Indian geography and market. There can be no assurance that we will be able to diversify the geographic sources of our revenues, which may adversely impact our future results of operations and profitability.

**8. *Majority of our revenues are derived from the southern states within India from one broking and distribution business which in turn exposes us to risks specific to the geography of certain states and risk of concentrated revenue from one source.***

We derived 73% of our revenue from the southern states, namely, Kerala, Andhra Pradesh, Telangana, Karnataka and Tamil Nadu for the broking and distribution business in financial year 2023-24. We have approximately 65% of our branches in these states. Due to the concentration of our revenues from specific states of India and dependence on one activity, we are highly impacted by risks specific to these states, including factors affecting the overall Indian economy, including general social, political and environmental risks and specifically those impacting the trading within these states. In the event that any of these risks materialise or if there is a significant downturn in the economy of these states or if there is any political instability in these states or if there is any downtrend in the trading in these states, our results of operations and future profitability could be adversely impacted. Further, any natural calamities or environmental factors that affect the geography of these would also adversely impact our operations.

**9. *None of our branches are not located on land owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.***

All our branches are located on leased premises. Further, as of June 30, 2024 out of 359 branches that are on lease, 90 branches are not registered. We register the lease in states where registration is mandatory.

The termination of our lease and license arrangements, or our failure to renew such agreements, on favourable conditions and in a timely manner, or at all, could require us to vacate such premises at short notice, and could adversely affect our business, results of operations, cash flows and financial condition. We cannot assure you that we will be able to renew any such arrangements when the term of the original arrangement expires, on similar terms or terms reasonable for us or obtain any consent required under these arrangements in a timely manner or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. While we have not faced any instances of difficulties in negotiating our lease arrangements or premature termination of existing lease agreements that led to any adverse effect on our business or operations in the last three Fiscals, we cannot assure you that such instances will not occur in the future. Any failure to identify suitable premises for relocation of existing properties, if required, could have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, any regulatory non-compliance by the landlords or adverse development relating to the landlords' title or ownership rights to such properties may entail significant disruptions to our operations, especially if we are forced to vacate leased spaces following any such developments and expose us to reputation risks. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate or breach of the contractual terms of any lease and license agreements may adversely affect our business, results of operations, cash flows and financial condition.

**10. *We face additional risks as we expand our product and service offerings and grow our business.***

We will continue to expand our product offerings and business as permitted by relevant regulatory authorities and market opportunities. New product offerings in our business are required to be compliant with the complex regulatory requirements and trading validation requirements of the Stock Exchanges, Depositories and Clearing Corporations. Failure to consider, identify and provide for all additional risks may result in adverse financial impact on our Company. In the last few years, we have introduced various new products and services including distribution of direct mutual funds. For further information, see "Our Business" on page 80. These activities may expose us to new and increasingly challenging risks, including, but not limited to:

- we may not be successful in enhancing our risk management capabilities and IT systems to identify and mitigate the risks associated with these new products, services and businesses;
- we may be subject to stricter regulatory scrutiny, and increased credit, market, compliance and operational risks;
- we may be unable to obtain regulatory approvals for certain new products in a timely manner, or at all;
- we may have insufficient experience or expertise in offering new products and services and dealing with new counterparties and clients;
- we may be unable to hire additional qualified personnel to support the offering of a broader range of products and services;
- our new products and services may not be accepted by clients or meet our profitability expectations; or
- we may be unable to obtain sufficient financing from internal and external sources to support our business expansion.

Further some of our offerings may not continue to be successful, or we may need to discontinue such services owing to factor beyond our control. If we are unable to achieve the intended results with respect to our offering of new products and services, or manage the growth of our business, financial condition, cash flows, results of operations and prospects could be adversely affected.

**11. *Our financial performance is subject to interest rate risk, and an inability to manage our interest rate risk may have an adverse effect on our business prospects, cash flows, financial condition and results of operation.***

Our results of operations, including our interest income from margin trading funding are dependent on our ability to manage our interest rate risk. Any volatility in interest rates may adversely affect our business due to, amongst others, reducing profitability margin on our financing products, or our financing products becoming commercially unattractive.

Set forth below are details regarding our Company's total borrowings, as well as interest rate thereon, as of September 13, 2024 as per the books of accounts:

(₹ in lakhs)

Name of Lender	Nature of Facility	Sanctioned Amount	Rate of interest (%) / Rate of guarantee fee	Primary & Collateral Security	Re-Payment Schedule	Outstanding amount as on September 13, 2024
<b>Secured Loans</b>						
Axis Bank Limited	Bank Guarantee - Non-Fund based	20,000.00	0.40	Fixed Deposit	1 year	8,004.01
Axis Bank Limited	OD against FD - Fund based	30,000.00	7.75	Fixed Deposit	1 year	21,870.00
Axis Bank Limited	OD against Receivables - Fund based	5,000.00	10.80	Receivables	1 year	-
Axis Bank Limited	OD against Property - Fund based	3,000.00	10.30	Land and building	1 year	2,500.00
Federal Bank	Bank Guarantee -Non-Fund based	6,000.00	0.40	Fixed Deposit	1 year	2,048.32
Federal Bank	OD against FD - Fund based	10,000.00	7.95	Fixed Deposit	1 year	10,000.00
HDFC Bank Limited	OD against FD - Fund based	12,500.00	6.61	Fixed Deposit	1 year	5,700.00
IDFC First Bank Limited	OD against FD - Fund based	5,000.00	8.55	Fixed Deposit	1 year	2,500
IDFC First Bank Limited	WCDL against Normal & MTF Receivables - Fund based	5,000.00	10.50	Normal & MTF receivables	1 year	5,000

Name of Lender	Nature of Facility	Sanctioned Amount	Rate of interest (%) / Rate of guarantee fee	Primary Collateral & Security	Re-Payment Schedule	Outstanding amount as on September 13, 2024
IDFC First Bank Limited	Bank Guarantee - Non Fund based	5,000.00	0.65	Fixed Deposit	1 year	-
Aditya Birla Finance Limited	WCDL against MTF Receivables - Fund based	2,500.00	10.00	MTF receivables	1 year	2,500.00
Tata Capital Limited	WCDL against MTF Receivables - Fund based	6,000.00	10.35	MTF receivables	1 year	1,500.00
<b>Unsecured Loans</b>						
Axis Bank Limited	Intraday Facility - Fund based	5,000.00	No cost	NA	1 year	-
Geojit Credits Private Limited	Intercorporate loan	5,000.00	9.90	Unsecured loan from Subsidiary	1 Year	730

**12. If research disseminated or advice provided by us contains errors, this could have an adverse effect on our business, cash flows, financial condition or results of operations.**

Our retail research team provides our retail clients with research covering recommendations on various quantitative and qualitative research requirements relating to the stock market such as equity fundamentals, technical, derivatives, commodities currencies and mutual funds, in addition to macroeconomic or industry related research. Although due care and caution is taken in issuing research recommendations, the accuracy, adequacy or completeness of such information, which is based on information obtained from sources that we consider reliable, is not guaranteed. Errors or omissions in the information or for the results obtained from the use of such information may cause our research findings to be incorrect. Further, certain industry and market data may be subject to assumptions, and methodologies for assumptions vary widely among different data sources.

Additionally, such assumptions may change due to various factors which are beyond our control. Accordingly, there is no assurance that our assumptions, or those relied upon by us, will be accurate or not change, which may affect our accuracy of our research findings. Incorrect research findings may expose us to client complaints, have an adverse effect on our brokerage and distribution businesses, and may subject us to regulatory action which may harm our reputation, which could subsequently have an adverse effect on our business, cash flows, financial condition or results of operations. We also provide recommendations to our clients through our research reports and our various applications and our website. Our recommendations are based on various details provided to us by the client or collected by us, our analysis of the risk profile of the clients, our market assumptions, our methodologies, our product selection and other criteria. Any errors in collection of data or analysis of the above factors, that our advice depends on, can lead to us dispensing incorrect or inappropriate advice, which can lead to client complaints, have an adverse effect on our business prospects and harm our reputation.

**13. We could be subject to claims by clients or actions by regulators or both for alleged mis-selling**

We sell our third-party distribution products through employees as well as intermediaries including Authorised Persons, personnel at our dealer helpdesks and as the case may be. Our employees and intermediaries aid our clients in choosing the correct product, explaining the benefits of such product, disclosing product features and advising clients on whether to continue with a particular product or change products. Under certain circumstances, the above processes may be considered inadequate or there may be misconduct on part of our employees or intermediaries or both. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products or fund management strategies. Any case of mis-selling, or recurring cases of mis-selling, could result in claims and fines against us and could have an adverse effect on our business, financial condition, cash flows, results of operations and reputation. It is also possible that a third party aggregates a number of individual complaints against us with the intention of obtaining increased negotiating power. Further, persons have misrepresented, and in the future may misrepresent, themselves as our authorised intermediaries to defraud clients. Such aggrieved clients have filed and, in the future, may file complaints against us. This could result in financial losses as well as loss of our reputation.

**14. *We face various risks due to our reliance on third-party intermediaries, Authorised Persons, vendors and service providers.***

We rely on third parties, such as stock exchanges, clearing houses and other financial intermediaries to facilitate our financial transactions. In addition, we rely on Authorised Persons, vendors, personnel at dealer helpdesks as may be applicable, to help distribute our products. We are exposed to various risks related to the business of such third parties, including fraud or misconduct, operational failure of such third parties' systems, adverse change or termination in our relationship with such third parties, failures in legal or regulatory compliance, inadequate due diligence in sales process, or inadequate controls, including KYC checks, by such third parties, regulatory changes relating to the operations of such third parties, violation of laws and regulations, including those relating to licensing or registration of sales intermediaries, by such third parties; and regulatory actions due to improper business practices of such third parties.

In addition, we require Authorised Persons and our sales team, to help distribute our products. If we are unable to attract or retain Authorised Persons and our sales and service team, it could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects. We have a revenue-sharing system in place with our Authorised Persons and that has been established pursuant to agreements required by the relevant regulations. Under the terms of these agreements, which are separately negotiated with each Authorised Person, we generally retain a certain percentage of the brokerage earned through clients introduced and serviced by our Authorised Persons, using our technology platforms, and distribute the remaining amount among the Authorised Persons. Any inability on our part to effectively negotiate brokerage share with the Authorised Persons would result in loss in profitability, and may have an adverse effect on our financial condition, cash flows and results of operations.

Further, certain persons have in the past filed complaints against our Authorised Persons. For further information, see “*Outstanding Litigation and Defaults*” on page 181. Third-party service providers may breach agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreements because of their own financial difficulties or business priorities. We also rely on third parties to provide certain critical trading infrastructure and software. If the third parties upon which we rely cannot expand system capacity to handle increased demand, or if any of their systems otherwise fail to perform or experience interruptions, malfunctions, disruptions in service, slower response times or delays, then we could incur reputational damage, regulatory sanctions, litigation and loss of trading. In addition, we license certain software and technology from third parties. Any premature termination of our license agreements or the loss of the ability to use such software or technology for any reason would have an adverse impact on our business and operations. Any deficiencies in the infrastructure used, or processes adopted, by such third parties could have an adverse effect on our business, cash flows, results of operations and prospects.

**15. *We face certain risks related to our distribution business.***

We distribute financial products issued by third-party institutions, through our electronic brokerage platform,



Authorised Persons and our sales and service team. Although as a third-party distributor, we are not directly liable for any investment loss from, or default of, the products we distribute to our clients, we may be subject to client complaints, litigation and regulatory investigation, which could have an adverse effect on our reputation and business. For example, we may not be able to identify and quantify the risks of these products, fail to identify fraudulent, inaccurate or misleading information from the third-party provider, and our sales employees may fail to disclose such risks to our clients, in which case, our clients may invest in financial products that are too risky for their risk tolerance and investment preference, and may suffer a significant loss. This may also subject us to client complaints and litigation and negatively affect our reputation, client relationships, cash flows, results of operations and business prospects. For further information, see “*Outstanding Litigation and Defaults*” on page 181.

We face certain other risks in relation to our distribution business, including:

- decrease in distribution commissions which are generally set by the manufacturers whose products and services we distribute;
- regulatory changes affecting distribution arrangements, including commission levels;
- the clawback of payments from the third-party providers, which is permitted in a majority of our distribution agreements under certain situations, including returns or redemption of certain products by the clients;
- credit risk related to the third-party providers;
- changing client preferences with respect to products that we distribute;
- any adverse change in the relationship with a third-party provider, including termination of our distribution agreements with these providers; and
- transition of clients to purchase products directly from such third-party providers. Any of the above risks could have an adverse effect on our business, cash flows, financial condition and results of operations.

Any of the above risks could have a material adverse effect on our business, financial condition and results of operations.

**16. *A significant decrease in our liquidity could negatively affect our business and reduce client confidence in us.***

Our liquidity and profitability are dependent upon our timely access to, and costs associated with, raising capital. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks.

Maintaining adequate liquidity is crucial to our brokerage operations, including key functions such as transaction settlement and margin funding and other business activities with substantial cash requirements. We place margins with the clearing corporation of the respective exchanges, which may fluctuate significantly from time to time based on the nature and volume of our clients’ trading activity. Although we meet our liquidity needs primarily through cash generated from operating activities, internal accruals and debt financing, we are not permitted to raise debt beyond a specific limit, specifically to fund our margin funding requirements. A reduction in our liquidity could affect our ability to trade on Stock and Commodities Exchanges, thereby stunting the growth of our business and reduce the confidence of our clients in us, which may result in the loss of client accounts. We provide broking services across the equity, commodity, derivatives and currency segments, for which we offer margin-based products on our brokerage platform, wherein clients are required to deposit the prescribed initial margin for the transaction executed by us on their behalf and thereafter pay the balance amount.

Accordingly, if a client fails to pay the balance amount on or before the due date, then it may affect our liquidity. In case of high market volatility or adverse movements in share prices, it is possible that clients may not honour their commitment, and consequently, any inability on our part to pay the margins or honour the pay-in obligation to the exchanges, or both, may be detrimental to our business, reputation and profitability. Factors that may adversely affect our liquidity position include a significant abrupt increase in our brokerage services, volatile markets, settlement of large transactions on behalf of our brokerage clients. We use cash generated from our operating activities and external financing to meet our liquidity or regulatory capital requirements. During periods of disruption in the credit and capital

markets or changes in the regulatory environment, potential sources of external financing could be limited, and our borrowing costs could increase. External financing may not be available to us on commercially acceptable terms, or at all, due to disruptions in the credit and capital markets, changes in regulations relating to capital raising activities, general market conditions for capital raising activities, and other economic and political conditions outside our control.

Any of the risks highlighted above in relation to a decrease in our liquidity, could have a material adverse effect on our business, results of operation and prospects.

**17. Credit risks in our day-to-day operations may expose us to significant losses.**

We may suffer significant losses from credit exposures from our clients and counterparties. Our brokerage businesses are subject to the risk that a client or counterparty may fail to perform its obligations or that the value of any collateral held by us to secure the obligations might become inadequate.

Set forth below are details of our written off client and debtors outstandings in the corresponding years/ periods:

Particulars	(₹ in lakhs)		
	April-June 2024-25	April-March 2023-24	April-March 2022-23
Client outstanding balances written off	-	15.93	47.85
Debtors of Geojit Technologies written off	0.10	0.87	1.37

We are exposed to credit risk arising out of receivables from the clearing corporation of the stock exchanges which comprise receivables relating to sales of securities which the clients have traded but are not yet settled. We square off and settle positions in client accounts through a trading system as per our risk management policies. We are also exposed to credit risk with regard to our fixed deposits placed with banks. We are dependent on a number of parties like exchanges, banks, registrars and share transfer agents, clearing houses and other intermediaries for our transactions execution or for our day-to-day operations, or both. If any of these counterparties do not perform their obligations due to bankruptcy, lack of liquidity, downturns in the economy, operational failure, fraud or other reasons, and any collateral or security they provide proves inadequate to cover their obligations at the time of the default, we could suffer significant losses and it would have an adverse effect on our financial condition, results of operations and cash flows. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances. We are responsible for contracts entered into by us on behalf of our clients. Although we attempt to minimize our exposure to specific clients, these measures may not be sufficient. If our clients suffer significant losses and the margin that they deposited with us proves to be inadequate, due to unseasonal volatility or otherwise, we may suffer significant financial losses. We also extend short term credit to our clients through certain products and face credit risks relating to such receivables if there is an adverse market movement.

**18. We rely on the Indian exchanges for a significant portion of our business.**

Our brokerage business relies on the Indian exchanges, such as the Stock and Commodities Exchanges, and the clearing corporations to execute and settle all our clients' transactions. Our electronic brokerage platform and our systems for retail brokerage clients are connected to the exchanges and all orders placed by our clients are fulfilled through the exchanges. Any disruption in the functioning of the exchanges or a disruption to our connection with the exchanges could have an adverse effect on our business, cash flows and results of operations. To use the services of the Stock and Commodities Exchanges, we are required to be registered as their members. This registration subjects us to various stock exchange regulations and periodic inspections by such exchanges. We cannot assure you that we will be able to strictly comply with such regulations or that such inspections would not find any violations by us. Failure to comply with such regulations could lead to fines, penalties, suspension of our registrations, and in extreme

circumstances, termination of our registration. If our registration with the exchanges is terminated, we will be unable to provide brokerage services, which will have an adverse effect on our business, cash flows, financial condition and results of operations. In addition, our business operations are subject to regulatory limits on brokerage fee rates and net worth requirements imposed by exchanges.

**19. *We are required to maintain various licences and permits for our business from time to time. Any failure or delay in obtaining or renewing licences or permits may adversely affect our operations.***

Our business is subject to compliance with the rules, regulations, byelaws and circulars prescribed by SEBI, the Stock Exchanges, Depositories, Commodities Exchanges IRDAI, PFRDA, RBI, and AMFI, other regulatory authorities, and the terms and conditions of the approvals, licences, registrations and permissions obtained for operating our business. Some of the approvals, licenses and registrations may elapse in the ordinary course of business and we make applications for renewal as and when practicable and in accordance with applicable law, while certain other registrations are valid until they are suspended or cancelled by the regulator but are subject to payment of registration fee at a periodic interval. Further, in accordance with the regulations formulated by SEBI and other regulatory authorities, we are required to intimate or obtain approvals, as the case may be, amongst others, for changes in our Board, changes in our shareholding pattern, and undertaking certain corporate actions.

Government and regulatory licences and approvals may also be tied to conditions, some of which may be onerous to us and require substantial expenditures. There is no assurance in the future that the licences, approvals and permits applied for or held by us will be issued, approved or renewed in a prompt manner, or at all, under applicable law. Our failure to renew or obtain such licences and approvals in a timely manner, or at all, and comply with the provisions of the applicable laws and regulations could lead to suspension or cancellation of our registration or imposition of sanctions by the relevant authorities, including penalties. If we are unable to make applications and renew or obtain necessary permits, licences and approvals on acceptable terms, in a timely manner, at a reasonable cost, or at all, it could adversely affect our cash flows, financial condition and results of operations.

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

The success of our business depends on the continued service of our senior management and various professionals and specialists, information technology specialists, relationship managers and finance professionals (including tax and accounting specialists), legal professionals, risk management specialists, compliance specialists and specialists in other control functions. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel, qualified professionals and specialists has intensified. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including management in professional departments of business, finance, internal controls and information technology, or cannot adequately and timely replace them upon their departure.

The employee attrition rate for our Company, on a standalone basis, as a percentage of average headcount was 30%, 36%, 33% and 30% in Fiscal 2022, 2023, 2024 and the three months ended June 30, 2024, respectively. Moreover, we may be required to increase substantially the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the financial services industry for such personnel. Our failure to attract, hire, retain or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among business institutions may also require us to increase compensation, which would increase operating costs and reduce our profitability.

**21. *We depend on the accuracy and completeness of information about clients and counterparties for our business. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

We significantly rely on information furnished to us by, or on behalf of, clients (including in relation to their financial

transactions and past credit history) for various aspects of our business operations, such as new client enrolment, appointing new Authorised Persons and servicing our clients. We may also rely on certain representations from our clients as to the accuracy and completeness of the information provided by them. 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 such activities, inaccuracies or fraudulent information, or detect inaccuracies in such information in a timely manner, or at all, which may expose us to higher levels of bad debt, regulatory action or other risks, and may adversely affect our reputation, cash flows, business prospects, financial condition and results of operations.

Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business prospects, financial condition and results of operations. For further details, see the risk factor entitled “*Credit risks in our day-to-day operations may expose us to significant losses*” on page 31.

### **Business and Regulatory Risks**

**22. *There are outstanding legal proceedings involving our Company and Subsidiaries. Any adverse outcome in any of these proceedings may adversely affect our reputation, business operations, financial condition and results of operations.***

We are involved in certain litigation proceedings for which, in the event of an adverse outcome, there may be an adverse impact on our operations or financial position. For further details, see “*Outstanding Litigation and Defaults*” on page 181.

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

<b>Type of Proceedings</b>	<b>Number of cases</b>	<b>Amount (₹ in lakhs)*</b>
<b>Cases by our Company</b>		
Issues involving moral turpitude or criminal liability	1	11.00
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	800.00
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil
<b>Cases against our Company</b>		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
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	Nil
<b>Tax cases involving our Company</b>		
Direct tax proceedings	12	111.57
Indirect tax proceedings	11	429.01
<b>Cases by our Subsidiaries</b>		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil

Type of Proceedings	Number of cases	Amount (₹ in lakhs)*
<b>Cases by our Company</b>		
Issues involving moral turpitude or criminal liability	1	11.00
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	800.00
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil
<b>Cases against our Subsidiaries</b>		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
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	Nil
<b>Tax cases involving our Subsidiaries</b>		
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	2	22.00

\*To the extent quantifiable.

There can be no assurance that we will be successful in any of these legal proceedings. For further details on these matters and other material legal proceedings involving us, see “*Outstanding Litigation and Defaults*” on page 181.

**23. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.**

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our financial performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, marked based parameters such as high low variation in securities, client concentration, close to close price variation market capitalization, average daily trading volume and its change, and average delivery percentage, among others.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

**24. *Our Company may incur penalties or liabilities for non-compliance with certain provisions of the SEBI Listing Regulations.***

The Equity Shares of our Company are listed on BSE and NSE, and we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There has been an instance in the present Fiscal where our Company failed to comply with the requirements of the SEBI Listing Regulations. For instance, our Company failed to comply with the requirements of Regulation 17 of the SEBI Listing Regulations, in connection with the requirement of having at least half of the board of directors comprising of independent directors where the listed entity does not have a regular non-executive chairperson. Further, there was a delay of one day in filing of the voting results with the Stock Exchanges pursuant to Regulation 44 of the SEBI Listing Regulations by our Company. However, our Company remedied the non-compliance by paying a penalty of ₹ 10,000 levied by the Stock Exchanges. We have not received any notices from the Stock Exchanges in relation to non-compliance with corporate governance requirements, which have been subsequently complied by our Company. While our Company has complied with the obligations and reporting requirements under the SEBI Listing Regulations, there may be non-disclosures or delayed or erroneous disclosures or any other non-compliance in the future and the same may result in Stock Exchanges or SEBI imposing penalties, issuing warnings and show cause notices against us. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in an adverse effect on our business.

***Financial Risks***

**25. *We are bound by various restrictive covenants in terms of our financing documentation.***

We have entered into agreements for our borrowings with certain lenders. As of March 31, 2024, our total borrowings were ₹ 35,022.41 lakhs. These borrowings include overdrafts from banks, loans from financial institutions and loans from related parties. Any inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating. Such restrictive covenants, include but are not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, effecting any scheme of amalgamation or reconstitution, restructuring or changing the management, dilution of or any change in shareholding of certain existing shareholders including the Promoters and the promoter group, repayment and/or prepayment of various borrowing facilities availed by the Company, appointing various intermediaries including merchant bankers. While the lenders have not exercised these rights, they may do so in the future. There can be no assurance that the Company will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow it. Any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. The ability to make payments on and refinance our indebtedness will depend on its ability to generate cash from our future operations. In addition, lenders under the various credit facilities could foreclose on and sell its assets if a default arises under our credit facilities. Any failure to comply with the conditions and covenants in the financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of its credit facilities, acceleration of all amounts due under such facilities or trigger cross default provisions under certain of its other financing agreements, any of which could adversely affect its financial conditions and its ability to conduct and implement our business plans. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

**26. *Any downgrade of our debt rating by an independent agency may adversely affect our ability to raise financing.***

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. The credit ratings were as follows:

Rating Agency	Rating		
	Bank loan		Commercial paper
	Long term	Short term	
CRISIL Ratings Limited	Not applicable	CRISIL A1	Not applicable
CARE Ratings Limited	CARE A; Stable	CARE A1	Not applicable

Any future performance issues by us or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any downgrade of our credit ratings could result in lenders imposing additional terms and conditions in any future financing or refinancing arrangements in the future. Any such adverse development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

**27. We have in the past entered into related party transactions and will continue to do so in the future.**

We have in the past entered into related party transactions. For further information on our related party transactions, see “Financial Statements – Note 41- Related Party Disclosures” on page 140.

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such related party transactions that we have entered into are conducted on an arms’ length basis in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and all related party transactions that we may enter are subject to Board or shareholder approval, as necessary under the Companies Act and the SEBI LODR Regulations, in the interest of the Company and its minority shareholders and in compliance with the LODR Regulations, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. There can be no assurance that our Directors and executive officers will be able to address such conflicts of interests or others in the future.

**Risks relating to the Objects of the Issue**

**28. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.**

We propose to use the Net Proceeds for prepayment and / or re-payment of all, or a portion of, certain outstanding borrowings availed by our Company. Our funding requirements and deployment of the Net Proceeds have not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. Any variation in the utilization of the Net Proceeds shall be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management and may be subject to various other approvals. Further, our funding requirements and the deployment of the proceeds from this Issue are also based on our current business plan and strategy. While the deployment of the Net Proceeds will be monitored by the Monitoring Agency, we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, and other financial and operational factors. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Letter of Offer in a timely manner or at all. Various risks and uncertainties, including those set forth in this “Risk Factors” section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, the use of the Net Proceeds to help reduce our outstanding indebtedness and debt

servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

Further, as regards the utilisation of Net Proceeds for prepayment and / or re-payment of all, or a portion of, certain outstanding borrowings availed by our Company, the identification of loans to be repaid and / or prepaid will be based on various factors, including the factors specified in the section “*Objects of the Issue*” on page 57.

### ***Other Internal Risks***

***29. Any failure of our information technology systems could adversely affect our business and operations.***

We have information technology systems that support our business processes. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, and similar events, even with our disaster recovery system in place. Disruption or failure of our information technology systems could have a material adverse effect on our operations. A large-scale information technology malfunction could disrupt our business or lead to disclosure of sensitive company information. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. While there has not been any incidence of such malfunction or disruptions, such incidence could cause economic losses for which we could be held liable.

Effective response to such disruptions will require effort and diligence on the part of our employees to avoid any adverse effect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. The occurrence of any of these events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

***30. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. In recent years, we have focused on improving the internal controls of the businesses. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report financial results accurately and in a timely manner, or to detect and prevent fraud, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

***31. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

While we have declared dividend for Fiscals 2024 and 2023, our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. 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, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be



able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

## EXTERNAL RISKS

### *Risks relating to investment in India*

- 32. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required. We have undertaken or recorded such transactions in the past based on a *bona fide* interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI, or any other government agency can be obtained on any particular terms, or at all. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

- 33. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

A decline in India's foreign exchange reserves could impact the valuation of the Indian Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition our business and results of operations. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Indian Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations.

- 34. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of

investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

**35. *Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the states where we operate, could disrupt our business.***

We are incorporated in India and derive our revenues in India. In addition, our assets are located in India. Consequently, our performance and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, the Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the Indian government has recently pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and a new Insolvency and Bankruptcy Code. There can be no assurance that the government's policies will succeed in their aims, including facilitating high rates of economic growth. Following the release of the results of the last general elections of India the ruling party has received a fresh mandate to continue its tenure for a second term, there can be no assurance that the Government will continue with its current policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth.

A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

**36. *Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and impact the trading price of our Equity Shares.***

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Further, health epidemics and pandemics like the recent COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavorable climatic changes or health epidemics and pandemics were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event.

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones or force majeure and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations, which may affect our manufacturing processes. Such events may also lead to reduced revenue from decreased production capacity owing to transportation difficulties, supply chain interruptions, health and safety concerns. These may also lead to write-offs and early retirement of assets due to damage to property in high-risk locations. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. Our insurance policies for assets covers such natural disasters. However, our insurance policies may not be adequate to cover the loss arising from these events,

which could adversely affect our results of our operations and financial condition.

**37. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect our business and the Indian financial markets.***

India has from time-to-time experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, our business, and results of operations, financial condition and the trading price of our Equity Shares. India has also experienced social unrest and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability. In addition, in June 2020, a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations, wider international relations or any future military confrontations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of the Equity Shares.

**38. *Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, may range up to 34.94%. The central or state government may vary the corporate income tax in the future. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could materially and adversely affect our business, financial condition and results of operations.

GST has been implemented with effect from July 1, 2017, and has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. GST has increased administrative compliance for companies, which is a consequence of increased registration and form filing requirements. As the taxation system is relatively new and could be subject to further amendments in the short term for the purposes of streamlining compliance, the consequential effects on us cannot be determined as of now and there can be no assurance that such effects would not adversely affect our business and future financial performance.

**39. *Investors may not be able to enforce a judgment of a foreign court against our Company or our management.***

We are a limited liability company incorporated under the laws of India and all of our Directors and Senior Management Personnel named herein are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service

of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and Senior Management Personnel under laws other than Indian law. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the “**Civil Code**”) on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

The United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to such award and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

**40. A downgrade in ratings of India, may affect the trading price of the Equity Shares.**

India’s sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India’s credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

**41. The securities investment business in India may be adversely affected by changes in the present tax regime.**

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. The Finance Act, 2024 has increased the tax rate on short term long capital gains from 15% to 20% and the tax rate on long-term capital gains from 10% to 12.50%. The Finance Act, 2024 also passed an increase the rates of STT payable on derivative transactions in equity. For an option, in securities, the STT rate has been hiked from 0.0625% to 0.1% of the option premium, which is the same as levied on actual delivery. Drastic changes have been proposed to tax money received from companies on the buyback of

shares. The budget proposes to abolish the present scheme for taxing buyback shares. As per the amended law, companies are no longer required to pay any tax in respect of the buyback of shares, but the amount received against the buyback of shares be treated as a dividend in the hands of the shareholder and taxed at the slab rate applicable to individual shareholders. This will adversely affect the promoter shareholders who are in higher tax slabs and will have to pay significantly more money as tax than what was being paid by the company.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

## **RISKS RELATING TO OUR EQUITY SHARES AND THIS ISSUE**

### ***42. There is no public market for the Rights Equity Shares or Equity Shares outside India.***

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, there will also be no public market for the Rights Equity Shares outside of India. We cannot assure you that the face value of the Rights Equity Shares will correspond to the price at which the Rights Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Equity Shares and Equity Shares and restrict your ability to sell them.

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and 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 of 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 198.

### ***44. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI 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) 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 (b) 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 (c) credit of the Rights Entitlements returned, reversed or failed; or (d) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any. The Rights Entitlements of the Eligible Equity Shareholders holding Equity Shares in physical form 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. For details, please see the section entitled “*Terms of the Issue*” on page 198.

- 45. *You may not receive the Rights Equity Shares that you subscribe in this Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.***

The Rights Equity Shares that you may be Allotted in this 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 Rights Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Rights Equity Shares allocated to you will be credited to your demat account, or that trading in such Rights Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

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

- 47. *Our Company will not distribute the Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.***

We will distribute the Issue Material to the shareholders who have provided an address in India for service of documents. The Issue Material will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case of such Eligible Equity Shareholders who have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

While 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 thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

- 48. *Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.***

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of our Company. Indian legal principles relating to these matters and the validity of 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 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 a shareholder in India than as a shareholder of a corporation in another jurisdiction. In accordance with the provisions of the Companies Act the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company. Further, Section 106(1) of the Companies Act specifically provides that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid.

**49. *We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding, or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares.***

Any future equity issuances by us may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

**50. *The Rights Equity Shares may experience price and volume fluctuations.***

The market price of the Rights Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the stock exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Rights Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Rights Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

**51. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

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

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption. A securities transaction tax (“STT”) is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gains realized on the sale of equity shares held for more than 12 months are subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹125,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 12.50% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018, continue to be tax-exempted in such cases.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident, and are subject to tax deduction at source.

**53.  *Holders of our 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, a company incorporated in India must offer holders of its 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 equity shares who have voted on such resolution. 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 not be able to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor’s benefit. The value the custodian receives on the sale of such securities and the related transaction. 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 our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

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

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction except India. As such, our Equity Shares have not and will not be registered under the Securities Act, any state securities laws of the United States or the law of any jurisdiction other than India. Further, your ability to acquire Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see “*Notice to Investors*” on page 9. You are required to inform yourself about and observe these



restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with applicable law.

## SECTION III: INTRODUCTION

### THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on July 13, 2024, pursuant to Section 62(1)(a) of the Companies Act and other applicable laws. The terms of the Issue including the Record Date, Issue Price, Rights Entitlement ratio and other related matters, have been approved by our Rights Issue Committee on September 19, 2024.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in “*Terms of the Issue*” on page 198.

Issue Details in Brief	
<b>Rights Equity Shares being offered by our Company</b>	Up to [●]* Equity Shares
<b>Rights Entitlement<sup>§</sup></b>	1 Rights Equity Share for every six Equity Shares held on the Record Date
<b>Record Date</b>	[●]
<b>Face value per Equity Share</b>	₹ 1 each
<b>Issue Price</b>	₹ 50 per Rights Equity Share (including a premium of ₹ 49 per Equity Share)
<b>Dividend</b>	Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law.
<b>Issue Size</b>	Up to ₹ 20,000 lakhs*
<b>Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue</b>	23,91,44,482 Equity Shares. For details, see “ <i>Capital Structure</i> ” on page 53
<b>Equity Shares outstanding after the Issue</b>	[●]* Equity Shares
<b>Security codes for the Equity Shares<sup>#</sup></b>	ISIN for Equity Shares: INE007B01023 BSE Code: 532285 NSE Code: GEOJITFSL ISIN for Rights Entitlements: [●]
<b>Terms of the Issue</b>	For details, see “ <i>Terms of the Issue</i> ” on page 198
<b>Use of Issue Proceeds</b>	For details, see “ <i>Objects of the Issue</i> ” on page 57

\* Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.

§For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.

### Terms of Payment

For issue of [●] Rights Equity Shares

Amount Payable per Rights Equity Share (Due Date)	Face Value (₹)	Premium (₹)	Total (₹)
On Application	[●]	[●]	[●]

## GENERAL INFORMATION

Our Company was incorporated as a public limited company under the name and style of 'Geojit Securities Limited' under the Companies Act, 1956 on November 24, 1994 and a certificate of commencement of business was granted dated January 25, 1995 by the Registrar of Companies, Kerala. Subsequently, our Company acquired the assets and liabilities of the business of the proprietorship firm, 'Geojit & Company' on February 6, 1995. The firm, Geojit & Company initially began as C J George & Co. on January 1, 1987, founded by C J George. On November 4, 1988, Ranajit Kanjilal joined C J George to form a partnership firm 'Geojit & Company', operating as stock and sharebrokers with membership in the Cochin Stock Exchange. The partnership was dissolved on February 15, 1994, and the firm became a sole proprietorship, continuing its brokerage business under the name Geojit & Company.

In Fiscal 2003, pursuant to a resolution passed by our Shareholders at the extraordinary general meeting held on September 27, 2003, the name of our Company was changed to 'Geojit Financial Services Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Assistant Registrar of Companies, Kerala on October 16, 2003. In Fiscal 2007, pursuant to investment by BNP Paribas S.A, and a resolution passed by our Shareholders at the extraordinary general meeting held on June 29, 2007, the name of our Company was changed to 'Geojit BNP Paribas Financial Services Limited'. Subsequently, a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Kerala and Lakshadweep on April 1, 2009. Thereafter, pursuant to a resolution passed by our Shareholders at the extraordinary general meeting held on January 25, 2017, the name of our Company changed to 'Geojit Financial Services Limited' and our Company was granted a fresh certificate of incorporation by the Registrar of Companies, Ernakulam at Kerala ("RoC") on February 9, 2017.

### Registered and Corporate Office

11<sup>th</sup> Floor, 34/659-P,  
Civil Line Road,  
Padivattom, Kochi – 682 024,  
Kerala, India.  
Telephone: +91 484 2901000

**Corporate Identity Number:** L67120KL1994PLC008403  
**Registration number:** 008403

### Address of the RoC:

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

**Registrar of Companies, Kerala**  
1<sup>st</sup> Floor, Company Law Bhawan  
BMC Road,  
Ernakulam - 682 021,  
Kerala, India

### Company Secretary and Compliance Officer

**Liju Kaitherathu Johnson**  
11th Floor,  
34/659-P,  
Civil Line Road,  
Padivattom,  
Kochi - 682 024,  
Kerala, India

Telephone: +91 484 290 1000  
E-mail: companysecretary@geojit.com

**Statutory Auditor to our Company**

**B S R & Associates LLP**

49/179A, 3rd Floor, Syama Business Centre NH 47 Bypass Road,  
Vytila Kochi – 682 019, Kerala, India  
Tel: +91 484 4148 501  
E-mail: arpanjain@bsraffiliates.com  
Firm Registration Number: 116231W/ W-100024  
Peer Review Certificate Number: 014273

**Lead Manager to the Issue**

**DAM Capital Advisors Limited**

One BKC, Tower C, 15th Floor,  
Unit no 1511, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Maharashtra, India  
Telephone: +91 22 4202 2400  
E-mail: geojit.rights@damcapital.in  
Investor Grievance ID: complaint@damcapital.in  
Website: www.damcapital.in  
Contact person: Chandresh Sharma / Puneet Agnihotri  
SEBI Registration Number: MB/INM000011336

**Legal Advisor to our Company as to Indian law**

**AZB & Partners**

AZB House, Peninsula Corporate Park  
Ganpatrao Kadam Marg, Lower Parel  
Mumbai 400 013, Maharashtra, India  
Tel: +91 22 6639 6880

**Registrar to the Issue**

**Link Intime India Private Limited**

C- 101, 247 Park,  
L.B.S. Marg,  
Vikhroli (West), Mumbai 400083  
Maharashtra, India  
**Telephone.:** +91 81081 14949  
**Fax:** +91 22 4918 6060  
**E-mail:** geojit.rights@linkintime.co.in  
**Investor grievance e-mail:** geojit.rights@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration No.:** INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” on page 198.

## Experts

1. Our Company has received a written consent dated [●] from our Statutory Auditor, B S R & Associates LLP, Chartered Accountants, to include its names as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert”, as defined under applicable laws, to the extent and in their capacity as statutory auditor, and in respect of the reports issued by them and the Statement of Possible Tax Benefits, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.
2. Our Company has received a written consent dated [●] from our Independent Chartered Accountant, Elias George & Co , Chartered Accountants, to include its names as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert”, as defined under applicable laws, to the extent and in their capacity as statutory auditor, and in respect of the reports issued by them, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

## Banker to the Issue

### Axis Bank Limited

41/418, Ground Floor, Chicago Plaza,  
Rajaji Road,  
Kochi,  
Kerala – 682 035,  
India

**Contact Person:** Joseph Kurian

**Telephone:** +91 – 99166 55332

**Email:** joseph.kurian@axisbank.com

## Self-Certified Syndicate Banks (SCSBs)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

## Issue Schedule

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

# 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 prior to the Issue Closing Date.

\* Our Board / Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

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 to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Issue 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., [●]. 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 to the Issue, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar to the Issue at [www.linkintime.co.in](http://www.linkintime.co.in). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue*” on page 198.

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 to the Issue at [www.linkintime.co.in](http://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*” on page 198.

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 Rights 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.

### **Credit Rating**

As this Issue is of Equity Shares, there is no requirement of credit rating for this Issue.

### **Debenture Trustee**

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

### **Monitoring Agency**

Our Company has appointed ICRA as the Monitoring Agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, to monitor the utilization of Net Proceeds. The details of Monitoring Agency are as follows:

#### **ICRA Limited**

**Address:** Electric Mansion, 3<sup>rd</sup> Floor,  
Appasaheb Marathe Marg

Prabhadevi, Mumbai – 400025  
**Telephone:** +91-22-61143406  
**Fax:** +91-22-24331390  
**Email:** shivakumar@icraindia.com  
**Website:** www.icra.in  
**Contact Person:** Mr. L. Shivakumar

### **Inter se allocation of responsibilities among the Lead Manager**

Since DAM Capital Advisors Limited is the only Lead Manager for this Issue, accordingly, there is no requirement of an *inter-se* allocation of responsibilities. The Lead Manager will be responsible for all the responsibilities related to coordination and other activities in relation to this Issue.

### **Minimum Subscription**

The Objects of the Issue involve prepayment and / or re-payment of all, or a portion of, certain outstanding borrowings availed by our Company. Our Promoters, and the members of our Promoter Group, have confirmed to (a) subscribe to the full extent of their Rights Entitlement and not renounce their Rights Entitlement, (except to the extent of renunciation within the Promoter Group, if applicable); (b) subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by the Promoter or any other members of the Promoter Group of our Company or that they may acquire separately; and (c) subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the aggregate shareholding of our Promoters and the members of the Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations and in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. Accordingly, the minimum subscription of 90% will not be applicable to the Issue.

### **Underwriting Agreement**

The Issue is not underwritten.

### **Filing**

This Letter of Offer is being filed with the SEBI and the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further our Company will simultaneously do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI Rights Issue Circulars.

## CAPITAL STRUCTURE

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

*(in ₹, except share data)*

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
1	<b>AUTHORISED SHARE CAPITAL</b>		
	630,500,000 Equity Shares of face value of ₹ 1 each	630,500,000.00	N.A.
	<b>TOTAL</b>	630,500,000.00	N.A.
2	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THIS ISSUE</b>		
	239,144,482 Equity Shares of face value of ₹ 1 each	239,144,482	N.A.
3	<b>PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER<sup>(1)</sup></b>		
	Up to [●] Rights Equity Shares <sup>(2)</sup>	Up to [●]	Up to [●]
4	<b>ISSUED SHARE CAPITAL AFTER THIS ISSUE</b>		
	[●] Equity Shares of ₹1 each	[●]	N.A.
5	<b>SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THIS ISSUE<sup>(2)</sup></b>		
	[●] fully paid-up Equity Shares		N.A.
<b>SECURITIES PREMIUM ACCOUNT</b>			
	Before the Issue (as on the date of this Letter of Offer)		2,155,038,574
	After the Issue		[●]

<sup>(1)</sup> The Issue has been authorised by a resolution passed by our Board at its meeting held on July 13, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act. The terms of the Issue including the Record Date, Issue Price, Rights Entitlement ratio and other related matters, have been approved by our Board on September 19, 2024.

<sup>(2)</sup> Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment and not adjusted for Issue related expenses..

### Notes to the Capital Structure

#### 1. Details of options and convertible securities outstanding as on the date of filing of this Letter of Offer

Except as disclosed below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

##### Employee Stock Option Scheme 2016

Employee Stock Option Scheme 2016 was approved by our Shareholders pursuant to their resolution dated August 4, 2016. The details of grants, exercise and lapse of units under the ESOS 2016 as on the date of this Letter of Offer are as follows:

Particulars	Employee Stock Option Scheme 2016
Units granted	1,17,69,737
Units vested	8,72,122
Units exercised	2,87,415
Units forfeited / lapsed	1,14,46,477
Money realized by exercise of units	1,18,93,597



<b>Particulars</b>	<b>Employee Stock Option Scheme 2016</b>
Total number of units in force	35,845

#### Employee Stock Option Scheme 2017

Employee Stock Option Scheme 2017 was approved by our Shareholders pursuant to their resolution dated November 22, 2017. The details of grants, exercise and lapse of units under the ESOS 2017 as on the date of this Letter of Offer are as follows:

<b>Particulars</b>	<b>Employee Stock Option Scheme 2017</b>
Units granted	27,36,296
Units vested	20,92,103
Units exercised	5,72,483
Units forfeited / lapsed	20,54,646
Money realized by exercise of units	2,26,78,699
Total number of units in force	1,09,167

#### Employee Stock Option Scheme 2024

Employee Stock Option Scheme 2024 was approved by our Shareholders pursuant to their resolution dated April 6, 2024. The details of grants, exercise and lapse of units under the ESOS 2024 as on the date of this Letter of Offer are as follows:

<b>Particulars</b>	<b>Employee Stock Option Scheme 2024</b>
Units granted	12,07,500
Units vested	0
Units exercised	0
Units forfeited / lapsed	0
Money realized by exercise of units	0
Total number of units in force	12,07,500

- As on date of this Letter of Offer, none of the Equity Shares held by our Promoters or the members of the Promoter Group are locked-in, pledged or otherwise encumbered.

### 3. Intention and extent of participation by our Promoters and Promoter Group

Pursuant to certificates each dated September 19, 2024, our Promoters, and the members of the Promoter Group, have confirmed (i) that they shall subscribe to the full extent of their Rights Entitlements and not renounce their Rights Entitlements, (except to the extent of Rights Entitlements renounced by any of them in favour of our Promoters or other member(s) of the Promoter Group), (ii) that they shall subscribe to Rights Entitlements over and above their Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group or purchased by them using the secondary market platform of the Stock Exchanges or through an off-market transaction in compliance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended; and (iii) their intention to subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the aggregate shareholding of our Promoters and the members of the Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations and in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/regulations. The acquisition of Rights Equity Shares by our Promoters and members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations and 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 Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

4. The ex-rights price of the Equity Shares in connection with the Issue calculated as per Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹ 124.60 per Equity Share, as certified by the Independent Chartered Accountants by certificate dated September 19, 2024.
- 5. Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:**
- (i) The shareholding pattern of our Company as on June 30, 2024, can be accessed on the websites of BSE at <https://www.bseindia.com/stock-share-price/geojit-financial-services-ltd/geojitfsl/532285/shareholding-pattern/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=GEOJITFSL>, respectively.
- (ii) The statement showing holding of Equity Shares of persons belonging to the category “Promoters and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2024, can be accessed on the websites of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532285&qtrid=122.00&QtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=GEOJITFSL&tabIndex=equity>, respectively.
- (iii) The statement showing holding of securities (i.e., the Equity Shares) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2024, as well as details of shares which remain unclaimed for public can be accessed on the websites of BSE, at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532285&qtrid=122.00&QtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=GEOJITFSL&tabIndex=equity>, respectively.
- (iv) The statement showing holding of the Equity Shares of persons belonging to the category “Non Promoter-Non Public shareholder” can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=532285&qtrid=122.00&QtrName=June%202024> and on the website of the NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=GEOJITFSL&tabIndex=equity>.
6. Except for the gift of 5,00,000 Equity Shares each from Chenayappillil John George to certain of our members of the Promoter Group, being, Annie Vinod and Ann Susan on May 22, 2024, no Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of filing of the Letter of Offer with the Stock Exchanges and submission to SEBI.
7. Our Company shall ensure that any transaction in the specified securities by our Promoters and the members of the Promoter Group during the period between the date of filing this Letter of Offer with the Stock Exchanges and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.
8. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid-up. For further details on the terms of the Issue, please see, “Terms of the Issue” on page 198.
- 10. Details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital:**

The table below sets forth details of Equity Shareholders holding more than 1% of the issued and paid-up Equity

Share capital of our Company, as on June 30, 2024:

Sr. No.	Name of the Equity Shareholders	Number of fully paid-up Equity Shares held	Total no. of Equity Shares held	Percentage of Equity Shares held (%)
1.	BNP Paribas SA	58,980,544	58,980,544	24.66
2.	Chenayappillil John George	42,313,236	42,313,236	17.69
3.	Kerala State Industrial Development Corporation	20,000,000	20,000,000	8.36
4.	Rekha Jhunjhunwala <sup>#</sup>	17,218,500	17,218,500	7.20
5.	Punnoose George	9,999,999	9,999,999	4.18
6.	Chander Bhatia	5,003,176	5,003,176	2.09
7.	Rajesh Seth	32,76,832	32,76,832	1.37
8.	Jones George C	3,100,000	3,100,000	1.30
9.	Jyotis Abraham George	3,100,000	3,100,000	1.30
10.	Esvee Capital	2,700,000	2,700,000	1.13

*# These Equity Shares are jointly held with Rajeev Gupta and Vishal Gupta*

## OBJECTS OF THE ISSUE

Our Company intends to utilise the Net Proceeds towards the following objects:

1. Prepayment and / or repayment of all, or a portion of, certain outstanding borrowings availed by our Company; and
2. General corporate purposes.

(referred to herein as the “Objects”).

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association of our Company enable it to undertake: (i) its existing business activities; and (ii) activities for which the borrowings were availed, which are proposed to be repaid from the Net Proceeds.

### Proceeds of the Issue

The details of the proceeds of the Issue are summarised in the table below:

*(in ₹ lakhs)*

Particulars	Estimated amount
Gross proceeds from the Issue <sup>^</sup>	20,000.00
Less: Estimated Issue related expenses <sup>#</sup>	[•]
<b>Net Proceeds</b>	<b>[•]</b>

<sup>^</sup> Assuming full subscription in the Issue with respect to the Rights Equity Shares. Subject to finalisation of the Basis of Allotment.

<sup>#</sup> For details, see “- Estimated Issue related expenses” on page 62.

### Requirement of funds and utilisation of Net Proceeds

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

*(In ₹ lakhs)*

Particulars	Estimated amount*
Prepayment and / or repayment of all, or a portion of, certain outstanding borrowings availed by our Company	15,000.00
General corporate purposes	[•]
<b>Total Net Proceeds</b>	<b>[•]</b>

\* Assuming full subscription in the Issue with respect to the Rights Equity Shares. Subject to finalisation of the Basis of Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds, in accordance with the SEBI ICDR Regulations.

The funding requirements and deployment of funds are based on management estimates, existing circumstances of our businesses and prevailing market conditions, which may be subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.” on page 36.

We may have to revise our funding requirements and deployment on account of a variety of factors, such as our financial and market condition, business and strategy, competition and other external factors, such as changes in the business environment and interest or exchange rate fluctuations, 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 our management, subject to compliance with applicable laws.

Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes, to extent that the total amount to be utilized will not exceed 25% of the Net Proceeds.

We propose to deploy the entire Net Proceeds towards the Objects by the end of Fiscal 2025. However, if the Net Proceeds are not completely utilised for the Objects by the end of Fiscal 2025, due to various factors beyond our control, such as economic and business conditions, market conditions, competitive environment, interest or exchange rate fluctuations, including any terms and conditions of our Company's borrowings and any other business and commercial considerations, such amounts will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable law. Further, our Company may decide to accelerate the estimated Objects ahead of the schedule specified below.

### **Means of Finance**

The Net Proceeds will not be utilised for financing a particular project, 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 and internal accruals as required under the SEBI ICDR Regulations. Further, our Company's funding requirements and deployment schedules are subject to revision in the future, at the discretion of our management. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

### **Details of the Objects of the Issue**

Our Rights Issue Committee at its meeting held on September 19, 2024, approved the proposed Objects and the respective amounts proposed to be utilized from the Net Proceeds for each Object.

#### **1. Prepayment and / or repayment of all, or a portion of, certain outstanding borrowings availed by our Company**

Our Company has entered into various financing arrangements for borrowings, in the form of, amongst others, overdrafts, fund based and non-fund based facilities from various banks, financial institutions, other entities and unsecured lenders. As on March 31, 2024, the total outstanding borrowings of our Company on a consolidated basis is ₹ 35,022.41 lakhs.

Our Company intends to utilize ₹ 15,000 lakhs from the Net Proceeds towards prepayment and / or repayment of all, or a portion, of the outstanding borrowings, payment of prepayment penalties in relation to certain borrowings availed by our Company, the details of which are listed out in the table below. Pursuant to the terms of the financing arrangements, prepayment of certain indebtedness may attract prepayment charges. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. In the event the Net Proceeds are insufficient for payment of pre-payment penalty, such payment shall be made from the internal accruals of our Company.

Given the nature of the borrowings and the terms of prepayment and / or repayment, the aggregate outstanding amounts under the borrowings as well as the sanctioned limits may vary from time to time with the business cycles of our Company, and our Company, may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment of Rights Equity Shares.

We believe that the prepayment and / or repayment, of a portion of certain outstanding borrowings availed by our Company, will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The selection of borrowings proposed to be prepaid and / or repaid amongst our Company's borrowing arrangements will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay and / or repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The amounts proposed to be prepaid and / or repaid, against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment. Additionally, our Company may also avail further borrowings post the date of this Letter of Offer, which will be prepaid and / or repaid out of the Net Proceeds, provided that, the aggregate amount to be utilised towards the prepayment and / or repayment, of a portion of certain outstanding borrowings availed by our Company, shall not exceed ₹ 15,000 lakhs.

The details of the outstanding borrowings of our Company, as on September 13, 2024, which are proposed for prepayment and / or repayment, as the case may be, in full or in part, from the Net Proceeds are set forth below. The outstanding borrowings are listed below, in no particular order of priority.

*(Remainder of the page has been intentionally left blank)*

Name of lending Parties	Principal loan amount sanctioned (Rs. in lakhs)	Purpose for which loan was sanctioned as mentioned in the underlying agreement	Principal loan amount disbursed (Rs. in lakhs)	Date of last approved/revised sanction letter	Amount of loan utilised	Purpose for which loan utilised	Outstanding Amount as per books of accounts as at 13 September 2024 (Rs. in lakhs)
Axis Bank	7,303*	Working capital requirements	2,261	6/4/2024	2,261	for working capital purpose.	2,261
Axis Bank	3,000	Stock Exchange Obligations & Working capital requirements	2,500	6/4/2024	-	Not applicable as the entire amount is lying as bank balance	2,500
Axis Bank	239*	Working capital requirements	239	6/4/2024	239	for working capital purpose.	239
IDFC Bank Ltd	5,000	Working capital	2,500	3/28/2024	-	Not applicable as the entire amount is lying as bank balance	2,500
IDFC Bank Ltd	5,000	Working capital	5,000	3/28/2024	5,000	for working capital purpose.	5,000
Aditya Birla Finance Ltd	2,500	Proceeds of the facility will be utilised for funding MTF Loans	2,500	2/20/2024	2,500	Funding MTF Loan	2,500
Tata Capital Limited	6,000	For financing of Margin Trading Funding (MTF) Loan	1,500	3/4/2024	1,500	Financing of Margin Trading Funding (MTF) Loan	1,500

As certified by B S R & Associates LLP , Chartered Accountants, by way of their certificate dated [●].

\*Sub-limit of overall sanction limit of 30,000 lakhs.

Our Company has obtained the consents, waivers, and no-objections from the requisite lenders in terms of the respective facility documents in relation to the Issue, including but not limited to carrying out any of the actions that may be required in connection with the Issue.

## 2. General corporate purposes

The Net Proceeds will first be utilized for the Objects set out above, subject to which, our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to the utilization for general corporate purposes not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds, include further strengthening our existing ecosystem, meeting ongoing general corporate exigencies, expenses incurred in ordinary course of business, strategic initiatives, business development initiatives and any other purpose, as may be approved by our Board / Rights Issue Committee, from time to time, subject to compliance with applicable law, including the applicable provisions of the Companies Act.

The allocation or quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the business requirements of our Company, and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

### Deployment of funds

The following table provides for the proposed deployment of funds to be raised at Application, after deducting Issue related expenses.

*(in ₹ lakhs)*

Sr. No.	Particulars of the Objects	Proposed schedule of deployment of the Net Proceeds in Fiscal 2025*
1.	Prepayment and / or repayment of all, or a portion of, certain outstanding borrowings availed by our Company	15,000.00
2.	General corporate purposes**	[•]
	<b>Total***</b>	<b>[•]</b>

\*Any portion of the Net Proceeds may be utilized by our Company towards the Objects, ahead of the estimated schedule of deployment.

\*\* While the amount is subject to adjustment upon finalization of Issue related expenses, in no event, shall general corporate purposes exceed 25% of the Net Proceeds.

\*\*\*Assuming full subscription in the Issue. Subject to finalisation of the Basis of Allotment.

Our Company will utilize the entire proceeds towards the Objects by the end of Fiscal 2025. However, if the Net Proceeds are not completely utilised for the Objects by the end of Fiscal 2025 due to various factors beyond our control, such as economic and business conditions, market conditions, competitive environment, interest or exchange rate fluctuations and including any terms and conditions of our Company's borrowings and any other business and commercial considerations, such amounts will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable law. The deployment scheduled will be decided by our Company, at its discretion.

Our Board / Rights Issue Committee retain the right to change the above schedule of implementation and deployment of Net Proceeds, including the manner, method, and timing of deployment of the Net Proceeds, in case of change in our business requirements and other commercial considerations, subject to compliance with applicable laws.

### Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the Objects, our Company undertakes to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

### Bridge financing facilities

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



## Appraising entity

None of the Objects require appraisal from, or have been appraised by, any bank/ financial institution/ any other agency, in accordance with applicable law. See “*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.*” on page 36.

## Estimated Issue expenses

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

Activity	Estimated expenses (₹ in lakhs)	As a % of the total estimated Issue expenses	As a % of the total Issue size
Fees of the Lead Manager	[●]	[●]	[●]
Fee of the financial and legal advisors (includes Statutory Auditors, practising company secretary, independent chartered accountant, etc.)	[●]	[●]	[●]
Fee of Registrar to the Issue	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	[●]	[●]	[●]
Printing, stationery, and distribution of issue stationary, etc.	[●]	[●]	[●]
Other expenses (including miscellaneous expenses)	[●]	[●]	[●]
<b>Total estimated Issue expenses*</b>	[●]	[●]	[●]

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

## Monitoring utilisation of funds from the Issue

Our Company has appointed ICRA Limited as the monitoring agency in relation to the Issue. Our Board and the Monitoring Agency will monitor the utilisation of the Gross Proceeds and the Monitoring Agency will submit a report to our Board in terms of Regulation 82(2) of the SEBI ICDR Regulations. Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate instances, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to our Board for further action, if appropriate.

Further, in terms of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on (i) material deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects of the Issue as stated above and (ii) details of category wise variations in the utilisation of the Net Proceeds 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 review by the Audit Committee and its explanation will be included in the directors’ report in the annual report.

Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by our Statutory Auditors.

## Strategic or Financial Partners

Since the Objects of the Issue are (i) prepayment and / or repayment, of a portion of certain outstanding borrowings

availed by our Company, and (ii) general corporate purposes, there are no strategic or financial partners to the Objects of the Issue.

**Other confirmations**

No part of the proceeds of the Issue will be paid by our Company to our Promoters, the members of the Promoter Group, our Directors, Key Managerial Personnel or Senior Management. Our Promoters, the members of the Promoter Group and our Directors do not have any interest in the Objects of the Issue and there are no material existing or anticipated transactions in relation to utilisation of the proceeds of the Issue with our Promoters, Directors or Key Managerial Personnel or Senior Management or associate companies (as defined under the Companies Act).

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors  
Geojit Financial Services Limited (“the Company”)  
34/659-P, Civil Line Road, Padivattom,  
Kochi - 682024

Date: XX September 2024

**Subject: Statement of possible special tax benefits (“the Statement”) available to Geojit Financial Services Limited (“the Company” or “the Holding Company”), its shareholders and its material subsidiary incorporated in India prepared in accordance with the requirement under Schedule VI – Part B - Clause (4) (VIII) (M) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the ICDR Regulations”)**

This report is issued in accordance with the Engagement Letter dated 2 August 2024.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special–tax benefits available to the Company, its shareholders and its material subsidiary incorporated in India, which is defined in Annexure I (**List of Material Subsidiaries Considered As Part Of The Statement**), under direct and indirect taxes (together “**the Tax Laws**”), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and its Material Subsidiary incorporated in India fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its shareholders and its Material Subsidiary incorporated in India to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its Material Subsidiary incorporated in India may face in the future and accordingly, the Company, its shareholders and its Material Subsidiary incorporated in India may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiary incorporated in India and do not cover any general tax benefits available to the Company, its shareholders and its Material Subsidiary incorporated in India. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed rights issue offering of equity shares of the Company (the “**Proposed Issue**”) 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 possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

We do not express any opinion or provide any assurance as to whether:

- i) the Company, its shareholders and its Material Subsidiary incorporated in India will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures I and II are based on the information, explanation and representations obtained from the Company and its Material Subsidiary incorporated in India, and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiary.

We did not verify the special tax benefits available to the list of material subsidiary incorporated in India given in Annexure I. The Statement of Possible Special Tax Benefits available to the material subsidiary incorporated in India has been verified by auditor of the material subsidiary incorporated in India, whose reports have been furnished to us by the Management and included in Annexure III, and our opinion, insofar as it relates to the special tax benefits included in respect of such subsidiary incorporated in India, is based solely on the report of such other auditor.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for 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 the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Report in the Letter of Offer (“LoF”) and in any other material used in connection with the Proposed Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

*For B S R & Associates LLP*

*Chartered Accountants*

Firm’s Registration No: 116231W/W-100024

**Arpan Jain**

*Partner*

Membership No:125710

Place: Kochi

Date: XX September 2024

UDIN: [●]

**ANNEXURE I**  
**LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')**

Sr. No:	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017

**LIST OF MATERIAL SUBSIDIARY INCORPORATED IN INDIA CONSIDERED AS PART OF THE STATEMENT (Note 1)**

1. Geojit Technologies Private Limited ('GTPL')

Note 1: Material subsidiary is identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2024) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

## ANNEXURE II

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO GEOJIT FINANCIAL SERVICES LIMITED (“THE COMPANY”), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY INCORPORATED IN INDIA UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES (“TAX LAWS”)

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders and its Material Subsidiary incorporated in India under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company, its shareholders and its Material Subsidiary incorporated in India fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company, its shareholders and its Material Subsidiary incorporated in India to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

#### UNDER THE DIRECT TAX LAWS

##### A. *Special tax benefits available to the Company*

##### 1. Lower Corporate tax rate under Section 115BAA of the Income Tax Act, 1961 (‘the Act’)

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that the domestic companies availing the said option will not be required to pay Minimum Alternate Tax (‘MAT’) on their ‘book profits’ under section 115JB of the Act.

However, such a Company will no longer be eligible to avail specified exemptions / incentives / deductions under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has opted to apply section 115BAA of the Act.

##### 2. Section 80M – Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f., 1 April 2020 (AY 2021-22) provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such 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 due date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividends 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.

##### 3. Section 80JJAA – Deduction in respect of employment of new employees

As per section 80JJAA of the Act, the Company is entitled to claim deduction of an amount equal to thirty percentage 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. The eligibility to claim the deduction is subject to fulfillment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

The Company will be eligible to claim the above deduction even if it opts for concessional tax rate under section 115BAA of the Act.

**B. Special tax benefits available to Shareholders**

1. As per section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of the business trust shall be taxed at 12.5% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 125,000.
2. As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of the business trust shall be taxed at 20% subject to fulfillment of prescribed conditions under the Act.
3. With respect to resident corporate shareholders, deduction under section 80M of the Act as mentioned above could be available subject to fulfillment of certain conditions.

**C. Special tax benefits available to Geojit Technologies Private Limited (GTPL)**

**1. Lower Corporate tax rate under Section 115BAA of the Income Tax Act, 1961 ('the Act')**

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that the domestic companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act.

However, such a Company will no longer be eligible to avail specified exemptions / incentives / deductions under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

GTPL has opted to apply section 115BAA of the Act.

**2. Section 80M – Deduction in respect of inter-corporate dividends**

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f., 1 April 2020 (AY 2021-22) Section 80M provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such 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 due date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividends 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.

**3. Section 80JJAA – Deduction in respect of employment of new employees**

As per section 80JJAA of the Act, the Company is entitled to claim deduction of an amount equal to thirty percentage 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. The eligibility to claim the deduction is subject to fulfillment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act. The Company will be eligible to claim the above deduction even if it opts for concessional tax rate under section 115BAA of the Act.

#### 4. *Special tax benefits available to Shareholders*

1. As per section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of the business trust shall be taxed at 12.5% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per The Finance (No.2) Bill 2024 . It is worthwhile to note that tax shall be levied where such capital gains exceed INR 125,000.
2. As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of the business trust shall be taxed at 20% subject to fulfillment of prescribed conditions under the Act.
3. With respect to resident corporate shareholders, deduction under section 80M of the Act as mentioned above could be available subject to fulfillment of certain conditions.

### **UNDER THE INDIRECT TAX LAWS**

#### **A. *Special tax benefits available to the Company***

There are no special tax benefits available to the Company under the Indirect Tax Laws.

#### **B. *Special tax benefits available to Shareholders***

There are no special tax benefits available to the Shareholders under the Indirect Tax Laws.

#### **C. *Special tax benefits available to Material Subsidiary***

There are no special tax benefits available to the Material Subsidiary under the Indirect Tax Laws.

### **NOTES:**

1. The above is as per the current Tax Laws.
2. 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 the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. 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 ("DTAA"), if any, between India and the country in which the non-resident has fiscal domicile.
4. The possible special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications.
5. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
6. 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/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
7. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our 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.

**For Geojit Financial Services Limited**



**(Authorised Signatory)**

Name:

Designation:

Place: Kochi

Date: XX September 2024

## ANNEXURE III

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors  
Geojit Technologies Private Limited (“the Company”)  
34/659-P, Civil Line Road, Padivattom,  
Kochi - 682024

Date: XX September 2024

**Subject: Statement of possible special tax benefits (“the Statement”) available to Geojit Technologies Private Limited (“the Company”), and its shareholders prepared in accordance with the requirement under Schedule VI – Part A - Clause (4)(VIII)(M) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the ICDR Regulations”) in connection with the proposed rights issue of equity shares of face value of INR 1 each (the “Equity Shares”) to the existing shareholders by Geojit Financial Services Limited (“the Holding Company” or “Issuer”), in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, to the extent applicable).**

We, Varma & Varma, Chartered Accountants, Statutory Auditors of the Company, have been requested by the Company to issue a report on the possible special tax benefits available to the company and its shareholders, in connection with the proposed rights issue of equity shares of the holding company (“the **Issue**”).

This report is issued in accordance with the Engagement Letter dated 12 September 2024.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special-tax benefits available to the Company and its shareholders, under direct and indirect tax laws, defined in Annexure I (together “**the Tax Laws**”), presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders, to derive these possible special 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, its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company, and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors (“the investors”) of the proposed Right Issue offering of equity shares of the Holding Company (the “**Issue**”) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue of the Holding 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 possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

The contents of the enclosed Annexures I and II are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us and are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We do not express any opinion or provide any assurance as to whether:

- iii) the Company, and its shareholders will continue to obtain these possible special tax benefits in future; or
- iv) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with
- v) The revenue authorities will concur with the views expressed herein.

This certificate is solely for the information of the addressee for the use by the Statutory auditors, B S R & Associates LLP, of Geojit Financial Services Limited in furnishing their certificate to the Holding Company and it is not to be used, circulated, quoted, or otherwise referred to for any other purposes, including but not limited to the registration, purchase or sale of securities, without our prior consent. We, however, provide consent to B S R & Associates LLP, to attach this certificate as an annexure to the certificate issued by B S R & Associates LLP, which is included in the Letter of Offer and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Varma & Varma**  
**Chartered Accountants**  
**Firm's Registration No: 004532S**

**Gopi K**  
**Partner**  
**Membership No: 214435**

**Place: Kochi**  
**Date: XX September 2024**

**UDIN: [●]**

**ANNEXURE I**  
**LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')**

<b>Sr. No:</b>	<b>Details of tax laws</b>
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017

## ANNEXURE II

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO GEOJIT TECHNOLOGIES PRIVATE LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES (“TAX LAWS”)

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

#### UNDER THE DIRECT TAX LAWS

##### A. *Special tax benefits available to the Company*

##### 1. Lower Corporate tax rate under Section 115BAA of the Income Tax Act, 1961 (‘the Act’)

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that the domestic companies availing the said option will not be required to pay Minimum Alternate Tax (‘MAT’) on their ‘book profits’ under section 115JB of the Act.

However, such a Company will no longer be eligible to avail specified exemptions / incentives / deductions under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has opted to apply section 115BAA of the Act.

##### 2. Section 80M – Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f., 1 April 2020 (AY 2021-22) provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such 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 due date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividends 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.

##### 3. Section 80JJAA – Deduction in respect of employment of new employees

As per section 80JJAA of the Act, the Company is entitled to claim deduction of an amount equal to thirty percentage 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. The eligibility to claim the deduction is subject to fulfillment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

The Company will be eligible to claim the above deduction even if it opts for concessional tax rate under section 115BAA of the Act.

**B. *Special tax benefits available to Shareholders***

1. As per section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of the business trust shall be taxed at 12.5% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 125,000.
2. As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of the business trust shall be taxed at 20% subject to fulfillment of prescribed conditions under the Act.
3. With respect to resident corporate shareholders, deduction under section 80M of the Act as mentioned above could be available subject to fulfillment of certain conditions.

**UNDER THE INDIRECT TAX LAWS**

**A. *Special tax benefits available to the Company***

There are no special tax benefits available to the Company under the Indirect Tax Laws.

**B. *Special tax benefits available to Shareholders***

There are no special tax benefits available to the Shareholders under the Indirect Tax Laws.

**NOTES:**

1. The above is as per the current Tax Laws.
2. 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 the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. 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 ("DTAA"), if any, between India and the country in which the non-resident has fiscal domicile.
4. The possible special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications.
5. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
6. 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/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company
7. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our 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.

For **Geojit Technologies Private Limited**

Place: Kochi

Date: XX September 2024

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The industry-related information contained in this section is derived from a report by ICRA (“ICRA Report”). The ICRA Report has been prepared and issued by ICRA, for the purposes of confirming our understanding of the stock broking and distribution industry. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but 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. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the ICRA Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the ICRA Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

#### **Indian securities broking industry**

Stockbroking houses (broking firms) act as intermediaries by facilitating security trading for all categories of investors while also providing them with adequate liquidity. Indian broking industry is highly fragmented with investors having a large number of intermediaries at their disposal for transactions on the exchange houses. As on June 2024, there were about 1,235 registered brokers with BSE and 1,220 registered brokers with NSE. As per Mordor Intelligence, security broking market is estimated at \$3.9 billion in 2024 and is expected to reach \$ 5.8 billion by the end of 2029, growing at a CAGR of 7.9% during that period.

Broking firms witnessed a challenging phase in FY2009, which exposed them to various business risks associated with equity broking. In a contrasting trend, domestic broking firms registered a healthy performance in the last four years, after a lull in FY2019 and FY2020, supported by favourable liquidity and the healthy participation of retail investors in equity markets. A key industry trend in the past decade has been the emergence of discount broking houses, which has caused a sharp contraction in broking yields. In a bid to shore up their profitability and to augment their portfolios, broking firms have been looking at the distribution of financial products and wealth management/investment banking over the past few years.

#### **Trends in Indian capital market**

Despite heightened geopolitical risks, rising interest rates and volatile commodity prices, Indian capital markets have been one of the best performing among emerging markets in FY2024. Indian capital markets have witnessed a broad-based expansion across various sub-markets, with the country's equity market capitalisation reaching ₹415 lakh crore (USD 5 trillion) in May 2024, placing it fifth in the global rankings. India's market capitalisation to GDP ratio has improved significantly over the last five years to 124 per cent in FY2024, compared to 77 per cent in FY2019, far higher than that of other emerging market economies like China and Brazil.

As against Nifty closing of 8,598 as on March 31, 2020, the same as on March 31, 2024 stood at 22,327 indicating a growth of 160%. The number of initial public offers (IPOs) increased by 66% in FY2024 from 164 in FY2023 to 272 in FY2024, while the amount raised grew by 24% (from Rs. 54,773 crore in FY2023 to Rs. 67,995 crore in FY2024). SME platforms at the exchanges witnessed heightened activities during FY2024 as the number of IPOs/FPOs (Follow-on Public Offers) of SMEs increased by 1.6 times (from 125 in FY2023 to 196 in FY2024), while the corresponding fund raised rose by more than two and half times over the previous year (from Rs. 2,333 crore in FY2023 to Rs. 6,095 crore in FY2024). Resource mobilisation through rights issues more than doubled to Rs. 15,110 crore during FY2024, compared to Rs. 6,751 crore in the previous year.

In terms of corporate debt market, the value of corporate bond issuances increased to Rs. 8.6 lakh crore from Rs. 7.6 lakh crore during the previous financial year. The number of corporate bonds public issues in FY2024 was the highest for any financial year so far, with the amount raised (Rs. 19,167 crore) at a four-year high. Increasing investor demand and the rise in the cost of borrowing from banks have made these markets more attractive for corporates for funding

requirements. The quantum of outstanding corporate bonds increased by 5.5% YoY to Rs. 45 lakh crore (i.e., 15.5% of GDP) at the end of March 2024.

### **Participation by retail segment**

There has been a surge in retail activity through direct (through trading) and indirect channels (through mutual funds) in the last few years. The individual investor's share in the equity cash segment turnover was at 35.9% in FY2024. Over the last four years, the number of demat accounts have compounded at a healthy rate of 40% to hit 15.1 crore as in March 2024. In FY2024 alone, 3.7 crore new accounts were added on the back of market rally and heightened IPO activity. Registered investor base at NSE has nearly tripled from March 2020 to March 2024 to 9.2 crore as of 31 March 2024, potentially translating into 20% of the Indian households now channelling their household savings into financial markets. Given the low equity penetration of 5% of the total household assets, and India's relatively young population (with a median age of 28 years) with a higher risk appetite, penetration of equities is expected to increase significantly in the long-term.

In terms of indirect channel of investment, i.e. mutual funds (MFs), over the last four years, monthly SIP (Systematic Investment Plan) flows into MFs more than doubled from Rs. 8,000 crore to Rs. 20,000 crore. In FY2024 alone, assets under management (AUM) of MFs witnessed a growth of 35% to Rs. 53.4 lakh crore at the end of the year with total number of folios increasing from 14.6 crore at the end of FY2023 to 17.8 crore at the end of FY2024. Except for debt oriented schemes, all categories of MF schemes witnessed net inflows with equity and hybrid schemes accounting for more than 90% of net inflows into MFs. Among the passive schemes, exchange-traded funds (ETFs) (other than gold exchange-traded funds) witnessed a 37% rise in net assets in FY2024.

The MF segment presently has about 8.4 crore systematic investment plan (SIP) accounts where total SIP AUM is approximately 35% of the AUM of the MF industry for equity-oriented schemes. This has pushed up ownership of MFs in Indian equities to 9.2 per cent as on June 30, 2024 compared to 7.7 per cent as of 31 December 2021. MF and retail shareholding in NSE listed companies hit record highs in June 2024, while that of foreign portfolio investors (FPIs) declined to its lowest level in 12 years as evident from the net inflows of Rs. 1.2 trillion by domestic MFs in the Apr-Jun 2024 quarter itself and 12 bps increase in retail holding in these companies to 7.64%.

Trading volumes in the derivative segment have also increased sharply wherein 10x increase in the active clients has been witnessed during the past four years. The notional trading volumes in derivatives increased at a staggering CAGR of 106% during FY2019–FY2024 to ~Rs. 87,964 lakh crore. Indian markets topped contracts traded for fifth consecutive year with options emerging as a popular trading tool among investors. Options accounted for 99% of the overall futures and options (F&O) volumes. Option premium turnover traded on the NSE increased at a strong CAGR of 78% during FY2019 – FY2024 to ~Rs. 152 lakh crore. In addition to the premium turnover, the number of option contracts traded on the NSE increased considerably in recent times. During FY2019 – FY2024, the count of option contracts traded at the leading exchange increased by over 33 times. However, with the increase in trading activity, speculative trading patterns have drawn attention, which can be gauged by the fact that zero-day expiry trades accounted for only about 30% of the overall premium turnover but they drove about 62% of the overall options contracts traded in FY2024.

### **Alternative investment sector (Portfolio management services - PMS and alternative investment funds - AIFs)**

Significant fund inflows into high value capital market instruments have been witnessed in India over the years indicating a growing sophistication and diversification in the investment strategies of Indian investors. This includes AIFs and PMS, which require a minimum investment of Rs. 100 lakhs and Rs. 50 lakhs respectively, which are a part of alternative investment sector.

Alternative investment industry has grown at a rapid pace in the last few years with the PMS segment growing by more than 8 times to 6.7 trillion(excluding EPFO) as on April 2024 in the last 10 years whereas AIF commitments grew by an even higher multiple of 98 times over the same period to 11.3 trillion as on March 2024, underscoring the growing acceptance and adoption of alternates among Indian investors. In case of AIFs, as against commitments of Rs. 11.3 trillion, there is nearly Rs. 7.3 trillion of unutilised commitments, highlighting the long-term opportunities available in this segment. A large portion of this figure is cornered by Category II AIFs, which consists of private equity funds, debt funds and fund of funds.



## **Wealth management**

India's savings rate of about 30% as a percentage of GDP is higher than developed economies and is largely contributed by households. Share of financial products in the total savings is growing on the back of rising awareness, better access to these products and digitisation. This is evident from the fact that gross financial savings have grown by 3.2x over the last decade compared to gross household savings growth of 2.8x. Within the financial savings, while the investments in equities and debentures have grown at a much higher rate of 13x over the same period, their share in overall financial savings remains quite low at 7-9%, indicating their long-term potential.

The wealth management industry in India is fragmented across different types of players and is projected to reach US\$539.9 billion in AUM in CY2024. Organised players in India have ~15% penetration vis-à-vis developed nations at ~75%. Rising formal penetration will further multiply the opportunity for wealth managers in India. India's total wealth to gross domestic product (GDP) ratio is ~4.5x compared to matured economies at ~6.5x. As GDP grows, wealth stock will grow at a higher multiple to GDP.

According to Knight Frank's report, 'The Wealth Report 2024', India saw an annual rise of 6.1% in the number of ultra high net worth individuals (UHNIs) in 2023 over the previous year. India today ranks at 3rd position for number of billionaires (in USD) after the US and China. The number of ultra rich Indians will rise further by ~50% from 13,263 in 2023 to 19,908 in 2028, this being highest growth for any country for growth in number of UHNIs. The UHNI segment, with average household financial assets exceeding US\$30 million, is projected to grow at an 8.5% CAGR from 2022 to 2027, while the HNI segment, with assets surpassing US\$1 million, is expected to grow at around 15% CAGR over the same period.

## **Mutual fund segment**

The AUM of Indian MF industry has witnessed more than 6x increase in the last 10 years from Rs. 10.1 lakh crore in July 2014 to Rs. 64.97 lakh crore in July 2024. As in December 2023, India's AUM as a percentage of GDP stood at 14%, which is much lower than that of China at 23%, South Africa at 45% and Brazil at 72%, and makes India's growth potential evident in the long-term. In FY2024, the Indian MF industry witnessed a healthy increase in AUM by Rs. 14 lakh crore (35%) to reach Rs. 53.4 lakh crore level as compared to Rs. 39.4 lakh crore in the previous year. This growth was the highest since FY2021 when the industry had grown by 41%. As on June 30, 2024, individual investors held Rs. 37.5 lakh crore in MFs (61% share in total AUM), which is an increase of 46% over June 2023, while total AUM have increased to Rs. 61.3 lakh crore in June 2024 from Rs. 44.8 lakh crore in June 2023 (37% growth). 54% of the assets of individual investors were from distributors, highlighting the important role played by them in aiding financial investment decisions of retail investors, while direct investments accounted for 25% of the total. Total MF investor accounts have witnessed a sharp rise in the last four years from 9.15 crore in June 2020 to 19.1 crore in June 2024, indicating a robust CAGR of 28% during this period.

In terms of investments under the systematic investment plans (SIP) route in MFs, which indicates the retail investors' confidence in equities, the average ticket size has reached a 50-month high of Rs. 2,500 per account in July 2024 compared to a two-year average of Rs. 2,261 (source: AMFI). The increase in ticket size is also accompanied by a rise in net SIP account additions, which touched a high of 3.52 million in July 2024, nearly 2.5 times higher than the two-year average, implying that new investors are investing more through SIPs than existing ones. Total number of SIP accounts reached 9.3 crore, while the total AUM for funds linked to SIP accounts touched Rs. 13.1 lakh crore, indicating a share of 20% in the total AUM of MFs in India.

## **Insurance segment**

Insurance market in India has been driven by an expanding middle class, healthy economic growth, tech innovation and regulatory support. Insurance premium growth moderated in FY2023 while overall insurance penetration fell marginally to 4% in FY2023 from 4.2% in FY2022 as compared to 6.5% levels globally. Insurance penetration in the life-insurance segment too mirrored the declining trends and dropped to 3% in FY2023 from 3.2% in the previous year. For the non-life segment, insurance penetration remained flat at 1% in FY2023. Overall insurance density increased to \$92 in FY2023 from \$91 in FY2022 with the same increasing to \$70 for the life insurance segment and remaining flat for the non-life insurance segment.

With the stabilisation of market post the pandemic, non-life premium growth moderated to 7.7% in FY2023 from 9%

in FY2022 and remained lower than the historical average of 8% between FY2012-21. High inflation, elevated interest rates and any economic slowdown remain the key roadblocks to the growth momentum. Health insurance, which accounts of 35% of the sector premium written in FY2023, reported the fastest growth of 11% in premiums among all non-life segments. Notwithstanding the price and income constraints for the lower income groups, the expanding middle class and increased discretionary spending are expected to support overall growth in the general insurance segment.

As per a report by Swiss Re Institute, insurance sector in India is poised for fastest growth among G20 countries with the total premium likely to grow at an average rate of 7.1% in real terms during 2024-2028 as compared to global average growth rate of 2.4%. In segmental terms, life insurance business is likely to grow by 6.7% on the back of healthy demand for term life cover by the middle-income group and increased adoption of Insurtech (innovative use of technology in insurance). Non-life segment on the other hand is estimated to grow by a higher 8.3% owing to economic growth, improvement in distribution channels, government support and a favourable regulatory environment with health premiums forecasted to rise by 9.7%.

### **Margin trade funding (MTF)**

It is a facility which allows investors to purchase securities by paying only a portion of the total transaction value, known as the margin. This margin can be paid either in cash or through shares held as collateral. Remaining portion of the transaction is funded by the broker as a loan and daily interest charges are applicable on the same. Until the investor repays the loan in full, the securities purchased through MTF are held by the broker as a collateral. While any major growth in retail investors' participation and in turn MTF book augments broker's revenue stream, appropriate risk mechanisms need to be implemented to keep the leverage under check.

As in the first week of August 2024, the MTF book of stockbroking industry stood at a record high of Rs. 78,573 crore compared to a level of Rs. 6,673 crore four years ago, indicating a growth of almost 12x during the same period.

With the new highs in the MTF exposures and increased working capital requirements amidst evolving regulatory landscape, the security broking industry has witnessed sustained and notable increase in the leverage. Going forward, the MTF book growth rate would remain a function of the secondary market.

### **Budget impact**

In the Union Budget 2024-25, the securities transaction tax (STT) on futures and options was increased to 0.02% and 0.1%, from 0.0125% and 0.0625%, respectively. This increase in the transaction tax, applicable from October 01, 2024, will raise the transaction cost for derivatives trading. The Government has, however, budgeted only 16% growth in STT collections compared to the 60% increase in incidence rate for futures and options. This directive will eliminate volume-based discounts. The impact will be more pronounced in the options segment, where potential fee disparity is greater compared to the cash segment. As a result, discount brokers, particularly those with significant trading volumes in the options segment, are expected to see an impact of 15-25% on their profit before tax (Source: ICRA Ltd).

### **Way forward for the industry**

While the global economic outlook remains relatively weak amidst the possibility of central banks lowering rates in the second half of this calendar year, Indian economy is poised for growth in FY2025 and remains the fastest growing economy in the world. This is on the back of expectations of normal monsoon, continued thrust on capex by the Government, healthier private sector balance sheets and the RBI rate cuts likely in the later part of the current fiscal. This bodes well for the growth of capital markets and in turn security broking industry.

## OUR BUSINESS

*Some of the information contained 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 “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties in relation to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Industry Overview”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 76, 20 and 157, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*The manner in which some of the operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.*

*Our financial year ends on March 31 of each year, and references to a particular Financial Year are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Financial Statements included in this Draft Letter of Offer. For information, see “Financial Statements” on page 93.*

*In this section, unless the context otherwise indicates or implies, “we”, “us” and “our” refer to our Company together with our Subsidiaries Joint Ventures and Associates, and references to “our Company” are to Geojit Financial Services Limited only.*

### Overview

Our Company is an investment services provider in India with a history spanning over three decades since our incorporation in 1994. We have a presence in the Middle East with subsidiaries, joint ventures, and partnerships with local banks and financial institutions in that region. We have been a significant player in the Indian capital market arena with assets under custody and management of ₹ 10,335,000.00 lakhs as on June 30, 2024. We have multi-channel customer support points, such as, offline branches, centralised dealing desks, online web support and mobile applications and serve a client base of more than 14.12 lakh customers as on June 30, 2024.

We provide various services, such as, advisory, financial product distribution and equity and commodity and offer a wide range of financial products and services, including stock and currency derivatives, portfolio management, mutual fund and insurance distribution, online financial planning, and commodity derivatives and have a wide network with 497 offices in India and six overseas through joint ventures. We are a SEBI registered investment advisor and provide customized solutions and personalized advice to our customers.

We have pioneered online trading in equities in India & commodity trading in rubber, pepper, other commodities contracts.

As per Mordor Intelligence, security broking market is estimated at \$3.9 billion in 2024 and is expected to reach \$ 5.8 billion by the end of 2029, growing at a CAGR of 7.9% during that period. Indian capital markets have witnessed a broad-based expansion across various sub-markets, with the country's equity market capitalisation reaching ₹415 lakh crore (USD 5 trillion) in May 2024, placing it fifth in the global rankings. (Source: ICRA Report) India's market capitalisation to GDP ratio has improved significantly over the last five years to 124 per cent in FY2024, compared to 77 per cent in FY2019, far higher than that of other emerging market economies like China and Brazil (Source: ICRA Report).

### Our Strengths

#### ***Consistent track record of strong financial performance.***

We have witnessed a considerable growth in our financial performance over the last two Fiscals. Our total income has increased by 39.39% from ₹ 44,763.07 lakhs in Fiscal 2023 to ₹ 62,397.01 lakhs in Fiscal 2024. Our total income for the period ended June 30, 2024 was ₹ 18,118.21 lakhs. Our profit before tax has also increased substantially from ₹ 11,893.78 lakhs in Fiscal 2023 to ₹ 19,197.49 lakhs in Fiscal 2024 with a growth rate of 61.41%. Our profit before tax for the period ended June 30, 2024 was ₹ 5,973.76 lakhs. Our corresponding profit for the period has increased at 47.96 % from ₹

10,096.32 lakhs in Fiscal 2023 to ₹ 14,938.10 lakhs in Fiscal 2024 and for the period ended June 30, 2024, the profit for the period was ₹ 4,581.08 lakh. The share of income from distribution of financial products in the total income for Fiscal 2024 is 24.30% of the total income as compared to 22.07% in Fiscal 2023. The increase in income is due to increased retail participation in the secondary market with focus on assets under management business. We believe that our strong financial metrics and diversification of income sources have allowed us to grow our existing business and will allow us to pursue new strategic initiatives and growth opportunities and in the future.

***Experienced promoters and management with deep industry expertise and proven track record.***

We have a professional and experienced set of directors across varied business interests. The Chairman and Managing Director, along with the senior management of the company are responsible for business strategies. Our whole-time directors, key managerial personnel and senior management with their experience in the financial services industry, are responsible for devising business strategies, developing new products, integrating systems, processes and technologies, diversification and expansion of business, and commitment to customer-focused approach. Our executive directors, key managerial personnel and senior management are also supported by a qualified pool of employees.

***Diverse and modern investment platforms.***

We have leveraged our expertise and knowledge of the broking industry coupled with our experience of over three decades to provide our clients with various investment platforms. We offer retail broking, margin trading, funding, distribution of mutual fund and insurance products and portfolio management services through offline using our extensive branch network and online through our digital platforms.

Some of our online investment platforms are as under:

**Smartfolios**: Smartfolios offers baskets of stocks selected by professionals and driven by data intelligence to make investments user friendly. The stocks in these portfolios are selected based on parameters like quality, financial trend, valuation, technical, moving averages and liquidity. Investors can select baskets based on their risk appetite.

**FundsGenie**: FundsGenie provides a cutting-edge platform to analyze and invest in mutual funds. It provides a user friendly, clutter-free experience. It also features mutual fund recommendations by our inhouse research teams.

**Flip and TraderX**: Flip and TraderX make investing easy, reliable and helps one take informed choices. These are state-of-the-art trading platforms loaded with powerful tools and features.

***Constant innovation and investment in technology***

In the fast-evolving financial services landscape, technological prowess serves as a key differentiator. Our commitment to continuous product innovation and maintaining a technological lead, especially in trading and settlement technology, has been instrumental to our success. We have embraced the transformative power of online and mobile trading, APIs, integrated analytics and diverse order types to redefine how market participants interact.

Our proactive adaptation to these technological shifts has enabled us to anticipate and meet the evolving needs of our clients, driving efficiency and growth. We believe we are the pioneers in offering a range of online investment services. Our platforms empower our customers to manage their wealth and investments effectively and securely. We are constantly enhancing all our in-house platforms further, focusing on proactive customer service, user-friendliness, and a unique experience, all underpinned by resilience and advanced security features. We have also engaged qualified designers for an efficient UI/UX experience. We are also committed to providing a seamless omnichannel order and settlement experience such that our customers can execute trades and manage their settlements across various channels - be it online, mobile, through our dedicated branches or through tele-support team - with consistent efficiency and transparency.

**Our Strategies**

***Strengthening governance and to endeavour to make our processes and products more environmentally sustainable.***

We strive to be more than just an important player in the industry and are committed to upholding high standards of value creation, adherence to relevant global standards and best-in-class environmental, social and governance (ESG) metrics,

which we believe will help us create long term value for all stakeholders and will set us apart from our peers and shall demonstrate our commitment to creating long-term value for all stakeholders.

We have received a gold category certification by Indian Green Building Council for our Corporate Office as a ‘*Green Building*’, demonstrating our commitment to energy efficiency and environmental sustainability. In addition, we actively engage in efforts to care for and protect biodiversity, recognising the importance of preserving natural ecosystems for the well-being of both current and future generations. We also strive towards reducing greenhouse gas emissions and have set up solar panels on the rooftop of our Corporate Office to reduce scope 2 emissions.

Furthermore, we support initiatives aimed at promoting a low carbon economy, emphasising the importance of transitioning towards renewable energy sources and reducing our reliance on fossil fuels..

Our efforts to conserve non-renewable energy resources underscore our commitment to sustainable development and responsible resource management. We are also committed to making a positive impact on the communities we serve. Through our corporate social responsibility initiatives, we focus on key areas such as education, health, financial literacy, environment conservation, aiming to uplift marginalised sections of society and foster sustainable development.

#### ***Diversification of our business and strengthening of our PMS and private wealth divisions.***

We are in the process of diversifying our businesses and strengthening our PMS and private wealth divisions. We have focussed significantly on non-brokerage business like distribution of mutual funds and insurance. Our brokerage income was 46.68% of the total income in Fiscal 2023 and 45.43% of the total income in Fiscal 2024. Further, our mutual fund AUM which was ₹846,000.00 lakhs in Fiscal 2023 increased to ₹1,220,000 lakhs in Fiscal 2024. Our active mutual fund clients increased from 252,144 as on March 31, 2023 to 271,505 as on March 31, 2024 and 278,669 as on June 30, 2024. Similarly, our insurance income which was 5.35% of the total income in Fiscal 2023 increased to 10.60% of the total income in Fiscal 2024. Additionally, our portfolio management services crossed ₹ 1,100 crore in AUM for the quarter ended June 30, 2024 and we have started expanding our team of fund managers and research analysts to serve our clients better. Our discretionary portfolios are managed by a dedicated team of experts, according to agreed-upon investment objectives, risk tolerance, guidelines, and disciplined approach.

#### ***Investments in various investment-friendly jurisdictions***

We have presence in the Middle East with subsidiaries, joint ventures, and partnerships with local banks in that region. We have been operating in the UAE since 2001 through our joint-venture - Barjeel Geojit Financial Services LLC. We started the process of incorporating a company in Dubai International Financial Centre (“**DIFC**”). DIFC is an offshore jurisdiction within the United Arab Emirates, regulated by the Dubai Financial Services Authority. Institutions set up in DIFC are able to offer more complex products which meet the needs of the high net worth individuals and ultra high net worth individuals, which are otherwise not available outside DIFC.

Further we have established Geojit IFSC Ltd in GIFT City , Gujarat under IFSCA (International Financial Services Centres Authority) is a Special Economic Zone set up by the Government of India. Our wholly-owned Subsidiary, Geojit IFSC Limited, holds a broker-dealer and distribution license. We plan to offer more products in this jurisdiction as and when we launch such products as per their eligibility in these jurisdictions.

#### **Our products and principal markets**

We provide a wide range of financial services to our customers including and in relation to:

- a) **Investment:** We provide our customers with various investment products, including, equity instruments, mutual funds, insurance, AIF, currency instruments, commodities, sovereign gold bonds, gold exchange traded funds, global investments etc. Our Company is also a SEBI registered portfolio manager and offers discretionary portfolio management services. Our Company’s discretionary portfolios are managed by a team of experts.
- b) **Wealth management:** We also provide our high net worth customers with the private wealth management services. The company also provides Investment advisory and financial planning services.
- c) **Margin Trading Funding:** We provide our customers with margin trading funding.

d) **Insurance:** As a corporate agent, we also provide our customers with services pertaining to insurance, including, general insurance, health insurance and life insurance.

As on June 30, 2024, and have a wide network with 497 offices in India and six overseas through Joint Ventures. We have presence in 19 states and four union territories in India. We have multi-channel customer support points and serve a client base of more than 14.12 lakh customers as on June 30, 2024. Our 78% branch network and 76% of our customers are based out of Tier -II and Tier-III cities in India.



Our Company has a substantial footprint in the Middle East. We have entered into a joint venture with the Al Saud group since 2001 and formed Barjeel Geojit Financial Services LLC – UAE. Our Company has also entered into a business partnership with the Bank of Bahrain & Kuwait in Bahrain to provide investment services to non-resident Indians. We have also entered into a joint venture with Bank of Bahrain and Kuwait in Kuwait, and have also incorporated a Subsidiary –in Oman.

# Geojit's presence in the Gulf Cooperation Council countries



## Marketing and sales promotion

We are upgrading our marketing technology solutions to leverage a modern, cost-effective, and user-friendly platform that enables faster campaign execution (“TAT”) and reduces dependence on technical teams. Our website's UI/UX will also undergo a transformation with a mobile-first design, ensuring a seamless user experience.

Our brand campaigns revolve around creating better engagement with the customers within our system with the key objective being identifying and targeting the right customer with right products enabling better cross selling and upselling opportunities. These campaigns also focus on highlighting the core strength of our brand, which is empowering customers to make informed investment decisions. We achieve this by creating engaging stories and content that showcase our research capabilities, branch strength, and innovative features.

## Corporate social responsibility

We focus on key areas such as education, health, financial literacy, environment conservation, aiming to uplift marginalised sections of society and foster sustainable development through our corporate social responsibilities.

We have undertaken various projects and initiatives, some of the major initiatives are :

- a) Educational support to underprivileged children of seven panchayats in Kerala;
- b) Student police cadet project (to mould younger generation through awareness camps on drug abuse, waste management, character formation, social responsibility). at 10 schools in Kerala;
- c) Implementation of *JANAL*, a digital platform to create digital contents of history and cultural heritage of Kerala, to build a strong research base to act as an outreach platform of Kerala museum;

- d) Setting up of Geojit-CUSAT Centre of Sustainability Studies (GCCOSS), which eventually led to the establishment of Centre of ESG Studies in CUSAT; and

Setting up of UDBODH: A community-based care and support for people with dementia.



## OUR MANAGEMENT

### Board of Directors

The composition of our Board is governed by and in conformity with the Companies Act, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. Our Articles of Association provide that the minimum number of Directors shall not be less than three and the maximum number of Directors shall not be more than 12 unless otherwise determined by our Company after passing a special resolution in a general meeting. As on the date of this Letter of Offer, our Company has twelve Directors, of which four Directors are Executive Director and eight Directors are Non-Executive Directors, including six Independent Directors (one of whom is a woman). Our Board is compliant with the corporate governance requirements of the SEBI Listing Regulations.

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

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
1.	<p><b>Chenayappillil John George</b></p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Date of Birth:</b> March 22, 1959</p> <p><b>Term:</b> For a period of five years from November 24, 2019</p> <p><b>Period of Directorship:</b> Since November 24, 1994</p> <p><b>DIN:</b> 00003132</p> <p><b>Occupation:</b> Managing Director</p> <p><b>Address:</b> 12 A Skyline Elysium Garden, Stadium Road, Near Jawaharlal Nehru Stadium, Kaloor, Ernakulam – 682017, Kerala, India</p>	65	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> <li>1. Aster DM Healthcare Limited</li> <li>2. Kerala State Industrial Development Corporation Limited;</li> <li>3. Geojit Credits Private Limited; and</li> <li>4. C J G Holdings India Private Limited</li> </ol> <p><i>Foreign Companies:</i></p> <ol style="list-style-type: none"> <li>1. Barjeel Geojit Financial Services LLC and</li> <li>2. QBG Geojit Securities LLC;</li> </ol>
2.	<p><b>Radhakrishnan Nair</b></p> <p><b>Designation:</b> Independent Director (Additional)</p> <p><b>Date of Birth:</b> March 17, 1955</p> <p><b>Term:</b> For a period of three years from October 25, 2022. not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since October 25, 2017</p> <p><b>DIN:</b> 07225354</p> <p><b>Occupation:</b> Retired</p> <p><b>Address:</b> J 1403, Raheja Vista, Raheja Vihar, Near Bombay Scottish School Powai, Chandivali, Sakinaka, Kurla, Mumbai Suburban – 400072, Maharashtra, India</p>	69	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> <li>1. ICICI Bank Limited</li> <li>2. ICICI Prudential Life Insurance Company Limited</li> <li>3. Inditrade Capital Limited</li> <li>4. ICICI Securities Primary Dealership Limited</li> <li>5. Axis Mutual Fund Trustee Ltd</li> <li>6. Geojit Credits Private Limited</li> <li>7. Alpha Alternatives Fund- Infra Advisors Private Limited;</li> <li>8. Bilwa Global Asset Management Private Limited</li> </ol> <p><i>Foreign Companies:</i></p> <p style="text-align: center;">NIL</p>
3.	<p><b>Alice Geevarghese Vaidyan</b></p>	65	<p><i>Indian Companies:</i></p>

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	<p><b>Designation:</b> Independent Director</p> <p><b>Date of Birth:</b> July 22, 1959</p> <p><b>Term:</b> For a period of five years from August 4, 2020, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since August 4, 2020</p> <p><b>DIN:</b> 07394437</p> <p><b>Occupation:</b> Retired</p> <p><b>Address:</b> Flat No. 283, 28<sup>th</sup> Floor, Tahnee Heights, D Wing, Petit Hall, 66 Jagmohandas Marg, Nepeansea Road, Malabar Hill, Mumbai – 400 006, Maharashtra, India</p>		<ol style="list-style-type: none"> <li>1. Tata AIA Life Insurance Company Limited;</li> <li>2. Union Asset Management Company Private Limited;</li> <li>3. Tata AIG General Insurance Company Limited;</li> <li>4. Air India Limited;</li> <li>5. Aix Connect Private Limited;</li> <li>6. Air India Express Limited;</li> <li>7. Tejas Networks Limited;</li> <li>8. Tata SIA Airlines Limited; and</li> <li>9. Saankhya Labs Private Limited</li> </ol> <p><i>Foreign Companies:</i></p> <p style="text-align: center;">NIL</p>
4.	<p><b>Rajan Krishnanath Medhekar</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of Birth:</b> April 12, 1952</p> <p><b>Term:</b> For a period of three years from January 31, 2024, not to liable by rotation</p> <p><b>Period of Directorship:</b> Since January 30, 2021</p> <p><b>DIN:</b> 07940253</p> <p><b>Occupation:</b> Retired IPS Officer, presently DG, IISSM, Delhi a not-for-profit education society</p> <p><b>Address:</b> 4 – S / 1103, Gurjinder Vihar A.W.H.O Township, Tugalpur, Gautam Buddha Nagar, Greater Noida – 201310, Uttar Pradesh, India</p>	72	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> <li>1. Dwarikesh Sugar Industries Limited; and</li> <li>2. Logically Infomedia Private Limited.</li> </ol> <p><i>Foreign Companies:</i></p> <p style="text-align: center;">NIL</p>
5.	<p><b>Muthu Raja Paravasa Vijay Kumar</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of Birth:</b> September 30, 1969</p> <p><b>Term:</b> For a period of five years from November 16, 2021, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since November 16, 2021</p> <p><b>DIN:</b> 05170323</p> <p><b>Occupation:</b> Employed</p> <p><b>Address:</b> B5E Cee Deeyes, Regal Palm Gardens, 383 Velachery Main Road, Chennai – 600042, Tamil Nadu, India</p>	54	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> <li>1. Heritage Foods Limited;</li> <li>2. Life Insurance Corporation of India;</li> <li>3. Sify Technologies Limited; and</li> <li>4. ONGC Petro Additions Limited</li> </ol> <p><i>Foreign Companies:</i></p> <p style="text-align: center;">NIL</p>

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
6.	<p><b>Sebastian Luckose Morris</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of Birth:</b> August 26, 1955</p> <p><b>Term:</b> For a period of five years from November 16, 2021, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since November 16, 2021</p> <p><b>DIN:</b> 00037228</p> <p><b>Occupation:</b> Senior Professor</p> <p><b>Address:</b> B1 – 503, Mont Vert Finesse, Baner Pashan Link Road, Pashan, Pune – 41021, Maharashtra, India</p>	69	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> <li>1. Peoplecan Services Private Limited; and</li> <li>2. Intech Organics Limited.</li> </ol> <p><i>Foreign Companies:</i></p> <p>NIL</p>
7.	<p><b>Binoy Varghese Samuel</b></p> <p><b>Designation:</b> Independent Director (Additional)</p> <p><b>Date of Birth:</b> November 28, 1956</p> <p><b>Term:</b> For a period of three years from August 26, 2024, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since August 26, 2024</p> <p><b>DIN:</b> 05235522</p> <p><b>Occupation:</b> Consultant</p> <p><b>Address:</b> Edacheril House, A J N 227 Airport Road, Airport Junction, Angamaly PO, Angamaly, Ernakulam, Kerala – 683 572, India</p>	67	<p><i>Indian Companies:</i></p> <p>NIL</p> <p><i>Foreign Companies:</i></p> <p>NIL</p>
8.	<p><b>Harikishore Subramanian</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Date of Birth:</b> October 14, 1980</p> <p><b>Term:</b> Not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since August 5, 2022</p> <p><b>DIN:</b> 06622304</p> <p><b>Occupation:</b> Director – DIC &amp; MD- KSIDC</p> <p><b>Address:</b> S/O: K.H. Subramanian Harikiranam Othayammadam Cherukunnu. Kannur – 670301,</p>	43	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> <li>1. Nitta Gelatin India Limited;</li> <li>2. The Kerala Minerals and Metals Limited;</li> <li>3. Kerala Rubber Limited;</li> <li>4. Malabar Cements Ltd;</li> <li>5. Brahmos Aerospace Thiruvananthapuram Limited;</li> <li>6. Kerala State Industrial Development Corporation Limited;</li> <li>7. Marine Products Infrastructure Development Corporation Private Limited;</li> <li>8. Kerala Lifesciences Industries Parks Private Limited;</li> <li>9. Kerala Academy for Skills Excellence;</li> </ol>

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Kerala, India		10. Kerala Coffee Limited; and 11. INKEL Limited 12. Kerala Financial Corporation  <i>Foreign Companies:</i>  NIL
9.	<b>Punnoose George</b>  <b>Designation:</b> Non-Executive Director  <b>Date of Birth:</b> May 26, 1959  <b>Term:</b> Liable to retire by rotation  <b>Period of Directorship:</b> Since April 29, 1995  <b>DIN:</b> 00049968  <b>Occupation:</b> Business  <b>Address:</b> Kottukulam, Darrah Street, Near Malayala Manorama Erayilkadavu, Kottayam – 686001, Kerala, India	65	<i>Indian Companies:</i>  1. Kottukulam Engineers Private Limited; 2. Unity Realtors Pvt. Limited; 3. Geojit Technologies Pvt. Ltd; 4. Youth Empowerment Skills Foundation; and 5. Saintgits Innovation and Incubation Council.  <i>Foreign Companies:</i>  NIL
10.	<b>Satish Ramakrishnan Menon</b>  <b>Designation:</b> Whole-time Director (Executive)  <b>Date of Birth:</b> July 16, 1970  <b>Term:</b> For a period of three years from August 2, 2023, liable to retire by rotation  <b>Period of Directorship:</b> Since August 2, 2018  <b>DIN:</b> 02277331  <b>Occupation:</b> Director  <b>Address:</b> Villa No 10, Meridian Gardens, Parakkat Temple Road, Thrikkakara North (Part) – 682021, Kerala, India	54	<i>Indian Companies:</i>  1. Geojit IFSC Limited.  <i>Foreign Companies:</i>  NIL
11.	<b>Aiyappan Pillai Balakrishnan</b>  <b>Designation:</b> Whole-time Director (Executive)  <b>Date of Birth:</b> May 29, 1964  <b>Term:</b> For a period of three years from August 2, 2023, liable to retire by rotation  <b>Period of Directorship:</b> Since August 2, 2018	60	<i>Indian Companies:</i>  1. Geojit Technologies Private Limited; 2. Geojit Techloan Private Limited; and 3. Geojit IFSC Limited.  <i>Foreign Companies:</i>  1. BBK Geojit Business Consultancy and Information and 2. Barjeel Geojit Financial Services LLC.

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	<b>DIN:</b> 00050016  <b>Occupation:</b> Director  <b>Address:</b> 11 cd Begonia, Veegaland Sastha Temple Road, Near Pavakkulam Temple, Kaloor, Ernakulam – 682017, Kerala, India.		
12.	<b>Jones George</b>  <b>Designation:</b> Whole-time Director (Executive)  <b>Date of Birth:</b> February 15, 1991  <b>Term:</b> For a period of five years from November 16, 2021, liable to retire by rotation  <b>Period of Directorship:</b> Since November 16, 2021  <b>DIN:</b> 06674021  <b>Occupation:</b> Executive Director – Geojit Financial Services Ltd.  <b>Address:</b> 12 A Skyline Elysium Garden, Stadium Road, Kaloor Stadium, Ernakulam – 682017, Kerala, India.	33	<i>Indian Companies:</i> <ol style="list-style-type: none"> <li>1. Geojit Techloan Private Limited;</li> <li>2. Geojit IFSC Limited;</li> <li>3. C J G Developers Private Limited; and</li> <li>4. C J G Holdings India Private Limited</li> </ol> <i>Foreign Companies:</i>  NIL

### Confirmations

1. None of our Directors is, or was, a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose equity shares are or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.
2. None of our Directors is, or was, a director of any listed company whose equity shares are or were delisted from any stock exchange, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

### Details of Key Managerial Personnel, and members of the Senior Management of our Company

The details of our Key Managerial Personnel, the members of our Senior Management in terms of the Companies Act and the SEBI ICDR Regulations (as applicable) as on date of this Letter of Offer are set forth below:

Sr. No.	Name	Designation
<b>Key Managerial Personnel*</b>		
1.	Mini Nair	Chief Financial Officer
2.	Liju K Johnson	Company Secretary and Compliance Officer
<b>Senior Management**</b>		
1.	Kamal Mampilly	Chief – Human Resources
2.	Gopinath Natarajan	CEO - Portfolio and Managed Assets
3.	Rahul Roy Chowdhury	CEO - Private Wealth
4.	Renjith R G	Associate Director - Distribution Business
5.	Arjun Nair R	Head - Operations
6.	Y S Mani Kumar	Head - Compliance

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
7.	Issac Yohannan	Chief Information Security Officer
8.	Jojoy P Joy	Chief Technology Officer
9.	Sanil K Menon	Head - Equity Broking Business
10.	Nithin Rajagopal	Head - Marketing & Communication

\* In addition to Chenayappillil John George, who is our Chairman and Managing Director and Satish Ramakrishnan Menon, Aiyappan Pillai Balakrishnan, and Jones George who are our Executive Directors.

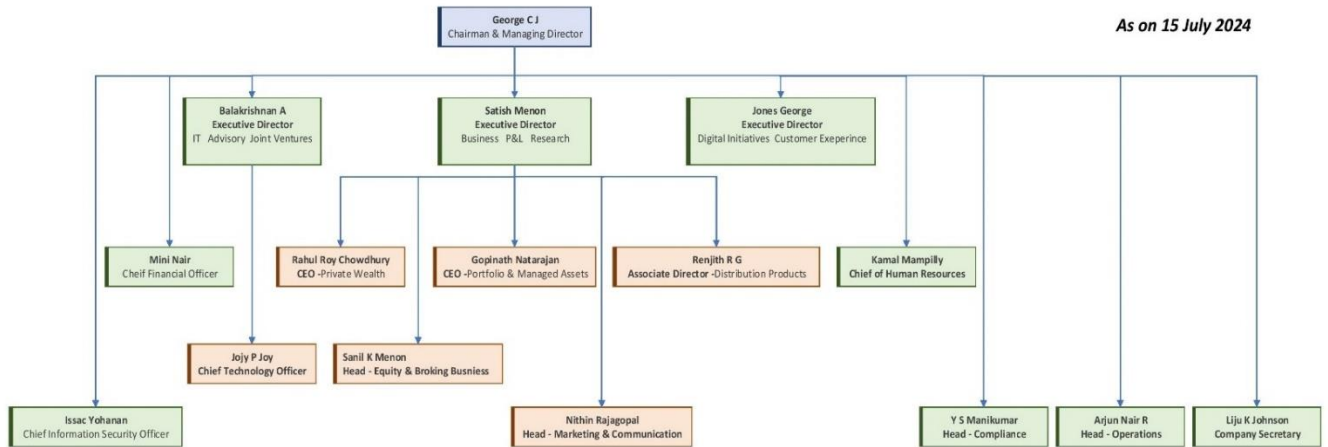
\*\* In addition to Chenayappillil John George, who is our Chairman and Managing Director and Satish Ramakrishnan Menon, Aiyappan Pillai Balakrishnan, and Jones George who are our Executive Directors and in addition to Mini Nair and Liju K Johnson who are our Chief Financial Officer and Company Secretary and Compliance Officer, respectively.

## Current Organisational Structure

# Organisational Chart



As on 15 July 2024



## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

Sr. No.	Particulars	Page Number
1.	Audited Consolidated Financial Statements of our Company as at and for the financial year ended March 31, 2024 (along with comparative financial statements of our Company as at and for the financial year ended March 31, 2023)	94
2.	Unaudited consolidated financial results of the Group for the three months period ended June 30, 2024, with the comparatives for the three months ended June 30, 2023, Limited Review Report on the Unaudited consolidated financial results of the Group for the three months period ended June 30, 2023	150



## Independent Auditor's Report

### To the Board of Directors of Geojit Financial Services Limited

### Report on the audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of Geojit Financial Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture for the year ended 31 March 2024, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial results of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities
  - i. Geojit Financial Services Limited (Holding Company)
  - ii. Geojit Technologies Private Limited (Subsidiary)
  - iii. Geojit Credits Private Limited (Subsidiary)
  - iv. Geojit Techloan Private Limited (Subsidiary)
  - v. Geojit IFSC Limited (Subsidiary)
  - vi. Geojit Investments Limited (Subsidiary)
  - vii. Qurum Business Group Geojit Securities LLC (Subsidiary)
  - viii. Barjeel Geojit Financial Services LLC (Joint Venture)
  - ix. BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC') (Associate)
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive loss and other financial information of the Group for the year ended 31 March 2024.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, its associate and its joint venture 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 Act, and the Rules

Registered Office:

## Independent Auditor's Report (Continued)

### Geojit Financial Services Limited

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 obtained by us, along with the consideration of reports of the other auditors referred to in sub paragraph no. a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

#### Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associate and joint venture in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors included in the Group and the respective Management and Board of Directors of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Board of Directors of its associate and joint venture is responsible for overseeing the financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 consolidated annual financial results.

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 consolidated annual financial results, 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 Act, we are also responsible

**Independent Auditor's Report (Continued)**  
**Geojit Financial Services Limited**

for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated annual financial results 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 Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group and its associate and joint venture to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company, 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### Other Matters

- a. The consolidated annual financial results include the audited financial results of five subsidiaries, whose financial results reflect total assets (before consolidation adjustments) of Rs. 28,483.41 lakhs as at 31 March 2024, total revenue (before consolidation adjustments) of Rs. 3,495.07 lakhs and total net profit after tax (before consolidation adjustments) of Rs. 1,109.80 lakhs and net cash outflows (before consolidation adjustments) of Rs 3.22 lakhs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial results of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Independent Auditor's Report (Continued)**

**Geojit Financial Services Limited**

- b. The consolidated annual financial results include the unaudited financial results of a subsidiary, whose financial informations reflect total assets (before consolidation adjustments) of Rs. 738.66 lakhs as at 31 March 2024, total revenue (before consolidation adjustments) of Rs. 459.01 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 141.35 lakhs and net cash inflows (before consolidation adjustments) of Rs 36.69 lakhs for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial results have been furnished to us by the Board of Directors. The consolidated annual financial results also include the Group's share of total net profit after tax of Rs. 616.52 lakhs for the year ended 31 March 2024, as considered in the consolidated annual financial results, in respect of an associate and a joint venture. These unaudited financial results have been furnished to us by the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, associate and joint venture is based solely on such financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial information certified by the Board of Directors.

- c. The consolidated annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024

**Baby Paul**

*Partner*

Kochi

30 April 2024

Membership No.: 218255

UDIN:24218255BKFWFR4164

**Geojit Financial Services Limited**  
**Consolidated balance sheet as at 31 March 2024**  
(All amounts in Indian Rupees lakhs)

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
a) Cash and cash equivalents	3	14,718.99	7,609.00
b) Bank balance other than (a) above	4	92,583.75	64,101.38
c) Trade receivables	5	11,422.06	9,884.10
d) Loans	6	52,576.67	29,153.32
e) Investments	7	1,404.49	1,102.61
f) Other financial assets	8	14,607.13	6,061.34
		<b>187,313.09</b>	<b>117,911.75</b>
<b>Non-financial assets</b>			
a) Current tax assets (net)	35	790.26	1,752.62
b) Deferred tax assets (net)	35	809.09	740.67
c) Property, plant and equipment	9	4,586.32	4,682.74
d) Right-of-use assets	38	4,925.94	3,902.57
e) Capital work in progress	10	7.05	-
f) Intangible assets under development	11	382.59	450.74
g) Other intangible assets	12	1,681.98	1,334.25
h) Other non-financial assets	13	1,532.83	1,352.89
		<b>14,716.06</b>	<b>14,216.48</b>
<b>Total assets</b>		<b>202,029.15</b>	<b>132,128.23</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
a) Trade payables	14		
i. Total outstanding dues of micro and small enterprises		50.41	23.78
ii. Total outstanding dues of creditors other than micro and small enterprises		4,679.84	1,939.20
b) Borrowings	15	35,022.41	7,751.62
c) Lease liabilities	38	4,743.69	3,674.74
d) Other financial liabilities	16	64,166.80	37,075.92
		<b>108,663.15</b>	<b>50,465.26</b>
<b>Non-financial liabilities</b>			
a) Current tax liabilities (net)	35	27.26	4.59
b) Provisions	17	331.88	293.39
c) Other non-financial liabilities	18	1,852.30	1,610.89
		<b>2,211.44</b>	<b>1,908.87</b>
<b>EQUITY</b>			
a) Equity share capital	19	2,391.44	2,390.93
b) Other equity	20	80,785.60	69,887.01
<b>Equity attributable to owners of the company</b>		<b>83,177.04</b>	<b>72,277.94</b>
Non-controlling interests		7,977.52	7,476.16
<b>Total equity</b>		<b>91,154.56</b>	<b>79,754.10</b>
<b>Total liabilities and equity</b>		<b>202,029.15</b>	<b>132,128.23</b>
Material accounting policies	2		

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**Baby Paul**

Partner

Membership No. 218255

Kochi

30 April 2024

for and on behalf of the Board of Directors of

**Geojit Financial Services Limited**

CIN : L67120KL1994PLC008403

**C. J. George**

Managing Director

DIN : 00003132

**A. Balakrishnan**

Executive Director

DIN : 00050016

**Mini Nair**

Chief Financial Officer

Kochi

30 April 2024

**Liju K. Johnson**

Company Secretary

Membership No. A21438

**Geojit Financial Services Limited**  
**Consolidated statement of profit and loss for the year ended 31 March 2024**  
(All amounts in Indian Rupees lakhs)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>1 Revenue from operations</b>			
Interest income	21	11,345.63	8,419.36
Rental income		0.36	2.62
Fee and commission income	22	48,942.97	34,349.21
Sale of services	23	882.44	1,047.53
Net gain on fair value changes	24	107.96	46.26
Other operating income	25	134.05	64.50
<b>Revenue from operations</b>		<b>61,413.41</b>	<b>43,929.48</b>
<b>2 Other income</b>	26	<b>983.60</b>	<b>833.59</b>
<b>3 Total income (1+2)</b>		<b>62,397.01</b>	<b>44,763.07</b>
<b>4 Expenses</b>			
Finance costs	27	1,688.84	806.94
Fee and commission expense	28	8,638.76	6,123.70
Impairment of financial instruments	29	16.68	256.51
Employee benefit expenses	30	22,078.37	16,040.27
Depreciation, amortisation and impairment	31	2,897.18	2,884.34
Other expenses	32	7,879.69	6,757.53
<b>Total expenses</b>		<b>43,199.52</b>	<b>32,869.29</b>
<b>5 Profit before tax (3-4)</b>		<b>19,197.49</b>	<b>11,893.78</b>
<b>6 Tax expense</b>	35		
Current tax		4,934.86	2,376.97
Deferred tax benefit		(58.95)	(128.80)
<b>Total tax expenses</b>		<b>4,875.91</b>	<b>2,248.17</b>
<b>7 Profit after tax (5-6)</b>		<b>14,321.58</b>	<b>9,645.61</b>
<b>8 Share in profit of associate and joint venture</b>		<b>616.52</b>	<b>450.71</b>
<b>9 Profit for the year (7+8)</b>		<b>14,938.10</b>	<b>10,096.32</b>
<b>10 Other comprehensive income/ (loss)</b>			
Items that will not be reclassified to profit or loss			
i) Remeasurement of post employment benefit obligations		(38.32)	(15.20)
ii) Income tax (charge)/ credit relating to these items		9.55	3.68
Items that will be reclassified to profit or loss			
i) Exchange differences in translating financial statements of foreign operations		9.57	28.85
<b>Total other comprehensive income/ (loss)</b>		<b>(19.20)</b>	<b>17.33</b>
<b>11 Total comprehensive income (9+10)</b>		<b>14,918.90</b>	<b>10,113.65</b>
<b>12 Profit for the year attributable to:</b>			
Owners of the company		14,485.39	9,717.71
Non-controlling interest		452.71	378.61
		<b>14,938.10</b>	<b>10,096.32</b>
<b>13 Other comprehensive income/(loss) attributable to:</b>			
Owners of the company		(23.63)	(2.39)
Non-controlling interest		4.43	19.72
		<b>(19.20)</b>	<b>17.33</b>
<b>14 Total comprehensive income attributable to:</b>			
Owners of the company		14,461.76	9,715.32
Non-controlling interest		457.14	398.33
		<b>14,918.90</b>	<b>10,113.65</b>
<b>15 Earnings per share (Face value Rs.1/- per equity share)</b>	34		
Basic (Rupees)		6.06	4.06
Diluted (Rupees)		6.06	4.06

Material accounting policies 2

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

As per our report of even date attached.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

for and on behalf of the Board of Directors of

**Geojit Financial Services Limited**

CIN : L67120KL1994PLC008403

**Baby Paul**

Partner

Membership No. 218255

Kochi

30 April 2024

**C. J. George**

Managing Director

DIN : 00003132

**Mini Nair**

Chief Financial Officer

Kochi

30 April 2024

**A. Balakrishnan**

Executive Director

DIN : 00050016

**Liju K. Johnson**

Company Secretary

Membership No. A21438

**Geojit Financial Services Limited**  
**Consolidated statement of changes in equity for the year ended 31 March 2024**  
(All amounts in Indian Rupees lakhs)

**A. Equity share capital**

Particulars	Note	Amount
<b>Issued, subscribed and fully paid up:</b>		
<b>Balance as at 1 April 2022</b>		<b>2,389.97</b>
Changes in equity share capital during the year - fresh allotment of shares	19	0.96
<b>Balance at the end of 31 March 2023</b>		<b>2,390.93</b>
Changes in equity share capital during the year - fresh allotment of shares	19	0.51
<b>Balance at the end of 31 March 2024</b>		<b>2,391.44</b>

**B. Other equity (Refer note 20)**

Particulars	Share application money pending allotment		Reserves and surplus					Components of Other comprehensive income		Total other equity (Attributable to owners of the parent)	Non-controlling interests	Total
	Share options outstanding account	Share options	Securities premium	Statutory reserve	General reserve	Retained earnings	Other reserves	Exchange differences in translating financial statements of foreign operations	Remeasurement of net defined benefit plan			
<b>Balance as at 1 April 2022</b>	<b>0.64</b>	<b>174.74</b>	<b>21,475.36</b>	<b>259.52</b>	<b>4,000.87</b>	<b>37,151.58</b>	<b>4,217.83</b>	<b>23.50</b>	<b>-</b>	<b>67,304.04</b>	<b>7,077.83</b>	<b>74,381.87</b>
Profit for the year	-	-	-	-	-	9,717.71	-	-	-	9,717.71	378.61	10,096.32
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	8.51	(10.90)	(2.39)	19.72	17.33
<b>Total comprehensive income for the year</b>	<b>0.64</b>	<b>174.74</b>	<b>21,475.36</b>	<b>259.52</b>	<b>4,000.87</b>	<b>46,869.29</b>	<b>4,217.83</b>	<b>32.01</b>	<b>(10.90)</b>	<b>77,019.36</b>	<b>7,476.16</b>	<b>84,495.52</b>
Transfer to retained earnings	-	-	-	43.42	-	(54.32)	-	-	10.90	-	-	-
Dividend paid on equity shares (including tax thereon)	-	-	-	-	-	(7,171.97)	-	-	-	(7,171.97)	-	(7,171.97)
Securities premium on exercise of ESOP	-	-	36.97	-	-	-	-	-	-	36.97	-	36.97
Share based payments expense	-	3.29	-	-	-	-	-	-	-	3.29	-	3.29
Transfer from share options outstanding account (towards options lapsed after vesting)	-	(116.81)	-	-	-	116.81	-	-	-	-	-	-
Transfer from share options outstanding account (on exercise of ESOP)	-	(11.83)	11.83	-	-	-	-	-	-	-	-	-
Share application money received during the year	37.29	-	-	-	-	-	-	-	-	37.29	-	37.29
Share application money pending allotment transferred	(37.93)	-	-	-	-	-	-	-	-	(37.93)	-	(37.93)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>49.39</b>	<b>21,524.16</b>	<b>302.94</b>	<b>4,000.87</b>	<b>39,759.81</b>	<b>4,217.83</b>	<b>32.01</b>	<b>-</b>	<b>69,887.01</b>	<b>7,476.16</b>	<b>77,363.17</b>

**Geojit Financial Services Limited**

Consolidated statement of changes in equity for the year ended 31 March 2024 (contd..)

**B. Other equity (contd..)** (Refer note 20)

Particulars	Share application money pending allotment	Reserves and surplus					Components of Other comprehensive income		Total other equity (Attributable to owners of the parent)	Non-controlling interests	Total	
		Share options outstanding account	Securities premium	Statutory reserve	General reserve	Retained earnings	Other reserves	Exchange differences in translating financial statements of foreign operations				Remeasurement of net defined benefit plan
<b>Balance as at 1 April 2023</b>	-	<b>49.39</b>	<b>21,524.16</b>	<b>302.94</b>	<b>4,000.87</b>	<b>39,759.81</b>	<b>4,217.83</b>	<b>32.01</b>	-	<b>69,887.01</b>	<b>7,476.16</b>	<b>77,363.17</b>
Profit for the year	-	-	-	-	-	14,485.39	-	-	-	14,485.39	452.71	14,938.10
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	5.24	(28.87)	(23.63)	4.43	(19.20)
<b>Total comprehensive income for the year</b>	-	<b>49.39</b>	<b>21,524.16</b>	<b>302.94</b>	<b>4,000.87</b>	<b>54,245.20</b>	<b>4,217.83</b>	<b>37.25</b>	<b>(28.87)</b>	<b>84,348.77</b>	<b>7,933.30</b>	<b>92,282.07</b>
Transfer to retained earnings	-	-	-	4.42	-	(33.29)	-	-	28.87	-	-	-
Dividend paid on equity shares (including tax thereon)	-	-	-	-	-	(3,586.42)	-	-	-	(3,586.42)	-	(3,586.42)
Non-controlling interest recognised on additional share issue	-	-	-	-	-	-	-	-	-	-	44.22	44.22
Securities premium on exercise of ESOP	-	-	19.47	-	-	-	-	-	-	19.47	-	19.47
Share based payments expense	-	3.78	-	-	-	-	-	-	-	3.78	-	3.78
Transfer from share options outstanding account (towards options lapsed after vesting)	-	(12.07)	-	-	-	12.07	-	-	-	-	-	-
Transfer from share options outstanding account (on exercise of ESOP)	-	(6.76)	6.76	-	-	-	-	-	-	-	-	-
Share application money received during the year	19.98	-	-	-	-	-	-	-	-	19.98	-	19.98
Share application money pending allotment transferred	(19.98)	-	-	-	-	-	-	-	-	(19.98)	-	(19.98)
<b>Balance as at 31 March 2024</b>	-	<b>34.34</b>	<b>21,550.39</b>	<b>307.36</b>	<b>4,000.87</b>	<b>50,637.56</b>	<b>4,217.83</b>	<b>37.25</b>	-	<b>80,785.60</b>	<b>7,977.52</b>	<b>88,763.12</b>

Material accounting policies (Refer note 2)

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

for and on behalf of the Board of Directors of

**Geojit Financial Services Limited**

CIN : L67120KL1994PLC008403

**Baby Paul**

Partner

Membership No. 218255

Kochi

30 April 2024

**C. J. George**

Managing Director

DIN : 00003132

**Mini Nair**

Chief Financial Officer

Kochi

30 April 2024

**A. Balakrishnan**

Executive Director

DIN : 00050016

**Liju K. Johnson**

Company Secretary

Membership No. A21438



**Geojit Financial Services Limited**  
**Consolidated statement of cash flows for the year ended 31 March 2024**  
(All amounts in Indian Rupees lakhs)

	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>19,197.49</b>	<b>11,893.78</b>
Adjustments for		
Depreciation, amortisation and impairment	2,897.18	2,884.34
Share based payments expense	3.78	3.29
Finance costs	1,688.84	806.94
Net gain on fair value changes	(107.96)	(46.26)
Net (profit)/ loss on sale/ disposal of property, plant and equipment	(23.15)	18.28
Impairment loss on financial instruments	16.68	256.51
Impairment loss on non-financial assets	-	0.76
Unclaimed liabilities written back	(8.72)	(3.12)
	<u>23,664.14</u>	<u>15,814.52</u>
Adjustments for changes in working capital		
(Increase) in loans	(23,423.36)	(4,271.32)
(Increase)/ decrease in other financial assets	(8,637.92)	439.27
(Increase) in other non-financial assets	(214.68)	(245.88)
(Increase)/ decrease in trade receivables	(1,554.63)	2,518.86
Increase/ (decrease) in provisions and other liabilities	27,470.45	(16,172.33)
Increase/ (decrease) in trade payables	2,756.68	(75.85)
(Increase)/ decrease in other bank balances	(28,482.37)	8,829.83
Cash generated from/ (used in) operations	(8,421.69)	6,837.10
Less : Income taxes paid (net of refunds)	(3,983.50)	(3,068.45)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(12,405.19)</b>	<b>3,768.65</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, capital work in progress, intangible assets under development and other intangible assets	(1,937.08)	(2,272.04)
Proceeds from sale of property, plant and equipment	38.23	19.14
Purchase of investments	(37,140.34)	(29,488.75)
Disposal proceeds of investments	37,562.95	30,082.46
<b>Net cash used in investing activities (B)</b>	<b>(1,476.24)</b>	<b>(1,659.19)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	19.98	37.29
Proceeds from issue of shares by a subsidiary to its minority shareholders	44.22	-
Dividends paid (including amount transferred to IEPF)	(3,589.97)	(7,181.62)
Interest paid on lease liabilities	(385.98)	(331.56)
Repayment of lease liabilities	(1,126.54)	(1,058.92)
Borrowings availed (net)	27,270.79	2,926.39
Finance costs paid	(1,249.88)	(449.10)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>20,982.62</b>	<b>(6,057.52)</b>

**Geojit Financial Services Limited**  
**Consolidated statement of cash flows for the year ended 31 March 2024**  
(All amounts in Indian Rupees lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>7,101.19</b>	<b>(3,948.06)</b>
Cash and cash equivalents at the beginning of the year	7,609.00	11,530.57
Add: Foreign currency translation adjustments	8.80	26.49
<b>Cash and cash equivalents at end of the year</b>	<b>14,718.99</b>	<b>7,609.00</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	4.22	3.27
Balances with banks in current accounts	11,170.69	7,605.73
Balances with banks in deposit accounts (with original maturity less than 3 months)	3,544.08	-
<b>Total cash and cash equivalents (Refer note 3)</b>	<b>14,718.99</b>	<b>7,609.00</b>

Material accounting policies (Refer note 2)

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

**Note:**

The above cash flow statement has been prepared under the 'Indirect method' prescribed in Ind AS 7 "Cash Flow Statements".

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

for and on behalf of the Board of Directors of

**Geojit Financial Services Limited**

CIN : L67120KL1994PLC008403

**Baby Paul**

Partner

Membership No. 218255

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30 April 2024

**C. J. George**

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**A. Balakrishnan**

Executive Director

DIN : 00050016

**Mini Nair**

Chief Financial Officer

Kochi

30 April 2024

**Liju K. Johnson**

Company Secretary

Membership No. A21438

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements**

**1 Corporate information**

Geojit Financial Services Limited ('the Company') is a public company domiciled in India, with its registered office situated at 11th Floor, 34/659-P, Civil Line Road, Padivattom, Kochi - 682024, Kerala, India. The Company has been incorporated under the provisions of the Indian Companies Act. The Company had its origin in the year 1987 as partnership firm of Mr. C.J. George and his associates. In the year 1994, the firm was converted into a Company with the objective of providing technically superior trading platform for the investor community in Kerala. Over the years, the Company has spread its operations across the country through branch and franchisee network. In 2007, BNP Paribas SA became a major shareholder in the Company. The shares of the Company are listed on the National Stock Exchange (NSE) and BSE Limited. The Company, its subsidiaries and jointly controlled entities, located within and outside India, hereinafter referred to as the 'Group', offers complete spectrum of financial services including online broking for equities, commodities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. The Group's operations outside the country are located in Oman, Kuwait, UAE and Saudi Arabia.

**2 Material accounting policies**

**(i) Basis of preparation**

The consolidated 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, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Group's financial statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest lakh, except when otherwise indicated.

The consolidated financial statements for the year ended 31 March 2024 are being approved for issue in accordance with a resolution of the directors on 30 April 2024.

**(ii) Basis of consolidation**

**a) Subsidiaries**

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of profit and loss including Other comprehensive income (OCI) is attributable to the equity holders of the holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

**b) Associates and joint ventures**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

**c) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

**d) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**

**2 Material accounting policies (contd..)**

**(ii) Basis of consolidation (contd..)**

**Details of subsidiaries**

Following subsidiary companies, associate and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power either directly or indirectly through subsidiary as at	
				31 March 2024	31 March 2023
Geojit Investments Limited (incorporated on 26 March 2023)	Subsidiary company	India	Geojit Financial Services Limited	100%	100%
Geojit Technologies Private	Subsidiary company	India	Geojit Financial Services Limited	65%	65%
Geojit Techloan Private Limited	Subsidiary company	India	Geojit Financial Services Limited	100%	100%
Geojit Credits Private Limited	Subsidiary company	India	Geojit Financial Services Limited	94.32%	94.32%
Geojit IFSC Limited (incorporated on 24 December 2021)	Subsidiary company	India	Geojit Financial Services Limited	100%	100%
Qurum Business Group Geojit Securities LLC	Subsidiary company	Oman	Geojit Financial Services Limited	51%	51%
Barjeel Geojit Financial Services LLC	Jointly controlled entity	United Arab Emirates	Geojit Financial Services Limited	30%	30%
BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC')	Associate	Kuwait	Geojit Financial Services Limited	30%	30%

The principal place of business of the entities mentioned above is the same as the respective country of incorporation.

**(iii) Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Group makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in the notes:

- Note 7 - Valuation of investments
- Note 38 - Lease classification

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2024 is included in the following notes:

- Note 5 and 6 - Expected credit loss allowance for trade receivables and loans; key assumption in determining the average loss rate
- Note 9 and 12 - Measurement of useful life and residual value of property, plant and equipment and intangible assets
- Note 33 - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources
- Note 35 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used
- Note 37 - Measurement of defined benefit obligations; key actuarial assumptions

**(iv) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Investments other than in joint venture, associate and subsidiaries	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit liability	Fair value of plan asset less present value of defined benefit obligations
Derivative financial instruments	Fair value

## 2 Material accounting policies (contd..)

### (v) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: The investments included in Level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market.

- Level 2: The investments included in Level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data.

- Level 3: The investment included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Share-based payment arrangements
- Financial instruments including derivatives
- Fair value of property, plant and equipment and intangible assets

### (vi) Revenue and Other income

The Group is engaged in the business of retail and institutional broking and distribution of financial products. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head:

#### a) Brokerage fee income

Brokerage income is recognised on the trade date of transaction upon confirmation of the transaction by the stock exchange. The services are point in time in nature.

#### b) Income from depository services and portfolio management services

Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. It is recognised at the point in time for transaction charges and others are recognised over the period of service as applicable.

#### c) Income from distribution of financial products

Commission income from financial products distribution is recognised on the basis of agreements entered into with principals and when the right to receive the income is established. The date of the agreement is considered as point in time when the performance obligation is satisfied. In case of continuing services, the same is recognised over a period of time.

#### d) Interest income

Interest income is recognised using the effective interest rate method.

#### e) Dividend income and others

Dividend income is recognised in the statement of profit or loss on the date that the Group'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. Shared services cost is recognised based on agreements entered into with the parties. Marketing support income is recognised as income when performance obligation is satisfied as per the terms of agreement.

#### f) Software development and commission income

Software development revenue is recognised on completion of different stages of software development and acceptance by clients. Revenue from annual maintenance contracts are recognised on time proportion basis. Commission income from insurance business is recognised on completion of policy formalities in all aspects based on intimation from the principal.

### (vii) Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of property, plant and equipment and intangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The cost of property, plant and equipment as at 1 April 2018, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Property, plant and equipment acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

**2 Material accounting policies (contd..)**

**(vii) Property, plant and equipment and intangible assets (contd..)**

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advances paid towards the acquisition of property, plant and equipment and intangible assets, outstanding at each balance sheet date are shown under advances for capital goods. The cost of the property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

**Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on property, plant and equipment of the Company and its Indian subsidiaries has been provided under the straight-line method as per the useful life as estimated by management.

Management estimates the useful life for the tangible assets as under:

<b>Class of assets</b>	<b>Useful life</b>
Buildings *	40 years
Plant and machinery	15 years
Electrical installation *	5 years
Office equipments	5 years
Furniture and fixtures	10 years
Furniture and fixtures in leasehold premises *	5 years
Vehicles *	5 years
Computers and accessories	3 years
Computers and accessories - Data centre equipments *	5 years

\* For these class of assets, the Company has assessed the useful life based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Improvements to leasehold premises are amortised over the lease term or useful lives of the assets, whichever is lower. If the premises are vacated before the expiry of above term, the un-amortised costs are fully written off in the year of vacation.

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. 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. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Development expenditure on software is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

The cost of other intangible assets as at 1 April 2018, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Computer softwares are amortised under straight-line method over the estimated useful life of 5 years or 3 years or license period whichever is lower. Client acquisition is amortised under straight-line method over an estimated useful life of 5 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

Depreciation on the property, plant and equipment of the Company's foreign subsidiary has been provided under the straight-line method as per the estimated useful life of such assets as follows:

<b>Class of assets</b>	<b>Useful life</b>
Office Equipments	4 years
Furniture & Fixtures	4 years
Vehicles	4 years
Computers	4 years

**Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

## 2 Material accounting policies (contd..)

### (viii) Financial instruments

The Group recognises all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

- a) **Amortised cost:** The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.
- b) **Fair value through other comprehensive income (FVOCI):** The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c) **Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

Based on the Group's business model for managing the investments, the Group has classified its investments at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

- d) **Impairment of financial assets:** In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Group recognises lifetime expected losses for all contract assets including loan and trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses whether the loans have been impaired. The Group is exposed to credit risk when the customer defaults on his contractual obligations. The Group has followed simplified approach for measurement of expected credit loss in case of receivables and loans.
- e) **Offsetting:** Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## 2 Material accounting policies (contd..)

### (viii) Financial instruments (contd..)

#### Derecognition

##### **Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - a) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - b) the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

##### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### **Presentation of allowance for expected credit loss (ECL) in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### **Write-off**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### (ix) Employee benefits

#### **a) Short-term employee benefits**

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

#### **b) Provident fund**

The Group's contribution to provident fund scheme is considered as defined contribution plan, and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### **c) Gratuity**

The Group pays gratuity, a defined benefit plan, to its employees who retire or resign after a minimum period of five years of continuous

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Group.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Group recognises these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in the statement of profit and loss .

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the statement of profit or loss when the plan amendment or when a curtailment or settlement occurs.

#### **d) Compensated absences**

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognised in the statement of profit and loss as and when they are incurred.

#### **e) Employee stock option scheme**

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straightline basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.



## 2 Material accounting policies (contd..)

### (x) Borrowing costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

### (xi) Foreign currency transactions and translations

#### a) Transactions and balances

##### Initial recognition

Company: Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

##### Treatment of exchange differences

Company: Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the consolidated statement of profit and loss

##### Measurement of foreign currency monetary items at the balance sheet date

Company: Foreign currency monetary items outstanding at the balance sheet date are restated at the closing exchange rates on that date. Non-monetary items are carried at historical cost.

#### b) Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognised in FCTR is transferred to the statement of consolidated profit and loss as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income /expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of profit and loss in the reporting period in which the exchange rates change.

### (xii) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Lease" as notified by MCA.

#### a) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### b) Measurement of leases as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease payments associated with leases, that have a lease term of 12 months or less, are recognised as an expense on a straight-line basis over the lease term.

## 2 Material accounting policies (contd..)

### (xiii) Income tax

The income tax expense comprises current and deferred tax incurred by the Group. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the consolidated balance sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Group are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

### (xiv) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short term investments with an original maturity of three months or less, and accrued interest thereon.

### (xv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

### (xvi) Impairment of non financial assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

### (xvii) Provisions

Provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

### (xviii) Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in the notes to the financial statements.

Contingent assets: Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### (xix) Earnings per share

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

Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (xx) Recent accounting pronouncements

As on the date of release of these financial statements, MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024.

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>3 Cash and cash equivalents</b>		
Cash-on-hand	4.22	3.27
Balances with banks in current account		
Clients	9,981.00	5,765.64
Others	1,189.69	1,840.09
Balances with banks in deposit accounts (with original maturity less than 3 months)	3,544.08	-
	<b>14,718.99</b>	<b>7,609.00</b>
<b>4 Other bank balances</b>		
Deposits account	811.39	904.22
Earmarked accounts		
Deposits account (Refer note (a) below)	91,694.25	63,115.50
Unpaid dividend account	78.11	81.66
	<b>92,583.75</b>	<b>64,101.38</b>
<b>a) Balance with banks in earmarked deposit accounts include fixed deposits which are:</b>		
Maintained as security margin for guarantees issued by banks in favour of stock exchanges / clearing corporation	5,437.04	5,451.18
Pledged with banks for availing overdraft facility and forward contracts. The balance outstanding in the overdraft facility as at the balance sheet date is Rs. 22,223.46 lakhs (31 March 2023: Rs. 4,815.13 lakhs)	37,175.29	23,192.69
Given to stock exchanges / clearing corporation as security margin	49,023.88	34,381.95
Pledged with banks for availing other bank guarantees facility	56.60	88.16
Deposited in banks against unsettled client balances	0.63	0.63
Under lien in favour of Department of Commercial Taxes (KVAT)	0.81	0.89
	<b>91,694.25</b>	<b>63,115.50</b>
<b>b) Balance with banks in earmarked deposit accounts include fixed deposits which have an original maturity of more than 12 months.</b>	42,974.38	39,484.22
<b>5 Trade receivables</b>		
Receivable considered good - secured	8,454.40	7,993.75
Receivable considered good - unsecured	2,967.66	1,890.35
Receivable - credit impaired	892.58	891.66
	12,314.64	10,775.76
Less : Impairment loss allowance	(892.58)	(891.66)
	<b>11,422.06</b>	<b>9,884.10</b>

**Geojit Financial Services Limited**
**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**5 Trade receivables (contd..)**
**Trade receivables ageing schedule**

As at 31 March 2024	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	3,237.58	4,714.17	441.55	618.49	559.82	1,850.45	11,422.06
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	115.80	82.71	124.83	123.72	445.52	892.58
iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	<b>3,237.58</b>	<b>4,829.97</b>	<b>524.26</b>	<b>743.32</b>	<b>683.54</b>	<b>2,295.97</b>	<b>12,314.64</b>
As at 31 March 2023	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	1,269.61	5,237.33	710.63	577.35	419.06	1,670.12	9,884.10
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	130.82	86.41	110.63	146.26	417.54	891.66
iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	<b>1,269.61</b>	<b>5,368.15</b>	<b>797.04</b>	<b>687.98</b>	<b>565.32</b>	<b>2,087.66</b>	<b>10,775.76</b>

**6 Loans**
**At amortised cost**
*Secured, considered good*

Loans and advances to clients \*

	As at 31 March 2024	As at 31 March 2023
Loans and advances to clients *	52,554.36	29,103.07
<i>Unsecured, considered good</i>		
Loans and advances to related parties	0.93	30.97
Loan to staff	21.38	19.28
<i>Unsecured, considered doubtful</i>		
Loans and advances to others - credit impaired	12,561.47	12,640.46
	<b>65,138.14</b>	<b>41,793.78</b>
Less : Impairment loss allowance	(12,561.47)	(12,640.46)
	<b>52,576.67</b>	<b>29,153.32</b>

*Unsecured, considered good*

Loans and advances to related parties

Loan to staff

*Unsecured, considered doubtful*

Loans and advances to others - credit impaired

Less : Impairment loss allowance

Note:

Loans – credit impaired includes Rs. 12,549.50 lakhs (As at 31 March 2023 - Rs. 12,628.49 lakhs) representing loans granted by a subsidiary company, Geojit Credits Private Limited (GCPL) in the earlier years. These loans were granted against contracts executed by the borrowers for transactions in National Spot Exchange Limited (NSEL), which were defaulted during the financial year ended 31 March 2014, pending settlement by the exchange on account of certain irregularities. These are under investigation by various authorities. GCPL is closely monitoring the situation and legally examining measures required for safeguarding its interest. The full amount of such advances outstanding are considered doubtful and classified as credit impaired.

\* Loans and advances to clients are in the nature of margin funding loans and loan against shares repayable on demand provided to clients in India based on the agreements entered into by the Group and the clients. These are secured by pledge on the shares purchased by utilising the loan and collateral securities provided by the clients.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>7 Investments</b>		
<b>Equity accounted investees - at amortised cost</b> (Refer note 47)		
<b>Joint Ventures</b>		
Barjeel Geojit Securities LLC, United Arab Emirates 1,500 (31 March 2023: 1,500) equity shares of Arab Emirates Dirham 1,000/- each, fully paid-up	1,163.24	904.30
<b>Associate</b>		
BBK Geojit Business Consultancy and Information KSC(C) (Formerly known as 'BBK Geojit Securities KSC') 1,500,000 (31 March 2023: 1,500,000) equity shares of Kuwaiti Dinar 0.10/- each, fully paid-up	191.84	157.48
	<u>1,355.08</u>	<u>1,061.78</u>
<b>Others</b>		
<b>Fair valued through profit or loss (FVTPL)</b>		
<b>Investment in equity instruments (unquoted)</b>		
Aloula Geojit Capital Company, Saudi Arabia 1,400,000 (31 March 2023: 1,400,000) equity shares of Saudi Riyals (SR) 10/- each, fully paid-up	1,198.58	1,198.58
Less: Impairment in investments	<u>(1,198.58)</u>	<u>(1,198.58)</u>
Net	-	-
Muvattupuzha Co-operative Super Speciality Hospital Limited 400 (31 March 2023: 400) 'C' class shares of Rs.500/- each, fully paid-up	2.00	2.00
Kerala Infrastructure Fund Management Limited 388,310 (31 March 2023: 388,310) equity shares of Rs.10/- each, fully paid-up	38.83	38.83
Investments in mutual funds	8.58	-
Trust Mutual Fund - Direct Growth [Current year: 732.592 units; 31 March 2023: Nil]		
	<u>49.41</u>	<u>40.83</u>
	<u><b>1,404.49</b></u>	<u><b>1,102.61</b></u>
Aggregate book value of unquoted investments (net of provisions)	1,404.49	1,102.61
Aggregate book value of quoted investments	-	-
<b>8 Other financial assets</b>		
<i>Unsecured, considered good</i>		
Deposits and margins given to stock exchanges / depositories / clearing corporation	7,024.30	1,115.53
Security deposits	747.95	727.74
Receivable from stock exchanges	6,491.75	3,923.26
Dues from related parties	3.12	-
Advances to employees	52.29	62.26
Contract assets - unbilled	285.20	232.55
Others	2.52	-
<i>Unsecured, considered doubtful</i>		
Advances to employees	22.59	22.59
Rent and other deposits	25.34	26.86
	<u><b>14,655.06</b></u>	<u><b>6,110.79</b></u>
Less: Impairment loss allowance	<u>(47.93)</u>	<u>(49.45)</u>
	<u><b>14,607.13</b></u>	<u><b>6,061.34</b></u>

**Geojit Financial Services Limited**

**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**9 Property, plant and equipment**

Particulars	Land-freehold	Buildings	Plant and machinery	Electrical installation	Office equipments	Furniture & fixtures	Vehicles	Computers	Leasehold improvements	Total
<b>Deemed cost as at 1 April 2022</b>	684.25	1,497.48	629.01	33.55	869.23	863.63	485.12	2,674.84	1,251.91	8,989.02
Additions	-	20.88	-	12.11	159.55	175.99	62.98	291.68	393.72	1,116.91
Disposals	-	-	-	(0.96)	(102.66)	(33.82)	(48.07)	(104.02)	(46.26)	(335.79)
Effect of foreign currency exchange differences	-	-	-	-	0.24	3.18	1.68	0.71	-	5.81
<b>Cost as at 31 March 2023</b>	<b>684.25</b>	<b>1,518.36</b>	<b>629.01</b>	<b>44.70</b>	<b>926.36</b>	<b>1,008.98</b>	<b>501.71</b>	<b>2,863.21</b>	<b>1,599.37</b>	<b>9,775.95</b>
Additions	-	-	2.77	10.84	138.19	172.10	200.13	167.40	376.38	1,067.81
Disposals	-	-	-	(1.73)	(181.45)	(52.73)	(76.34)	(206.45)	(174.60)	(693.30)
Effect of foreign currency exchange differences	-	-	0.03	-	0.12	0.65	0.33	0.17	0.21	1.51
<b>Cost as at 31 March 2024</b>	<b>684.25</b>	<b>1,518.36</b>	<b>631.81</b>	<b>53.81</b>	<b>883.22</b>	<b>1,129.00</b>	<b>625.83</b>	<b>2,824.33</b>	<b>1,801.36</b>	<b>10,151.97</b>
<b>Depreciation/ amortisation</b>										
<b>As at 1 April 2022</b>	-	169.49	254.66	18.53	562.04	571.91	192.44	1,696.52	734.79	4,200.38
Charge for the year	-	43.22	64.04	7.37	156.20	144.29	85.92	430.86	257.13	1,189.03
Disposals	-	-	-	(0.70)	(76.91)	(30.71)	(47.94)	(103.50)	(39.92)	(299.68)
Effect of foreign currency exchange differences	-	-	-	-	0.12	1.84	1.08	0.44	-	3.48
<b>As at 31 March 2023</b>	-	<b>212.71</b>	<b>318.70</b>	<b>25.20</b>	<b>641.45</b>	<b>687.33</b>	<b>231.50</b>	<b>2,024.32</b>	<b>952.00</b>	<b>5,093.21</b>
Charge for the year	-	43.55	64.15	8.02	118.69	128.80	104.53	398.94	283.17	1,149.85
Disposals	-	-	-	(1.63)	(177.87)	(51.46)	(69.86)	(203.86)	(173.52)	(678.20)
Effect of foreign currency exchange differences	-	-	-	-	0.03	0.42	0.24	0.10	-	0.79
<b>As at 31 March 2024</b>	-	<b>256.26</b>	<b>382.85</b>	<b>31.59</b>	<b>582.30</b>	<b>765.09</b>	<b>266.41</b>	<b>2,219.50</b>	<b>1,061.65</b>	<b>5,565.65</b>
<b>Net block</b>										
As at 31 March 2023	684.25	1,305.65	310.31	19.50	284.91	321.65	270.21	838.89	647.37	4,682.74
<b>As at 31 March 2024</b>	<b>684.25</b>	<b>1,262.10</b>	<b>248.96</b>	<b>22.22</b>	<b>300.92</b>	<b>363.91</b>	<b>359.42</b>	<b>604.83</b>	<b>739.71</b>	<b>4,586.32</b>

Net block include land and buildings of Rs.1,939.53 lakhs (31 March 2023: Rs.1,983.07 lakhs) mortgaged with Axis Bank Limited as security for credit limits availed.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>10 Capital work in progress</b>		
<b>Opening balance</b>	-	-
Additions during the year	7.05	-
Capitalised during the year	-	-
<b>Closing balance</b>	<b>7.05</b>	<b>-</b>
<b>a) Projects in progress</b>		
- Less than 1 year	7.05	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	<b>7.05</b>	<b>-</b>
<b>b) Projects temporarily suspended</b>	-	-
	<b>7.05</b>	<b>-</b>

**Note:**

The Group does not have any projects where its cost has exceeded its original budget value.

<b>11 Intangible assets under development</b>		
<b>Opening balance</b>	<b>450.74</b>	-
Additions during the year	402.84	450.74
Capitalised during the year	(397.05)	-
Expensed off during the year	(73.94)	-
<b>Closing balance</b>	<b>382.59</b>	<b>450.74</b>
<b>a) Projects in progress</b>		
- Less than 1 year	328.04	450.74
- 1-2 years	54.55	-
- 2-3 years	-	-
- More than 3 years	-	-
	<b>382.59</b>	<b>450.74</b>
<b>b) Projects temporarily suspended</b>	-	-
	<b>382.59</b>	<b>450.74</b>

**Note:**

The Group does not have any projects where its cost has exceeded its original budget value.

	Computer software	Client acquisition	Total
<b>12 Other intangible assets</b>			
<b>Deemed cost as at 1 April 2022</b>	1,745.20	716.34	2,461.54
Additions	979.48	-	979.48
Disposals	(359.56)	-	(359.56)
Effect of foreign currency exchange differences	-	-	-
<b>Cost as at 31 March 2023</b>	<b>2,365.12</b>	<b>716.34</b>	<b>3,081.46</b>
Additions	830.66	-	830.66
Disposals	(77.08)	-	(77.08)
Effect of foreign currency exchange differences	0.01	-	0.01
<b>Cost as at 31 March 2024</b>	<b>3,118.71</b>	<b>716.34</b>	<b>3,835.05</b>
<b>Accumulated amortisation</b>			
<b>As at 1 April 2022</b>	1,047.29	538.14	1,585.43
Charge for the year	376.76	143.27	520.03
Disposals	(358.25)	-	(358.25)
<b>As at 31 March 2023</b>	<b>1,065.80</b>	<b>681.41</b>	<b>1,747.21</b>
Charge for the year	448.02	34.93	482.95
Disposals	(77.09)	-	(77.09)
<b>As at 31 March 2024</b>	<b>1,436.73</b>	<b>716.34</b>	<b>2,153.07</b>
<b>Net block</b>			
As at 31 March 2023	1,299.32	34.93	1,334.25
<b>As at 31 March 2024</b>	<b>1,681.98</b>	<b>-</b>	<b>1,681.98</b>

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>13 Other non-financial assets</b>		
<i>Unsecured, considered good</i>		
Capital advance	145.71	180.45
Prepaid expenses	1,088.35	691.84
Other advances	151.45	309.00
Balances with government authorities	147.32	171.60
<i>Unsecured, considered doubtful</i>		
Other advances	-	5.25
	<u>1,532.83</u>	<u>1,358.14</u>
Less: Impairment loss allowance	-	(5.25)
	<u><b>1,532.83</b></u>	<u><b>1,352.89</b></u>
<b>14 Trade payables</b>		
a. Total outstanding dues of micro and small enterprises	50.41	23.78
b. Total outstanding dues of creditors other than micro and small enterprises	4,679.84	1,939.20
	<u><b>4,730.25</b></u>	<u><b>1,962.98</b></u>

**Disclosures required under Micro, Small and Medium Enterprises Development Act, 2006**

(i) Principal amount remaining unpaid to any supplier as at the end of the year.	50.41	23.78
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year.	-	-
(iii) The amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Ageing of trade payables as follows:

<b>As at 31 March 2024</b>	<b>Not due</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
(i) MSME	-	50.42	-	-	-	50.42
(ii) Others	-	2,122.17	13.79	22.34	72.70	2,231.00
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	2,448.83	-	-	-	-	2,448.83
	<u><b>2,448.83</b></u>	<u><b>2,172.59</b></u>	<u><b>13.79</b></u>	<u><b>22.34</b></u>	<u><b>72.70</b></u>	<u><b>4,730.25</b></u>
<b>As at 31 March 2023</b>	<b>Not due</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
(i) MSME	-	23.78	-	-	-	23.78
(ii) Others	-	972.14	30.78	24.21	44.45	1,071.58
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	867.62	-	-	-	-	867.62
	<u><b>867.62</b></u>	<u><b>995.92</b></u>	<u><b>30.78</b></u>	<u><b>24.21</b></u>	<u><b>44.45</b></u>	<u><b>1,962.98</b></u>



**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>15 Borrowings</b>		
<i>Secured, repayable on demand (at amortised cost)</i>		
Overdraft from banks (Refer note i)	23,039.02	7,751.62
From financial institutions(Refer note ii)	8,523.39	-
<i>Unsecured, repayable on demand (at amortised cost)</i>		
Loan from related parties	3,460.00	-
	<b>35,022.41</b>	<b>7,751.62</b>
i) Overdraft from banks include:		
- Secured by lien against fixed deposits	22,223.46	7,751.62
- Secured by lien against immovable property	500.56	-
- Secured by lien against trade receivables	315.00	-
	<b>23,039.02</b>	<b>7,751.62</b>
ii) Loans from financial institutions include:		
- Secured by lien against Company's margin funding loans	8,523.39	-
	<b>8,523.39</b>	<b>-</b>

Borrowings from banks / financial institutions carries interest rates from 6.85% to 10.65% per annum.

The Group has utilised the loans for the purpose for which it was availed.

The Group has complied with the requirement of filing of quarterly returns or statements of trade receivables with the bank or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the quarters during the year ended 31 March 2024 and year ended 31 March 2023.

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

Particulars	Bank overdrafts	Borrowings from Financial institutions	Loan from related parties	Lease liabilities	Total
<b>Balance as at 1 April 2023</b>	<b>7,751.62</b>	<b>-</b>	<b>-</b>	<b>3,674.74</b>	<b>11,426.36</b>
<i>Changes from financing cash flows</i>					
Interest paid on lease liabilities	-	-	-	(385.98)	(385.98)
Repayment of lease liabilities	-	-	-	(1,126.54)	(1,126.54)
Borrowings availed (net)	15,287.40	8,523.39	3,460.00	-	27,270.79
<b>Total changes from financing cash flows</b>	<b>15,287.40</b>	<b>8,523.39</b>	<b>3,460.00</b>	<b>(1,512.52)</b>	<b>25,758.27</b>
<i>Other changes (liability-related)</i>					
Lease liability on Right of use asset recognised during the year	-	-	-	2,195.48	2,195.48
Finance cost accrued during the year	-	-	-	385.99	385.99
<b>Total liability-related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,581.47</b>	<b>2,581.47</b>
<b>Balance as at 31 March 2024</b>	<b>23,039.02</b>	<b>8,523.39</b>	<b>3,460.00</b>	<b>4,743.69</b>	<b>39,766.10</b>
Particulars	Bank overdrafts	Borrowings from Financial institutions	Loan from related parties	Lease liabilities	Total
<b>Balance as at 1 April 2022</b>	<b>4,825.23</b>	<b>-</b>	<b>-</b>	<b>3,116.82</b>	<b>7,942.05</b>
<i>Changes from financing cash flows</i>					
Interest paid on lease liabilities	-	-	-	(331.56)	(331.56)
Repayment of lease liabilities	-	-	-	(1,058.92)	(1,058.92)
Borrowings availed (net)	2,926.39	-	-	-	2,926.39
<b>Total changes from financing cash flows</b>	<b>2,926.39</b>	<b>-</b>	<b>-</b>	<b>(1,390.48)</b>	<b>1,535.91</b>
<i>Other changes (liability-related)</i>					
Lease liability on Right of use asset recognised during the year	-	-	-	1,616.84	1,616.84
Finance cost accrued during the year	-	-	-	331.56	331.56
<b>Total liability-related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,948.40</b>	<b>1,948.40</b>
<b>Balance as at 31 March 2023</b>	<b>7,751.62</b>	<b>-</b>	<b>-</b>	<b>3,674.74</b>	<b>11,426.36</b>

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>16 Other financial liabilities</b>		
Client balances	59,959.60	33,947.52
Unclaimed dividends	78.11	81.66
Security deposits from business associates	73.31	83.64
Rent deposits	-	1.00
Payable to stock exchanges	56.13	1.90
Accrued salaries and benefits	3,771.84	2,597.95
Dues to creditors for capital goods	227.81	362.25
	<u>64,166.80</u>	<u>37,075.92</u>
<b>17 Provisions</b>		
Provision for employee benefits		
Gratuity	108.56	106.06
Compensated absences	208.76	176.39
Provision against standard assets	14.56	10.94
	<u>331.88</u>	<u>293.39</u>
<b>18 Other non-financial liabilities</b>		
Statutory dues payable	1,085.77	771.28
Advance from customers	50.54	50.70
Unearned income	715.99	788.91
	<u>1,852.30</u>	<u>1,610.89</u>

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

19 Equity share capital	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount Rs. in lakhs	Number of shares	Amount Rs. in lakhs
<b>Authorised:</b>				
Equity shares of Rs.1 each	630,500,000	6,305.00	630,500,000	6,305.00
	<b>630,500,000</b>	<b>6,305.00</b>	<b>630,500,000</b>	<b>6,305.00</b>
<b>Issued, subscribed and fully paid-up:</b>				
Equity shares of Rs.1 each	239,144,482	2,391.44	239,092,702	2,390.93
	<b>239,144,482</b>	<b>2,391.44</b>	<b>239,092,702</b>	<b>2,390.93</b>
<b>(a) Reconciliation of number of equity shares subscribed</b>				
Balance as at the beginning of the year	239,092,702	2,390.93	238,996,515	2,389.97
Add: Issued during the year	51,780	0.51	96,187	0.96
<b>Balance at the end of the year</b>	<b>239,144,482</b>	<b>2,391.44</b>	<b>239,092,702</b>	<b>2,390.93</b>

**(b) Shareholders holding more than 5% of the total share capital**

Class of shares / name of the shareholder	As at 31 March 2024		As at 31 March 2023	
	No of shares	% of holding	No of shares	% of holding
<b>Equity shares of Rs.1 each</b>				
BNP Paribas SA	58,980,544	24.66	58,997,662	24.68
C. J. George	43,313,236	18.11	43,313,236	18.12
Kerala State Industrial Development Corporation	20,000,000	8.36	20,000,000	8.36
Rekha Rakesh Jhunjhunwala	17,437,500	7.29	20,037,500	8.38

**(c) Shares held by promoters at the end of the year**

Class of shares / name of the shareholder	As at 31 March 2024		As at 31 March 2023		% change
	No of shares	% of holding	No of shares	% of holding	
<b>Equity shares of Rs.1 each</b>					
BNP Paribas SA	58,980,544	24.66	58,997,662	24.68	(0.03%)
C. J. George	43,313,236	18.11	43,313,236	18.12	-
Kerala State Industrial Development Corporation	20,000,000	8.36	20,000,000	8.36	-
Jones George	3,100,000	1.30	3,100,000	1.30	-
Jyothis Abraham George	3,100,000	1.30	3,100,000	1.30	-
BNP Paribas India Holdings Pvt. Ltd	1,873,650	0.78	1,873,650	0.78	-
Lazar M A	40,000	0.02	40,000	0.02	-
Sara Macheril George	40,000	0.02	40,000	0.02	-
Eldho Abraham	39,500	0.02	39,500	0.02	-
Binoy Abraham	30,000	0.01	30,000	0.01	-
Emali Rajan	25,000	0.01	25,000	0.01	-
Sally Sampath	5,000	-	5,000	0.00	-
Susan Raju	3,000	-	3,000	0.00	-
Saramma Thomas	-	-	1,200	0.00	(100.00%)
	<b>130,549,930</b>	<b>54.59</b>	<b>130,568,248</b>	<b>54.61</b>	<b>(0.01%)</b>

Class of shares / name of the shareholder	As at 31 March 2023		As at 31 March 2022		% change
	No of shares	% of holding	No of shares	% of holding	
<b>Equity shares of Rs.1 each</b>					
BNP Paribas SA	58,997,662	24.68	73,351,480	30.69	(19.57%)
C. J. George	43,313,236	18.12	43,313,236	18.12	-
Kerala State Industrial Development Corporation	20,000,000	8.36	20,000,000	8.37	-
Jones George	3,100,000	1.30	3,100,000	1.30	-
Jyothis Abraham George	3,100,000	1.30	3,100,000	1.30	-
BNP Paribas India Holdings Pvt. Ltd	1,873,650	0.78	1,873,650	0.78	-
Lazar M A	40,000	0.02	40,000	0.02	-
Sara Macheril George	40,000	0.02	40,000	0.02	-
Eldho Abraham	39,500	0.02	39,500	0.02	-
Binoy Abraham	30,000	0.01	30,000	0.01	-
Emali Rajan	25,000	0.01	25,000	0.01	-
Sally Sampath	5,000	0.00	5,000	0.00	-
Susan Raju	3,000	0.00	3,000	0.00	-
Saramma Thomas	1,200	0.00	1,200	0.00	-
	<b>130,568,248</b>	<b>54.61</b>	<b>144,922,066</b>	<b>60.64</b>	<b>(9.90%)</b>

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**19 Equity share capital (contd..)****(d) Rights, preferences and restrictions in respect of equity shares issued by the Company**

The Company has only one class of equity shares having a par value of Rs.1 each. The equity shares of the company having par value of Rs.1 rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) As at 31 March 2024, 157,659 equity shares (31 March 2023: 305,913 equity shares) of Rs. 1/- each are reserved towards outstanding employee stock options granted.

(f) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

**(g) Capital management:**

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Group is not subject to any externally imposed capital requirements.

For the purpose of Group's capital management, capital includes subscribed equity share capital, securities premium, all other equity reserves attributable to the owners of the Company and Debt from the financial institutions.

The capital structure and key performance indicators of the Group as at year end is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Debt to equity position:</b>		
A. Total equity attributable to the owners of the Company	83,177.04	72,277.94
B. Borrowings:	35,022.41	7,751.62
<b>C. Total capital (A+B)</b>	<b>118,199.45</b>	<b>80,029.56</b>
D. Debt to equity ratio (B/A)	0.42	0.11
E. Total borrowings as a % of total capital (B/C)	29.63%	9.69%
F. Total equity as a % of total capital (A/C)	70.37%	90.31%
<b>Cash position:</b>		
Cash and cash equivalents	14,718.99	7,609.00
Other balances with banks	92,583.75	64,101.38
Investment in mutual funds	8.58	-
	<b>107,311.32</b>	<b>71,710.38</b>

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>20 Other equity</b>		
Share application money pending allotment (Refer note i)	-	-
Reserves and surplus		
Share options outstanding account (Refer note ii)	34.34	49.39
Securities premium (Refer note iii)	21,550.39	21,524.16
Statutory reserve (Refer note iv)	307.36	302.94
General reserve (Refer note v)	4,000.87	4,000.87
Retained earnings (Refer note vi)	50,637.56	39,759.81
Foreign currency translation reserve (Refer note vii)	37.25	32.01
Other comprehensive income (Refer note viii)	-	-
Other reserves (Refer note ix)	4,217.83	4,217.83
	<b>80,785.60</b>	<b>69,887.01</b>

**Description of the nature and purpose of other equity :**

**i) Share application money pending allotment**

The share application money was received pursuant to the exercise of options granted to employees under the employee stock option plans. The Company has sufficient authorised share capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Company.

**ii) Share options outstanding account**

The employee stock options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

**iii) Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**iv) Statutory reserve**

In accordance with local regulations, a foreign subsidiary is required to transfer a portion of profits to a non-distributable legal reserve until certain criteria are met.

**v) General reserve**

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable profits for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

**vi) Retained earnings**

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserves.

**vii) Foreign currency translation reserve**

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to non controlling interests.

**viii) Other comprehensive income**

Other comprehensive income (OCI) comprises of actuarial gains and losses that are recognised in other comprehensive income.

**ix) Other reserves**

Other reserves comprises capital reserve and capital reserve arising on consolidation.

**Details of dividends proposed**

The Board of Directors at its meeting held on 30 April 2024 has recommended a final dividend of Rs.1.50/- per equity share of face value Rs.1/- each for the financial year ended 31 March 2024 (31 March 2023: Rs.1.50/- per equity share). The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>21 Interest income</b>		
<b>On financial instruments measured at amortised cost</b>		
Interest on loans	503.15	363.70
Interest income from margin funding	4,570.87	3,300.46
Interest on term deposits with banks	5,141.24	3,406.72
Interest on delayed payments by clients	1,080.66	1,299.49
Other interest income	49.71	48.99
	<b>11,345.63</b>	<b>8,419.36</b>
<b>22 Fee and commission income</b>		
Income from brokerage	28,349.53	20,895.46
Income from processing fees	31.07	23.27
Income from depository services	3,540.71	2,728.94
Income from distribution of financial products	15,164.40	9,878.40
Income from portfolio management services	1,857.26	823.14
	<b>48,942.97</b>	<b>34,349.21</b>
<b>23 Sale of services</b>		
Software services	882.44	1,047.53
	<b>882.44</b>	<b>1,047.53</b>
<b>24 Net gain on fair value changes</b>		
<b>Total net gain / (loss) on financial instruments at FVTPL</b>		
Net gain on sale of investments	107.93	49.56
Net loss on fair value changes	0.03	(3.30)
<b>Total net gain / (loss) on financial instruments at FVTPL</b>	<b>107.96</b>	<b>46.26</b>
<b>Fair value changes</b>		
- Realised	107.93	46.26
- Unrealised	0.03	-
	<b>107.96</b>	<b>46.26</b>
<b>25 Other operating income</b>		
Account opening charges	0.10	2.82
Service charges from clients	98.76	37.26
Others	35.19	24.42
	<b>134.05</b>	<b>64.50</b>
<b>26 Other income</b>		
Interest income on income tax refund	9.89	38.02
Net gain on foreign currency transactions	-	13.33
Provision for non performing assets written back	8.65	22.78
Other non-operating income		
Cost recovery for shared services	0.08	0.80
Net gain on sale/ disposal of property, plant and equipment	23.15	-
Unclaimed liabilities written back	8.72	3.12
Marketing support income	905.90	721.60
Miscellaneous income	27.21	33.94
	<b>983.60</b>	<b>833.59</b>
<b>27 Finance costs</b>		
<b>On financial liabilities measured at amortised cost</b>		
<b>Interest expense on</b>		
Overdrafts availed from banks	1,048.26	341.31
Loan availed from financial institutions	31.82	-
Loan availed from others	133.67	-
Lease liabilities	385.98	331.56
Delayed / deferred payment of income tax	33.67	-
Other borrowing cost	55.44	134.07
	<b>1,688.84</b>	<b>806.94</b>

Note:

Other than financial liabilities measured at amortised cost, there are no other financial liabilities measured at FVTPL.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>28 Fee and commission expense</b>		
Commission to business associates (equity)	5,007.96	3,346.29
Marketing fees	1,368.52	880.76
Marketing incentive	346.55	287.79
Commission to business associates (distribution)	922.49	775.32
Connectivity and depository charges	950.87	801.73
Others	42.37	31.81
	<b>8,638.76</b>	<b>6,123.70</b>
<b>29 Impairment of financial instruments</b>		
<b>On financial instruments measured at amortised cost</b>		
Impairment on trade receivables	16.68	256.51
	<b>16.68</b>	<b>256.51</b>
<b>30 Employee benefit expenses</b>		
Salaries, wages and bonus	18,091.16	14,780.26
Contribution to provident and other funds	881.90	770.06
Share based payments expense	3.78	3.29
Staff training expenses	2,661.37	163.00
Staff welfare expenses	440.16	323.66
	<b>22,078.37</b>	<b>16,040.27</b>
<b>31 Depreciation, amortisation and impairment</b>		
Depreciation on property, plant and equipment (Refer note 9)	1,149.85	1,189.03
Amortisation of intangible assets (Refer note 12)	482.95	520.03
Amortisation on right-of-use asset (Refer note 38)	1,264.38	1,175.28
	<b>2,897.18</b>	<b>2,884.34</b>
<b>32 Other expenses</b>		
Subscription	678.37	445.88
Research expense	179.73	139.61
Registration & renewal charges	59.41	50.44
Rent	313.51	306.89
Advertisement	1,172.50	971.54
Telephone	254.05	239.23
Postage	127.95	126.92
Power and fuel	477.51	437.66
Software charges	1,819.30	1,396.17
Repairs and maintenance:		
Leasehold building	51.76	41.14
Others	243.32	261.15
Printing and stationery	89.21	93.06
Travelling and conveyance	404.15	399.36
Legal and professional	385.79	270.25
Payments to auditors (Refer note (i) below)	151.37	171.40
Office expenses	239.93	223.00
Business promotion	52.53	37.03
Rates and taxes	116.38	115.92
Foreign exchange loss (net)	5.57	-
Corporate social responsibility expenses	327.67	300.74
Net loss on sale/ disposal of property, plant and equipment	-	18.28
Donations and contributions	0.10	1.10
Provision for standard assets	3.62	2.72
Insurance expense	31.15	23.17
Contract labour	165.25	120.73
Empanelment fees	7.50	7.50
Impairment loss on non-financial assets	-	0.76
Short messaging service charges	68.69	58.43
Loss on sale of stock-in-error	10.71	32.59
Miscellaneous expenses	442.66	464.86
	<b>7,879.69</b>	<b>6,757.53</b>
Note:		
i) Payments to auditors include payments to statutory auditor towards (net of input tax credit, where applicable):		
Audit	17.30	17.34
Limited review	13.81	13.18
Other services	6.57	8.64
Reimbursement of expenses (including out of pocket expenses)	1.88	1.96
	<b>39.56</b>	<b>41.12</b>

**Geojit Financial Services Limited**

**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**33 Contingent liabilities and commitments (to the extent not provided for)**

**i) Contingent liabilities**

Particulars	As at	
	31 March 2024	31 March 2023
<b>(a) Claims against the Group not acknowledged as debts :</b>		
Legal suits filed against the Group / matters under arbitration	186.32	118.94
Income tax demands, pending in appeal (Refer note below)	111.57	135.30
Show cause notices from service tax department for which the Company has filed replies (Refer note below)	1.72	11.01
Service tax demands, pending in appeal (Refer note below)	106.06	104.71
Goods and services tax demands, pending in appeal (Refer note below)	339.15	304.92
<b>(b) Guarantees given by the Group</b>	15.68	15.68
<b>(c) Share of group in the contingent liabilities of joint venture</b>	-	-

Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

**Direct tax matters**

The Company and its subsidiaries have ongoing disputes with Income Tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received. As at 31 March 2024, the Company and its subsidiaries have contingent liability of Rs.111.57 lakhs (31 March 2023: Rs.135.30 lakhs) in respect of tax demands for assessment years between 2003-04 to 2022-23 which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. Management has evaluated these notices and inquiries and has concluded that the position taken by it on the above matters is tenable and hence no adjustments have been made in the financial statements.

**Indirect tax matters**

The Company and its subsidiaries have ongoing disputes with Indirect tax authorities mainly relating to treatment of characterisation and classification of certain items. As at 31 March 2024, the Company and its subsidiaries in India have demands and show cause notices amounting to Rs. 446.93 lakhs (31 March 2023: Rs.420.64 lakhs) from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

It is not practicable for the Group to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Group has reviewed all its pending litigations and proceedings and has made adequate provisions where required and disclosed contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

**ii) Commitments**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Estimated amount of contracts remaining to be executed on capital account and not provided for:</b>		
Property, plant and equipment	226.81	80.64
Intangible assets	179.98	177.75

The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**34 Earnings per share (EPS)**

Particulars	Year ended	
	31 March 2024	31 March 2023
<b>A. Basic earnings per share</b>		
The calculation of profit attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings per share calculations are as follows:		
<b>i) Net profit attributable to equity share holders (basic)</b>		
Net profit for the year, attributable to the equity share holders	14,485.39	9,717.71
<b>ii) Weighted average number of equity shares (basic)</b>		
Opening balance	239,092,702	238,996,515
Effect of share options exercised	22,497	77,153
Weighted average number of equity shares of Rs.1 each for the year	239,115,199	239,073,668
Earnings per share, basic - Rs.	6.06	4.06
<b>B. Diluted earnings per share</b>		
The calculation of profit attributable to equity share holders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares is as follows:		
<b>i) Net profit attributable to equity share holders (diluted)</b>		
Net profit for the year, attributable to the equity share holders	14,485.39	9,717.71
<b>ii) Weighted average number of equity shares (diluted)</b>		
Weighted average number of equity shares of Rs.1 each for the year (basic)	239,115,199	239,073,668
Effect of exercise of share options	15,470	39,374
Weighted average number of equity shares of Rs.1 each for the year (diluted)	239,130,669	239,113,042
Earnings per share, diluted - Rs.	6.06	4.06



**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

**35 Income taxes**

**A. Current tax assets (net)**

Particulars	As at	As at
	31 March 2024	31 March 2023
Income tax assets	790.26	1,752.62
Income tax liabilities	(27.26)	(4.59)
<b>Net income tax assets</b>	<b>763.00</b>	<b>1,748.03</b>

**B. The major components of income tax expense for the year are as under:**

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Current tax		
In respect of current year	4,964.09	3,178.92
In respect of previous years	(29.23)	(801.95)
<b>Total (A)</b>	<b>4,934.86</b>	<b>2,376.97</b>
Deferred tax		
Origination and reversal of temporary differences	(58.95)	(128.80)
<b>Total (B)</b>	<b>(58.95)</b>	<b>(128.80)</b>
<b>Income tax recognised in the Statement of profit and loss (A+B)</b>	<b>4,875.91</b>	<b>2,248.17</b>
Income tax expenses recognised in OCI		
Re-measurement of defined employee benefit plans	(9.55)	(3.68)
Income tax relating to items that will not be classified to profit and loss	-	-
<b>Total</b>	<b>(9.55)</b>	<b>(3.68)</b>

**C. Reconciliation of tax expenses and the accounting profit for the year are as under:**

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Profit before tax	19,197.49	11,893.78
Other comprehensive income	(28.75)	13.65
<b>Total</b>	<b>19,168.74</b>	<b>11,907.43</b>
Enacted tax rate in India	25.17%	25.17%
Income tax expenses calculated (refer note below)	4,824.39	3,075.99
Tax on expense not tax deductible	124.80	111.52
Tax on income exempt from tax	(21.44)	(137.38)
Tax on income at special rate	(17.12)	-
Current tax in respect of previous years	(29.23)	(801.95)
Others	(5.49)	(0.01)
<b>Total tax expenses as per profit and loss</b>	<b>4,875.91</b>	<b>2,248.17</b>

The Taxation Laws (Amendment) Ordinance, 2019, provide domestic companies a non-reversible option to pay corporate tax at concessional rate effective from 1 April 2019, subject to certain conditions. The parent company has adopted the reduced rates during the year ended 31 March 2020. All the subsidiaries incorporated in India except Geojit Techloan Private Limited, Geojit IFSC Limited and Geojit Investments Limited have also adopted the reduced rates.

**D. Deferred tax assets and liabilities**

**As at 31 March 2024**

Movement during the year ended	As at	Credit/(charge)	Credit/(charge) in	Effect of foreign	As at
31 March 2024	1 April 2023	in the Statement	Other comprehensive	currency exchange	31 March 2024
		of profit and loss	income	differences	
Property, plant and equipment and other intangible assets	(671.23)	(256.28)	-	-	(927.51)
Impairment loss allowance	274.38	9.85	-	-	284.23
Employee benefits	134.50	25.77	9.55	-	169.82
Investments	0.83	(0.83)	-	-	-
Lease liabilities and other temporary differences	1,002.19	280.44	-	(0.08)	1,282.55
<b>Net deferred tax assets / (liabilities)</b>	<b>740.67</b>	<b>58.95</b>	<b>9.55</b>	<b>(0.08)</b>	<b>809.09</b>

**As at 31 March 2023**

Movement during the year ended	As at	Credit/(charge)	Credit/(charge) in	Effect of foreign	As at
31 March 2023	1 April 2022	in the Statement	Other comprehensive	currency exchange	31 March 2023
		of profit and loss	income	differences	
Property, plant and equipment and other intangible assets	(419.72)	(251.51)	-	-	(671.23)
Impairment loss allowance	189.10	85.28	-	-	274.38
Employee benefits	107.03	23.79	3.68	-	134.50
Investments	(0.86)	1.69	-	-	0.83
Lease liabilities and other temporary differences	732.64	269.55	-	-	1,002.19
<b>Net deferred tax assets / (liabilities)</b>	<b>608.19</b>	<b>128.80</b>	<b>3.68</b>	<b>-</b>	<b>740.67</b>

**Geojit Financial Services Limited**
**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**36 Employee Stock Option Plans**

(A) Details of options granted are as follows:

Particulars	ESOP 2016 - Grant 1	ESOP 2016 - Grant 2	ESOP 2016 - Grant 5	ESOP 2016 - Grant 6	ESOP 2016 - Grant 7	ESOP 2016 - Grant 8
Date of grant	4 August 2016	2 September 2017	23 April 2018	6 December 2018	26 March 2019	6 February 2020
Date of Nomination and Remuneration Committee approval	4 August 2016	2 September 2017	23 April 2018	6 December 2018	26 March 2019	6 February 2020
Date of shareholder approval	4 August 2016	4 August 2016	4 August 2016	4 August 2016	4 August 2016	4 August 2016
Eligible employees	All	All	All	All	All	All
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
No. of equity shares for each option	One option = One share	One option = One share	One option = One share	One option = One share	One option = One share	One option = One share
No. of options granted	8,079,340	1,197,312	261,250	749,660	1,278,698	159,691
Exercise price	Rs. 41.60	Rs. 117.40	Rs. 101.15	Rs. 44.10	Rs. 39.75	Rs. 27.60
Vesting period and manner of vesting	In a graded manner over 4 years commencing from 01 October 2017	In a graded manner over 3 years commencing from 01 October 2018	Immediate vesting on 01 October 2019	In a graded manner over 2 years commencing from 01 October 2020	In a graded manner over 2 years commencing from 01 October 2020	Immediate vesting on 01 October 2021
Vesting condition	Continuation in the services of the Company and such other conditions as may be formulated by the Nomination and Remuneration Committee from time to time					
Exercise period	3 to 4 years from vesting date	3 to 4 years from vesting date	3 years from vesting date	3 to 4 years from vesting date	3 to 4 years from vesting date	3 years from vesting date
No. of options outstanding at the beginning of the year	4,385	432	-	1,020	75,778	21,864
	(218,642)	(1,695)	(164,877)	(1,633)	(81,751)	(25,559)
Add: No. of options granted during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Less: No. of options forfeited on resignation / lapsed due to non-exercise during the year	-	-	-	989	67,904	1,180
	(214,015)	(1,263)	(156,277)	(613)	(1,916)	(1,998)
Less: No. of options exercised during the year	-	-	-	-	7,615	1,647
	(242)	(-)	(8,600)	(-)	(4,057)	(1,697)
No. of options outstanding at the end of the year	4,385	432	-	31	259	19,037
	(4,385)	(432)	(-)	(1,020)	(75,778)	(21,864)
No. of options vested during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
No. of options exercisable at year end	4,385	432	-	31	259	19,037
	(4,385)	(432)	(-)	(1,020)	(75,778)	(21,864)
No. of options available for grant at year end	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Weighted average remaining contractual life of options outstanding at year end	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(0.03 year)

Note: Previous year figures are given in brackets.

**Geojit Financial Services Limited**
**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**36 Employee Stock Option Plans (contd..)**

(A) Details of options granted are as follows:

Particulars	ESOP 2016 - Grant 9	ESOP 2017 Tranche 1	ESOP 2017 Special-1	ESOP 2017 Tranche 2	ESOP 2017 Special-2	ESOP 2017 Special-3
Date of grant	2 November 2020	23 January 2018	16 May 2018	26 March 2019	29 May 2019	14 May 2021
Date of Nomination and Remuneration Committee approval	2 November 2020	23 January 2018	16 May 2018	26 March 2019	29 May 2019	14 May 2021
Date of shareholder approval	4 August 2016	22 November 2017	22 November 2017	22 November 2017	22 November 2017	22 November 2017
Eligible employees	All	All	Specified employees	All	Specified employees	Specified employees
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
No. of equity shares for each option	One option = One share	One option = One share	One option = One share	One option = One share	One option = One share	One option = One share
No. of options granted	17,530	1,073,780	400,000	1,072,516	90,000	100,000
Exercise price	Rs. 39.45	Rs. 117.35	Rs. 98.20	Rs. 39.75	Rs. 38.75	Rs.63.70
Vesting period and manner of vesting	Immediate vesting on 01 October 2022	Immediate vesting on 01 February 2019	In a graded manner over 4 years commencing from 01 June 2019	Immediate vesting on 01 April 2020	In a graded manner over 4 years commencing from 01 June 2020	In a graded manner over 3 years commencing from 01 June 2022

Vesting condition

Continuation in the services of the Company and such other conditions as may be formulated by the Nomination and Remuneration Committee from time to time

Exercise period	2 years from vesting date	3 years from vesting date	3 years from vesting date	3 years from vesting date	3 years from vesting date	2-3 years from vesting date
No. of options outstanding at the beginning of the year	13,616	-	37,500	6,318	45,000	100,000
Add: No. of options granted during the year	(15,272)	(-)	(84,875)	(464,920)	(83,000)	(100,000)
Less: No. of options forfeited on resignation / lapsed due to non-exercise during the year	-	-	-	-	-	-
Less: No. of options exercised during the year	(-)	(-)	(-)	(-)	(-)	(-)
No. of options outstanding at the end of the year	460	-	12,500	4,608	5,500	3,333
	(1,656)	(-)	(47,375)	(415,011)	(-)	(-)
	1,308	-	-	1,710	39,500	-
	(-)	(-)	(-)	(43,591)	(38,000)	(-)
No. of options vested during the year	11,848	-	25,000	-	-	96,667
	(13,616)	(-)	(37,500)	(6,318)	(45,000)	(100,000)
No. of options exercisable at year end	-	-	-	-	17,000	30,000
	(13,900)	(-)	(12,500)	(-)	(22,500)	(33,333)
No. of options available for grant at year end	11,848	-	25,000	-	-	63,333
	(13,616)	(-)	(37,500)	(6,318)	(22,500)	(33,333)
	-	4,016,738	-	-	-	-
	(-)	(3,990,797)	(-)	(-)	(-)	(-)
Weighted average remaining contractual life of options outstanding at year end	0.1 years	-	-	-	-	0.8 years
	(1.1 years)	(-)	(-)	(-)	(0.2 years)	(1.8 years)

Note: Previous year figures are given in brackets.

**Geojit Financial Services Limited**

**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**36 Employee Stock Option Plans (contd..)**

(B) Accounting of employee share based compensation cost:

The Company has adopted 'fair value method' for accounting employee share based compensation cost. Under the fair value method, fair value of options are expensed on straight-line basis over the vesting period as employee share based compensation cost. The expected forfeiture rate per annum is 10% for all ESOP schemes (31 March 2023: 10%).

(C) Details of fair value method of accounting for employee compensation cost using Black-Scholes options pricing model are as follows:

Plan	ESOP 2016 - Grant 1	ESOP 2016 - Grant 2	ESOP 2016 - Grant 5	ESOP 2016 - Grant 6	ESOP 2016 - Grant 7	ESOP 2016 - Grant 8
Weighted average fair value per option (Rs.)	13.45	37.48	27.58	12.67	11.15	7.96
Market price relevant for grant (Rs.)	41.60	117.40	101.15	44.10	39.75	27.60
Weighted average share price as on the date of exercise during the year (Rs.)	NA	NA	NA	NA	31 Oct 23 - 59.95	28 Apr 23 - 44.90 28 Jul 23 - 47.55 31 Oct 23 - 59.95 31 Jan 24 - 85.70
Expected annual volatility of shares	35%	37%	39%	37%	39%	36%
Expected dividend yield	2.00%	1.20%	2.20%	2.20%	2.20%	2.20%
Risk free interest rate	6.70% - 6.90%	6.10% - 6.30%	7.00%	6.90% - 7.00%	6.50% - 6.60%	5.80%
Expected life (in years)	2.7 - 5.7	2.6 - 4.6	2.5	2.8 - 3.3	2.5 - 3.0	3.2

Plan	ESOP 2016 - Grant 9	ESOP 2017 Tranche 1	ESOP 2017 Special-1	ESOP 2017 Tranche 2	ESOP 2017 Special-2	ESOP 2017 Special-3
Weighted average fair value per option (Rs.)	15.00	33.77	33.59	10.74	12.43	23.20
Market price relevant for grant (Rs.)	39.45	117.35	98.20	39.75	38.75	63.70
Weighted average share price as on the date of exercise during the year (Rs.)	28 Jul 23 - 47.55 31 Oct 23 - 59.95 31 Jan 24 - 85.70	NA	NA	28 Apr 23 - 44.90	31 Oct 23 - 59.95	NA
Expected annual volatility of shares	57%	39%	39%	39%	39%	56%
Expected dividend yield	3.00%	1.20%	2.20%	2.20%	2.58%	3.45%
Risk free interest rate	4.70%	6.70%	7.20%-7.70%	6.50%	6.30%-6.70%	4.70%-5.40%
Expected life (in years)	3.5	2.5	2.5-5.5	2.5	2.5-5.5	2.5-4.6

Annualised volatility is computed using the high and low market price of the Company's share over the one year period prior to the date of grant. It is assumed that employees would exercise the options immediately on vesting. The historical volatility of the Company's share price is higher than the volatility considered above. However, the Company expects the volatility of its share price to reduce as it matures.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

**37 Employee benefits**

**General description of defined benefit plans**

**(i) Defined contribution plan – Provident Fund**

The Group makes Provident Fund contribution for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group has recognised Rs. 665.25 lakhs (31 March 2023: Rs.585.57 lakhs) towards Provident Fund contribution in the consolidated statement of profit and loss. The contributions payable to this plan by the Group are at the rates specified in the rules of the scheme.

**(ii) Defined benefit plan – Gratuity**

The Group provides gratuity benefit to its employees (included as part of 'Contribution to provident and other funds' in Note 30 Employee benefits expense), which is funded with Life Insurance Corporation of India.

**Details of defined benefit plans as per actuarial valuation are as follows**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Amount recognised in the statement of Profit and Loss</b>		
Current service cost	107.94	96.93
Past service cost	45.73	-
Net interest cost	2.55	3.58
<b>Total expenses included in employee benefit expenses</b>	<b>156.22</b>	<b>100.51</b>
<b>II. Amount recognised in other comprehensive income</b>		
<b>Remeasurement (gains)/ losses:</b>		
a) Actuarial (gain)/ losses arising from changes in		
- demographic assumptions	-	3.40
- financial assumptions	5.61	(15.83)
- experience assumptions	45.66	47.82
b) Return on plan assets, excluding amount included in net interest expense /	(12.95)	(20.19)
<b>Total amount recognised in other comprehensive income</b>	<b>38.32</b>	<b>15.20</b>
<b>III. Changes in the defined benefit obligation</b>		
Opening defined benefit obligation	1,181.72	1,068.91
Current service cost	107.94	96.93
Past service cost	45.73	-
Interest expense	83.90	66.47
Remeasurement (gains)/losses arising from changes in -		
- demographic assumptions	-	3.40
- financial assumptions	5.61	(15.83)
- experience adjustments	45.66	47.82
Benefits paid	(57.84)	(85.98)
Closing defined benefit obligation	<b>1,412.72</b>	<b>1,181.72</b>
<b>IV. Change in fair value of plan assets during the year</b>		
Opening fair value of plan assets	1,075.67	1,030.26
Transfer In/ (Out)		
Interest income	81.35	62.89
Expected return on plan assets	12.94	20.14
Actual group contributions	192.04	48.30
Remeasurement (gains)/ losses arising from changes in -		
- financial assumptions	-	0.05
Actual benefits paid	(57.84)	(85.98)
Closing fair value of plan assets	<b>1,304.16</b>	<b>1,075.66</b>
Expected employer contribution for the next year	158.00	55.00
<b>V. Net defined benefit obligation</b>		
Defined benefit obligation	1,412.72	1,181.72
Fair value of plan assets	1,304.16	1,075.66
Deficit *	<b>108.56</b>	<b>106.06</b>
Non current portion of the above	108.56	106.06
* Included under		
Provisions (Refer note 17)	108.56	106.06
	<b>108.56</b>	<b>106.06</b>
<b>Investment details of plan assets</b>		
Insurer managed assets	1,304.16	1,075.66
Others	-	-
	<b>1,304.16</b>	<b>1,075.66</b>

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

**37 Employee benefits (contd..)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Actuarial assumptions and sensitivity</b>		
Discount rate (p.a.)	7.00%	7.10%
Attrition rate	Below 35 years: 36% 35 years & above: 17%	Below 35 years: 36% 35 years & above: 17%
Expected return on plan assets	7.10%	6.20% - 6.50%
Rate of salary increase	6.00% - 7.50%	6.00% - 7.50%
In- service Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
<b>II. Quantitative sensitivity analysis for input of significant assumptions on defined benefit obligations are as follows</b>		
One percentage point increase in discount rate	(50.77)	(44.74)
One percentage point decrease in discount rate	54.76	48.52
One percentage point increase in salary growth rate	54.74	48.55
One percentage point decrease in salary growth rate	(48.73)	(45.58)
<b>III. Maturity profile of defined benefit obligation</b>		
The weighted average expected remaining lifetime of the plan members as at the date of valuation.	2 - 5 years	2 - 5 years
<b>Actuarial assumptions for compensated absences</b>		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Actuarial assumptions and sensitivity</b>		
Discount rate (p.a.)	7.00%	7.10%
Rate of salary increase	6.00% - 7.50%	6.00% - 7.50%
Attrition rate over different age brackets	Below 35 years: 36% 35 years & above: 17%	Below 35 years: 36% 35 years & above: 17%

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

**38 Leases**

**As a lessee**

The Group's lease asset classes primarily consist of leases for office premises. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short term leases, the Group recognises lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability. They are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Group.

**a) Additions to right-of-use asset**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Right-of-use assets	2,287.61	2,281.53

**b) Carrying value of right-of-use asset**

Particulars	As at 31 March 2024	As at 31 March 2023
Right-of-use asset as on the opening date	3,902.57	2,796.32
Additions during the year	2,287.61	2,281.53
Disposals during the year	-	-
Amortisation for the year	(1,264.38)	(1,175.28)
Effect of foreign currency exchange differences	0.14	-
<b>Balance as at the year end</b>	<b>4,925.94</b>	<b>3,902.57</b>

**c) Movement of lease liability**

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	3,674.74	3,116.82
Additions during the year	2,195.48	2,100.05
Finance cost accrued during the year	385.99	331.56
Payment of lease liabilities	(1,512.52)	(1,873.69)
<b>Balance as at the year end</b>	<b>4,743.69</b>	<b>3,674.74</b>

**d) Maturity analysis of lease liability**

Maturity analysis - Contractual undiscounted cash flows	As at 31 March 2024	As at 31 March 2023
Less than 1 year	1,514.76	1,288.27
One to five years	4,036.65	2,868.79
More than 5 years	603.53	531.73
Total undiscounted lease liability	<b>6,154.94</b>	<b>4,688.79</b>
Lease liabilities included in the balance sheet	<b>4,743.69</b>	<b>3,674.74</b>

**e) Amounts recognised in profit or loss**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	385.98	331.56
Expenses relating to short-term leases	313.51	306.89
Amortisation on right-of-use asset	1,264.38	1,175.28

**f) Amounts recognised in cash flow statements**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest paid on lease liabilities	385.98	331.56
Repayment of lease liabilities	1,126.54	1,058.92

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

**39 Details of assets under the portfolio management scheme are as follows:**

Particulars	As at	
	31 March 2024	31 March 2023
Number of clients	1,394	876
Original cost of assets under management	72,702.17	36,119.39
Represented by:		
(a) Bank balance	3,853.77	1,879.45
(b) Cost of portfolio holdings	68,848.40	34,239.94
Total	72,702.17	36,119.39
Net asset value of portfolio under management	91,548.73	45,041.31

**40 Financial instruments**

**A. Accounting classification**

Refer to financial instruments by category table below for the disclosure on carrying value and fair value on financial assets and liabilities. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The carrying value of financial instruments by categories as of 31 March 2024 is as follows:

Particulars	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
<b>Assets</b>					
Cash and cash equivalents	14,718.99	-	-	14,718.99	14,718.99
Other balances with banks	92,583.75	-	-	92,583.75	92,583.75
Trade receivables	11,422.06	-	-	11,422.06	11,422.06
Loans	52,576.67	-	-	52,576.67	52,576.67
Investments (excluding joint venture and associate)	-	49.41	-	49.41	49.41
Other financial assets	14,607.13	-	-	14,607.13	14,607.13
<b>Total</b>	<b>185,908.60</b>	<b>49.41</b>	<b>-</b>	<b>185,958.01</b>	<b>185,958.01</b>
<b>Liabilities</b>					
Trade payables	4,730.25	-	-	4,730.25	4,730.25
Borrowings	35,022.41	-	-	35,022.41	35,022.41
Lease liabilities	4,743.69	-	-	4,743.69	4,743.69
Other financial liabilities	64,166.80	-	-	64,166.80	64,166.80
<b>Total</b>	<b>108,663.15</b>	<b>-</b>	<b>-</b>	<b>108,663.15</b>	<b>108,663.15</b>

The carrying value of financial instruments by categories as of 31 March 2023 is as follows:

Particulars	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
<b>Assets</b>					
Cash and cash equivalents	7,609.00	-	-	7,609.00	7,609.00
Other balances with banks	64,101.38	-	-	64,101.38	64,101.38
Trade receivables	9,884.10	-	-	9,884.10	9,884.10
Loans	29,153.32	-	-	29,153.32	29,153.32
Investments (excluding joint venture and associate)	-	40.83	-	40.83	40.83
Other financial assets	6,061.34	-	-	6,061.34	6,061.34
<b>Total</b>	<b>116,809.14</b>	<b>40.83</b>	<b>-</b>	<b>116,849.97</b>	<b>116,849.97</b>
<b>Liabilities</b>					
Trade payables	1,962.98	-	-	1,962.98	1,962.98
Borrowings	7,751.62	-	-	7,751.62	7,751.62
Lease liabilities	3,674.74	-	-	3,674.74	3,674.74
Other financial liabilities	37,075.92	-	-	37,075.92	37,075.92
<b>Total</b>	<b>50,465.26</b>	<b>-</b>	<b>-</b>	<b>50,465.26</b>	<b>50,465.26</b>



**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**

**40 Financial instruments (contd..)**

**B. Measurement of fair value**

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.

The investments included in Level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in Level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investment included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in inputs used for measuring Level 3 fair value.

**Valuation technique used to determine fair value**

Specific value techniques used to value financial instruments include:

- the use of quoted market prices for listed instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of remaining financial instruments is determined using market comparables, discounted cash flow analysis.

The following table summarises financial instruments measured at fair value on recurring basis:

**As at 31 March 2024**

Particulars	Level 1	Level 2	Level 3	Total
Financial instruments:				
Mutual fund units	-	8.58	-	8.58
Equity shares	-	-	40.83	40.83
<b>Total</b>	<b>-</b>	<b>8.58</b>	<b>40.83</b>	<b>49.41</b>

**As at 31 March 2023**

Particulars	Level 1	Level 2	Level 3	Total
Financial instruments:				
Equity shares	-	-	40.83	40.83
<b>Total</b>	<b>-</b>	<b>-</b>	<b>40.83</b>	<b>40.83</b>

**C. Financial assets and liabilities subject to offsetting, netting arrangements**

Exchange settlement obligations (disclosed as a part of other financial assets and liabilities) are subject to netting as the Group intends to settle it on a net basis. The table below presents the gross balances of asset and liability.

Effects on consolidated balance sheet - Exchange settlement obligations

Particulars	Gross amount	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
<b>As at 31 March 2024</b>			
Receivable from stock exchanges under Other financial assets	9,666.33	3,174.58	6,491.75
Payables to stock exchanges under Other financial liabilities	99.40	43.27	56.13
<b>As at 31 March 2023</b>			
Receivable from stock exchanges under Other financial assets	5,828.20	1,904.94	3,923.26
Payables to stock exchanges under Other financial liabilities	1.98	0.08	1.90

**40 Financial instruments (contd..)**

**D. Financial risk management**

The Group has exposure to the following risk arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

**Risk management framework**

The Group has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Group has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Group's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialised departments such as risk management, Internal Permanent Control and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

**a) Credit risk:**

It is risk of financial loss that the Group will incur a loss because its customer and counterparty to financial instruments fails to meet its contractual obligation.

The Group's financial assets comprise of Cash and bank balance, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from Group's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

Particulars	As at	As at
	31 March 2024	31 March 2023
Trade receivables (net of impairment)	11,422.06	9,884.10
Loans (net of impairment)	52,576.67	29,153.32
Contract assets - unbilled	285.20	232.55
<b>Total</b>	<b>64,283.93</b>	<b>39,269.97</b>

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
 (All amounts in Indian Rupees lakhs)

**40 Financial instruments (contd..)**

**D. Financial risk management (contd..)**

**a) Credit risk(contd..):**

**Trade receivables, loans and other financial assets:**

The Group has followed simplified approach for measurement of expected credit loss in case of receivables and loans. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk. Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables and loans are in default based on the due dates of the respective financial assets.

Movement in the allowances for impairment in respect of trade receivables, loans and other financial assets are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade receivables</b>		
Opening balance	891.66	656.09
Amount written off	(15.76)	(20.94)
Additional provision	16.68	256.51
<b>Closing balance</b>	<b>892.58</b>	<b>891.66</b>
<b>Loans</b>		
Opening balance	12,640.46	12,663.24
Amount written off	(70.34)	-
Provision written back	(8.65)	(22.78)
Additional provision	-	-
<b>Closing balance</b>	<b>12,561.47</b>	<b>12,640.46</b>
<b>Other financial assets</b>		
Opening balance	49.45	58.58
Amount written off	(1.52)	(3.87)
Provision written back	-	(5.26)
Additional provision	-	-
<b>Closing balance</b>	<b>47.93</b>	<b>49.45</b>

**Geojit Financial Services Limited**

**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**40 Financial instruments (contd..)**

**D. Financial risk management (contd..)**

**a) Credit risk(contd..):**

The Group applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance (ECL) for all trade receivables. The application of simplified approach does not require the Group 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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics as follows:

- Receivable from Brokerage (Secured by collaterals mainly in form of Securities of listed Group)
- Receivable from Depository (Secured by collaterals mainly in form of Securities of listed Group)
- Other receivables

**Receivable from brokerage**

Trade receivable of the Group are of short duration with credit period ranging up to maximum 30 days. The Group has computed expected credit loss where there is significant delay in collection by grouping under various aging categories and based on historical data of probability of Default is applied to arrive at ECL. For receivables aged over 90 days, probability of default is 100% and 100% ECL provision is made.

Bucketing	As at 31 March 2024			As at 31 March 2023		
	Carrying value	Average loss rate	ECL	Carrying value	Average loss rate	ECL
Less than 90 days	4,972.85	0.04%	2.13	3,110.31	0.05%	1.48
More than 90 days	69.70	100.00%	69.70	89.27	100.00%	89.27
<b>Total</b>	<b>5,042.55</b>		<b>71.83</b>	<b>3,199.58</b>		<b>90.75</b>

**Receivable from depository**

Depository receivables are secured by collaterals in the form of securities. Based on historical data, probability of default for various categories based on a matrix of collateral coverage and ageing is determined.

Bucketing	As at 31 March 2024			As at 31 March 2023		
	Carrying value	Average loss rate	ECL	Carrying value	Average loss rate	ECL
0-3 years	2,129.31	9.58%	203.94	1,887.29	13.05%	246.35
More than 3 years	2,169.87	25.42%	551.62	2,003.57	24.81%	497.04
<b>Total</b>	<b>4,299.18</b>		<b>755.56</b>	<b>3,890.86</b>		<b>743.39</b>

**Other receivables**

The Group has computed expected credit loss where there is significant delay in collection by grouping under various aging categories and based on historical data of probability of default is applied to arrive at ECL.

Bucketing	As at 31 March 2024			As at 31 March 2023		
	Carrying value	Average loss rate	ECL	Carrying value	Average loss rate	ECL
Less than 180 days	2,665.45	1.33%	35.44	3,031.67	0.97%	29.35
More than 180 days	307.46	9.68%	29.75	653.65	4.31%	28.17
<b>Total</b>	<b>2,972.91</b>		<b>65.19</b>	<b>3,685.32</b>		<b>57.52</b>

**Collaterals held**

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following tables sets out the principal types of collateral held against different types of financial assets.

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at	As at	
	31 March 2024	31 March 2023	
Trade Receivables	68.65%	74.18%	Collateral in the form of client holdings
Loans *	80.68%	69.63%	Collateral in the form of client holdings

\* on gross basis

**Other financial assets considered to have a low credit risk:**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

Investments comprise of equity investments in joint ventures and associate, debt mutual funds which are market tradeable.

**Geojit Financial Services Limited**  
**Notes forming part of the consolidated financial statements (contd..)**  
(All amounts in Indian Rupees lakhs)

**40 Financial instruments (contd..)**

**D. Financial risk management (contd..)**

**b) Liquidity risk**

Liquidity represents the ability of the Group to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash flow at reasonable cost to meet expected and/or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings utilising overdraft facility from bank.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at 31 March 2024

<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 to 12 months</b>	<b>More than 1 year</b>	<b>Total</b>
<b>Assets</b>				
Cash and bank balances	73,932.80	32,707.28	662.66	107,302.74
Trade receivables	11,422.06	-	-	11,422.06
Loans	50,493.30	2,065.63	17.74	52,576.67
Investments (excluding joint venture and associate)	-	-	49.41	49.41
Other financial assets	7,354.34	85.50	7,167.29	14,607.13
<b>Total</b>	<b>143,202.50</b>	<b>34,858.41</b>	<b>7,897.10</b>	<b>185,958.01</b>
<b>Liabilities</b>				
Trade payables	4,730.25	-	-	4,730.25
Borrowings	35,022.41	-	-	35,022.41
Lease liabilities	781.90	732.87	4,640.17	6,154.94
Other financial liabilities	64,141.20	-	25.60	64,166.80
<b>Total</b>	<b>104,675.76</b>	<b>732.87</b>	<b>4,665.77</b>	<b>110,074.40</b>
	<b>38,526.74</b>	<b>34,125.54</b>	<b>3,231.33</b>	<b>75,883.61</b>

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at 31 March 2023

<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 to 12 months</b>	<b>More than 1 year</b>	<b>Total</b>
<b>Assets</b>				
Cash and bank balances	32,259.90	39,235.43	215.05	71,710.38
Trade receivables	9,884.10	-	-	9,884.10
Loans	26,268.07	2,851.56	33.69	29,153.32
Investments (excluding joint venture and associate)	-	-	40.83	40.83
Other financial assets	4,417.18	133.67	1,510.49	6,061.34
<b>Total</b>	<b>72,829.25</b>	<b>42,220.66</b>	<b>1,800.06</b>	<b>116,849.97</b>
<b>Liabilities</b>				
Trade payables	1,962.98	-	-	1,962.98
Borrowings	7,751.62	-	-	7,751.62
Lease liabilities	679.17	609.10	3,400.52	4,688.79
Other financial liabilities	37,009.45	-	66.47	37,075.92
<b>Total</b>	<b>47,403.22</b>	<b>609.10</b>	<b>3,466.99</b>	<b>51,479.31</b>
	<b>25,426.03</b>	<b>41,611.56</b>	<b>(1,666.93)</b>	<b>65,370.66</b>

**40 Financial instruments (contd..)**

**D. Financial risk management (contd..)**

**c) Market risk**

Market risk arises when movements in market factors (foreign exchange rates, interest rates credit spreads and equity prices) impact the Group's income or the market value of its portfolios. The Group, in its course of business is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximise returns. The Group classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analysis:

- i) Equity price risk
- ii) Interest rate risk
- iii) Currency risk

**i) Equity price risk**

The Group doesnot have proprietary trading positions in equity. In respect of the client positions, the risk is managed through risk based margin requirements and hence the Group do not envisage a substantial equity price risk.

**ii) Interest rate risk**

The Group's exposure to interest rate risks arises primarily due to the short term investments in debt mutual funds.

An increase of 5 percent in net assets value (NAV) would increase profit and loss by approximately Rs.0.43 lakhs (31 March 2023 : Nil). A similar percentage decrease would have resulted in equivalent opposite impact.

The non-traded financial assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Group's statement of profit and loss.

**iii) Foreign exchange risk/ Currency risk**

The financial risks arising to the Group include foreign exchange risk. As a part of group's risk management policy, the exchange risks arising from foreign currency fluctuations are hedged by forward contracts designated as cash flow hedges. The fair value of derivative contracts is determined based on the mark to market price i.e. the price that would be paid/received to transfer a liability/asset as at the reporting date.

**Exposures in foreign currency:**

Assets	Foreign Currency	As at 31 March 2024		As at 31 March 2023	
		Amount in Foreign currency	Amount in Rs. lakhs	Amount in Foreign currency	Amount in Rs. lakhs
Receivables (trade & other)	US Dollars	40,810	33.92	93,603	77.26
Unhedged receivable		40,810	33.92	93,603	77.26
Receivables (trade & other)	Euro	41,672	37.59	15,800	13.97
Hedges by derivative contracts		-	-	-	-
Unhedged receivable		41,672	37.59	15,800	13.97
Receivables (trade & other)	AED	64,500	14.60	64,500	14.46
Unhedged receivable		64,500	14.60	64,500	14.46

The following table details the Group's sensitivity to a 1% increase and decrease in the rupee against relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rates, with all other variables held constant.

**Increase/ (decrease) in statement of profit and loss/ equity for a 1% change**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
INR / USD	0.34	(0.34)	0.77	(0.77)
INR / EUR	0.38	(0.38)	0.14	(0.14)
INR / AED	0.15	(0.15)	0.14	(0.14)

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**41 Related party disclosures****(i) Names of related parties and description of relationship with the Company:**

<b>Nature of relationship</b>	<b>Name of related party</b>
<b>Subsidiaries, joint ventures and associate</b> [Refer note 2 (ii)]	
<b>Related parties with whom the Company had transactions during the year</b>	
Entity having significant interest in the Company	BNP Paribas SA
Key management personnel / Directors	Mr. C. J. George, Managing Director Mr. Satish Menon, Wholetime Director Mr. A Balakrishnan, Wholetime Director Mr. Jones George, Wholetime Director Mr. R Bupathy, Independent Director Mr. Mahesh Vyas, Independent Director Mr. Radhakrishnan Nair, Independent Director Mr. Punnoose George, Non executive Director Mr. M G Rajamanickam, Nominee Director (till 5 August 2022) Mr. Harikishore Subramanian, Nominee Director (wef 5 August 2022) Ms. Alice Geevarghese Vaidyan, Independent Director Mr. Rajan Krishnanath Medhekar, Independent Director Mr. M P Vijay Kumar, Independent Director Mr. Sebastian Morris, Independent Director Mrs. Mini Nair, Chief Financial Officer Mr. Liju K. Johnson, Company Secretary
Relative of key management personnel	Mr. Jyothis Abraham George Ms. Susan Raju Ms. Sally Sampath Ms. Saramma Thomas Ms. Renuka Bupathy Ms. Saramma George Ms. Mini Susan John Ms. Sangeeta Kamath Ms. Bindu Balakrishnan Ms. Ann Susan John Mr. Nikhil George Punnoose Mr. Nidhin Abraham Punnoose Ms. Susan Ann Abraham Ms. Nisha James
Entity over which relative of key management personnel has control	Geofin Comtrade Limited CJG Holdings India Private Limited
Trust under the control of the Company	Geojit Foundation

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**41 Related party disclosures (contd..)****(ii) Related party transactions**

Name of related party	Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
BNP Paribas SA	Dividend paid	884.71	2,082.48
	Software income	4.65	-
Barjeel Geojit Financial Services LLC	Marketing fees	1,193.07	771.36
	Expenses recovered	14.45	2.26
	Software income	65.84	67.07
BBK Geojit Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC')	Marketing fees	175.45	109.40
Mr. C. J. George	Salary and allowances	346.28	293.79
	Post employment benefits	0.31	1.15
	Dividend paid	649.70	1,299.40
	Loan taken	1,900.00	-
	Loan repaid	1,900.00	-
	Interest on loan taken	12.52	-
Mr. Satish Menon	Salary and allowances	166.56	123.23
	Post employment benefits	0.67	0.64
	Brokerage income	0.28	-
	Depository income	*	*
	Dividend paid	11.52	23.05
Mr. A Balakrishnan	Salary and allowances	166.49	122.71
	Post employment benefits	0.33	0.41
	Brokerage income	0.03	0.05
	Depository income	*	*
	Dividend paid	3.80	7.60
Mr. Jones George	Salary and allowances	111.25	65.37
	Post employment benefits	2.04	1.16
	Brokerage income	*	0.03
	Depository income	*	0.04
	Dividend paid	46.50	93.00
Non-executive Directors	Sitting fee	88.11	72.46
	Dividend paid	150.27	300.54
	Brokerage income	0.06	0.07
	Depository income	*	0.01
	Rent paid	0.65	-
	Portfolio management services income	0.80	0.56
Other Key Management Personnel	Salary and allowances	106.12	90.50
	Post employment benefits	2.15	0.70
	Brokerage income	*	*
Relative of key management personnel	Salary and allowances	-	1.17
	Brokerage income	0.43	0.86
	Depository income	0.05	0.08
	Dividend paid	51.97	93.28
	Rent paid	0.31	0.77
	Portfolio management services income	1.97	2.62
Geofin Comtrade Limited	Cost recovery for shared services	0.08	0.80
	Software services	0.90	-
	Rental income	0.36	2.62
	Rent deposit refunded	1.00	-
C J G Holdings India Private Limited	Loan taken	5,180.00	-
	Loan repaid	1,720.00	-
	Interest on loan taken	121.15	-



**Geojit Financial Services Limited**

**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

Geojit Foundation	Corporate social responsibility expenses	261.79	166.73
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\* The amount is below the rounding off norms adopted by the Company.

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**41 Related party disclosures (contd..)****(iii) Amount outstanding as at the balance sheet date**

Name of related party	Nature of transaction	Receivable / (payable) as at 31 March 2024	Receivable / (payable) as at 31 March 2023
BNP Paribas SA	Other non financial liabilities - Unearned income	(3.69)	-
	Trade receivables	5.79	-
Barjeel Geojit Financial Services LLC	Trade payables - Marketing fee	(712.63)	(153.62)
	Loans - receivable	3.12	0.13
	Trade receivables	17.15	18.13
	Advance from customers	-	(2.76)
BBK Geojit Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC')	Trade payables - Marketing fee	(60.55)	(7.60)
Mr. C. J. George	Accrued salaries and benefits	(92.87)	(80.56)
Mr. Satish Menon	Accrued salaries and benefits	(94.21)	(56.04)
Mr. A Balakrishnan	Accrued salaries and benefits	(94.21)	(56.04)
Mr. Jones George	Accrued salaries and benefits	(47.11)	(28.02)
Other Key Management Personnel	Accrued salaries and benefits	(18.84)	(11.21)
Non executive Directors	Other financial liabilities - PMS balance	(3.46)	(1.16)
Relative of key management personnel	Other financial liabilities - Client balance	(2.93)	(1.10)
	Trade receivables - Client balance	*	-
	Other financial liabilities - PMS balance	(2.89)	(4.23)
Geofin Comtrade Limited	Other financial liabilities - Rent deposits	-	(1.00)
CJG Holdings India Private Limited	Borrowings	3,460.00	-

\* The amount is below the rounding off norms adopted by the Company.

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

42 Additional information on net assets and share of profits of the Company, its subsidiaries, associates and joint ventures as considered in the Consolidated Financial Statements (as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013):

Name of the entity	As at 31 March 2024		Year ended 31 March 2024		Year ended 31 March 2024		Year ended 31 March 2024	
	Net assets (i.e., total assets minus total liabilities)		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in lakhs	As % of consolidated profit or loss	Amount Rs. in lakhs	As % of other comprehensive income	Amount Rs. in lakhs	As % of total comprehensive income	Amount Rs. in lakhs
A. Parent:								
Geojit Financial Services Limited	82%	67,864.35	92%	13,393.63	120%	(28.76)	92%	13,364.87
B. Subsidiaries:								
Indian:								
Geojit Investments Limited	0%	13.62	0%	(16.38)	0%	-	0%	(16.38)
Geojit Technologies Private Limited	26%	21,721.80	7%	1,081.75	(1%)	0.35	7%	1,082.10
Geojit Credits Private Limited	1%	1,050.02	1%	85.26	2%	(0.36)	1%	84.90
Geojit Techloan Private Limited	0%	233.11	0%	9.97	0%	-	0%	9.97
Geojit IFSC Limited	0%	125.49	0%	(50.79)	(15%)	3.61	0%	(47.18)
Foreign:								
Qurum Business Group Geojit Securities LLC, Oman	1%	579.10	1%	141.35	(25%)	5.96	1%	147.31
C. Non-controlling interest	(10%)	(7,977.52)	(3%)	(452.71)	19%	(4.43)	(3%)	(457.14)
D. Associate (Investment as per the equity method)								
Foreign:								
BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC'), Kuwait	0%	(73.66)	0%	34.37	0%	-	0%	34.37
E. Joint ventures (Investment as per the equity method)								
Foreign:								
Barjeel Geojit Financial Services LLC, UAE	2%	1,295.07	4%	582.16	0%	-	4%	582.16
Eliminations / adjustments	(2%)	(1,654.34)	(2%)	(323.22)	0%	-	(2%)	(323.22)
<b>Total</b>	<b>100%</b>	<b>83,177.04</b>	<b>100%</b>	<b>14,485.39</b>	<b>100%</b>	<b>(23.63)</b>	<b>100%</b>	<b>14,461.76</b>

**Geojit Financial Services Limited**
**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**42** Additional information on net assets and share of profits of the Company, its subsidiaries, associates and joint ventures as considered in the Consolidated Financial Statements (as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013): (contd..)

Name of the entity	As at 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
	Net assets (i.e., total assets minus total liabilities)		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in lakhs	As % of consolidated profit or loss	Amount Rs. in lakhs	As % of other comprehensive income	Amount Rs. in lakhs	As % of total comprehensive income	Amount Rs. in lakhs
A. Parent:								
Geojit Financial Services Limited	80%	58,062.14	92%	8,955.95	387%	(9.26)	92%	8,946.69
B. Subsidiaries:								
Indian:								
Geojit Technologies Private Limited	29%	20,639.70	10%	1,002.71	70%	(1.68)	10%	1,001.03
Geojit Credits Private Limited	1%	965.11	2%	154.63	24%	(0.58)	2%	154.05
Geojit Techloan Private Limited	0%	223.14	0%	8.03	0%	-	0%	8.03
Geojit IFSC Limited	0%	172.67	0%	(27.33)	0%	-	0%	(27.33)
Foreign:								
Qurum Business Group Geojit Securities LLC, Oman	0%	340.78	0%	38.53	(1206%)	28.85	1%	67.38
C. Non-controlling interest	(10%)	(7,476.16)	(4%)	(378.61)	825%	(19.72)	(4%)	(398.33)
D. Associate (Investment as per the equity method)								
Foreign:								
BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC'), Kuwait	0%	(108.02)	0%	4.02	0%	-	0%	4.02
E. Joint ventures (Investment as per the equity method)								
Foreign:								
Barjeel Geojit Financial Services LLC, UAE	2%	1,199.83	5%	446.69	0%	-	5%	446.69
Eliminations / adjustments	(2%)	(1,741.25)	(5%)	(486.91)	0%	-	(6%)	(486.91)
<b>Total</b>	<b>100%</b>	<b>72,277.94</b>	<b>100%</b>	<b>9,717.71</b>	<b>100%</b>	<b>(2.39)</b>	<b>100%</b>	<b>9,715.32</b>

**Geojit Financial Services Limited**
**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**43 Segment information**

The Group's Chief Operating Decision Maker (CODM) examines the performance both from a service perspective and geography perspective and has identified the reportable segments and the Company's Managing Director is the CODM. The Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily financial services and software services. Financial services consists of brokerage services, depository services, financial products distribution services, portfolio management services and other allied activities. Software services segment consists of income from development and maintenance of software. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipments that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographical segments of the group are India and others.

Particulars	Financial services		Software services		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Revenue	59,306.01	42,007.18	2,937.21	2,595.73	62,243.22	44,602.91
Inter segment revenue	-	-	-	-	(829.81)	(673.43)
<b>Total</b>	<b>59,306.01</b>	<b>42,007.18</b>	<b>2,937.21</b>	<b>2,595.73</b>	<b>61,413.41</b>	<b>43,929.48</b>
<b>Segment result/ Profit before tax</b>	<b>18,479.88</b>	<b>11,362.61</b>	<b>717.61</b>	<b>531.17</b>	<b>19,197.49</b>	<b>11,893.78</b>
Segment assets	180,996.08	114,529.99	21,033.07	17,598.24	202,029.15	132,128.23
<b>Total assets</b>					<b>202,029.15</b>	<b>132,128.23</b>
Segment liabilities	110,409.42	51,905.64	465.17	468.49	110,874.59	52,374.13
<b>Total liabilities</b>					<b>110,874.59</b>	<b>52,374.13</b>
<b>Other information</b>						
Capital expenditure (allocable)	1,843.13	2,210.57	93.95	61.47	1,937.08	2,272.04
Depreciation and amortisation (allocable)	2,793.94	2,784.99	103.24	99.35	2,897.18	2,884.34
Other significant non-cash expenses/ (income) (allocable)	18.75	283.08	(1.03)	1.71	17.72	284.79

**Secondary segment**

Particulars	India		Others		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Revenue	60,894.41	43,270.78	775.36	793.19	61,669.77	44,063.97
Inter segment revenue	-	-	-	-	(256.36)	(134.49)
<b>Total</b>	<b>60,894.41</b>	<b>43,270.78</b>	<b>775.36</b>	<b>793.19</b>	<b>61,413.41</b>	<b>43,929.48</b>
Segment assets	201,228.75	131,593.18	800.40	535.05	202,029.15	132,128.23
Capital expenditure	1,923.43	2,272.04	13.65	-	1,937.08	2,272.04

**Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of Group's total revenue from transactions with any single external customer for the year ended 31 March 2024 and 31 March 2023.

**44** The Company proposes to transfer its securities broking business and its related activities carried on by the Company as a 'going concern' on 'slump sale' basis to Geojit Investments Limited, its wholly owned subsidiary, to comply fully with the applicable regulations. The Board of Directors of the Company had approved the proposed business transfer in its meeting held on 28 July 2023, subsequently approved by the shareholders of the Company on 4 October 2023. In continuation to the approval received from Shareholders and the Board of Directors, applications for prior approval for the transfer of business was submitted and the Company has received prior approval/ NOC from the stock exchanges. The Company is in the process of obtaining the new Stockbroker Registration for the subsidiary.

**45** Additional regulatory information pursuant to the requirement in Division III of Schedule III to the Companies Act, 2013

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Group does not have any transactions with struck off companies.
- iii) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- vi) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- vii) The group has complied with the number of layers prescribed under the Companies Act, 2013.
- viii) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- ix) The ratios as specified in the new amendments under clause B (VI)(xiv) of "Division III of Schedule III" under "Part I - Balance Sheet - General Instructions for preparation of Balance Sheet" are not applicable to the Group as the Group is primarily into stock broking business.
- x) The group has not obtained any term loans during the year.

**Geojit Financial Services Limited**
**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**46 Details of provisions**

Particulars	As at	Additions	Utilisations	Reversals	As at
	31 March 2023				31 March 2024
Provision against standard assets	10.94	3.62	-	-	14.56
	8.22	2.72	-	-	10.94
Provision for non performing assets	12,640.46	-	70.34	8.65	12,561.47
	12,663.24	-	-	22.78	12,640.46

Note: Figures in italics relate to the previous year.

**47 Investment in equity accounted investees**

The Group has interest in the following companies listed below. The Group's interest in these companies is accounted for using equity method in the consolidated financial statements.

Name	Country	Legal and beneficial holding	Share of profits/ (losses)		Investment	
			Year ended	Year ended	As at	As at
			31 March 2024	31 March 2023	31 March 2024	31 March 2023
Barjeel Geojit Financial Services LLC*	UAE	30%	582.15	446.69	1,163.24	904.30
BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC')	Kuwait	30%	34.37	4.02	191.84	157.48
<b>Total</b>			<b>616.52</b>	<b>450.71</b>	<b>1,355.08</b>	<b>1,061.78</b>

\* the investment amount is net of dividend received of Rs. 323.22 lakhs (previous year: Rs. 486.91 lakhs)

**Summarised financial information:**
**1 Barjeel Geojit Financial Services LLC**

The Group has a 30% interest in Barjeel Geojit Financial Services LLC, an entity which is not listed on any public exchange. The table below also reconciles the summarised financial information to the carrying amount of the Group's interest in Barjeel Geojit Financial Services LLC.

Particulars	As at	As at
	31 March 2024	31 March 2023
Assets	6,172.37	5,326.70
Liabilities	1,536.96	1,592.60
<b>Net assets</b>	<b>4,635.41</b>	<b>3,734.10</b>
Ownership held by the group	30%	30%
<b>Group's share of net assets *</b>	<b>1,390.62</b>	<b>1,120.23</b>

\* excludes the impact of foreign currency translation

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Revenue	4,765.86	4,102.60
Profit before tax	1,940.50	1,488.97
Income tax	-	-
Profit after tax	1,940.50	1,488.97
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>1,940.50</b>	<b>1,488.97</b>
Ownership held by the group	30%	30%
<b>Group's share of total comprehensive income</b>	<b>582.15</b>	<b>446.69</b>

**2 BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC')**

The Group has a 30% interest in BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC'), an entity which is not listed on any public exchange. The table below also reconciles the summarised financial information to the carrying amount of the Group's interest in BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC').

Particulars	As at	As at
	31 March 2024	31 March 2023
Assets	1,057.88	937.39
Liabilities	49.32	54.62
<b>Net assets</b>	<b>1,008.56</b>	<b>882.77</b>
Ownership held by the group	30%	30%
<b>Group's share of net assets *</b>	<b>302.57</b>	<b>264.83</b>

\* excludes the impact of foreign currency translation

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Revenue	283.34	154.89
Profit before tax	114.57	13.40
Income tax	-	-
Profit after tax	114.57	13.40
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>114.57</b>	<b>13.40</b>
Ownership held by the group	30%	30%
<b>Group's share of total comprehensive income</b>	<b>34.37</b>	<b>4.02</b>

**Geojit Financial Services Limited****Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

**48 Revenue from contracts with customers**

The Group is engaged in the business of retail and institutional broking, distribution of financial products and software income. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head:

**a) Brokerage income:**

The Group provides trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 1 day as per the settlement cycle.

**b) Distribution of financial products:**

The Group distributes various financial products and other services to the customers on behalf of third party i.e. the Group acts as an intermediary for distribution of financial products and services. The Group executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Company etc. to procure customers for its products. As a consideration, the Group earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied.

The Group recognizes the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

**c) Depository and portfolio management services**

Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. It is recognised at the point in time for transaction charges and others are recognised over the period of service as applicable.

**d) Software services**

Software development revenue is recognised on completion of different stages of software development and acceptance by clients. Revenue from annual maintenance contracts are recognised on time proportion basis.

**e) Interest income**

Interest income is recognised using the effective interest rate method. Interest income from margin funding business is recognised on loans given to clients on time proportion basis over a period of time.

In case of annual maintenance charges (AMC) of depository, the customer has the option of paying in advance. In such cases, contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognized as revenue on completing the performance obligation.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof: -

Nature of contract	Opening balance		Revenue recognised during the year		Advances received during the year		Closing balance	
	1 April 23	1 April 22	2023-24	2022-23	2023-24	2022-23	31 March 24	31 March 23
Depository AMC	788.91	666.95	221.85	189.83	148.93	311.79	715.99	788.91
Software income	50.70	55.81	235.07	235.07	229.96	229.96	45.59	50.70

Revenue recognised in the reporting period that was included in the contract asset balance at the beginning of the period and the movement thereof: -

Nature of contract	Opening balance		Revenue recognised during the year		Amount billed during the year		Closing balance	
	1 April 23	1 April 22	2023-24	2022-23	2023-24	2022-23	31 March 24	31 March 23
Software income	232.55	235.17	1,015.42	784.35	962.77	786.97	285.20	232.55

**Geojit Financial Services Limited**

**Notes forming part of the consolidated financial statements (contd..)**

(All amounts in Indian Rupees lakhs)

- 49 a) 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 Group to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) No funds have been received by the Group from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

for and on behalf of the Board of Directors of

**Geojit Financial Services Limited**

CIN : L67120KL1994PLC008403

**Baby Paul**

Partner

Membership No. 218255

Kochi

30 April 2024

**C. J. George**

Managing Director

DIN : 00003132

**A. Balakrishnan**

Executive Director

DIN : 00050016

**Mini Nair**

Chief Financial Officer

Kochi

30 April 2024

**Liju K. Johnson**

Company Secretary

Membership No. A21438



**Limited Review Report on unaudited consolidated financial results of Geojit Financial Services Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****To the Board of Directors of Geojit Financial Services Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Geojit Financial Services Limited (hereinafter referred to as “the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) and its share of the net profit after tax and total comprehensive income of its associate and joint venture for the quarter ended 30 June 2024 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
  - a. Geojit Financial Services Limited (Parent)
  - b. Geojit Technologies Private Limited (Subsidiary)
  - c. Geojit Credits Private Limited (Subsidiary)
  - d. Geojit Techloan Private Limited (Subsidiary)
  - e. Qurum Business Group Geojit Securities LLC (Subsidiary)
  - f. Geojit IFSC Limited (Subsidiary)
  - g. Geojit Investments Limited (Subsidiary)
  - h. Barjeel Geojit Financial Services LLC (Joint venture)
  - i. BBK Geojit Business Consultancy and Information KSC(C) (Formerly known as ‘BBK Geojit Securities KSC’) (Associate)

Registered Office:

**Limited Review Report (Continued)**

**Geojit Financial Services Limited**

5. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial results of two Subsidiaries included in the Statement, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. 955.56 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 326.09 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 326.09 lakhs, for the quarter ended 30 June 2024, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

8. The Statement includes the interim financial results of four Subsidiaries which have not been reviewed, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. 154.93 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 38.65 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 38.64 lakhs, for the quarter ended 30 June 2024, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 127.05 lakhs and total comprehensive income of Rs. 127.05 lakhs, for the quarter ended 30 June 2024 as considered in the Statement, in respect of an associate and a joint venture, based on their interim financial results which have not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024

**Arpan Jain**

*Partner*

Kochi

13 July 2024

Membership No.: 125710

UDIN:24125710BKFZOG9905

**GEOJIT FINANCIAL SERVICES LIMITED**

Reg.Office: 11<sup>th</sup> Floor, 34/ 659 - P, Civil Line Road,  
Padivattom, Kochi- 682024, Kerala

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2024**

(₹ in lakhs)

Particulars	For the quarter ended			For the year ended
	30 June 2024 (Unaudited)	31 March 2024 Refer Note 5	30 June 2023 (Unaudited)	31 March 2024 (Audited)
<b>1 Revenue from operations</b>				
Interest income	3,881.48	3,540.31	2,322.75	11,345.63
Rental income	-	-	0.36	0.36
Fees and commission income	13,853.64	16,994.98	8,371.97	48,942.97
Net gain on fair value changes	22.84	26.13	2.02	107.96
Sale of services	300.59	201.58	270.38	882.44
Others	48.27	49.50	17.28	134.05
<b>Total revenue from operations</b>	<b>18,106.82</b>	<b>20,812.50</b>	<b>10,984.76</b>	<b>61,413.41</b>
<b>2 Other income (Net)</b>	<b>11.39</b>	<b>43.96</b>	<b>612.74</b>	<b>983.60</b>
<b>3 Total income (1+2)</b>	<b>18,118.21</b>	<b>20,856.46</b>	<b>11,597.50</b>	<b>62,397.01</b>
<b>4 Expenses</b>				
Finance costs	857.51	727.17	207.22	1,688.84
Fees and commission expense	2,682.89	2,767.45	1,529.04	8,638.76
Impairment of financial instruments	4.66	(1.73)	13.89	16.68
Employee benefit expenses	5,616.11	7,684.90	4,416.81	22,078.37
Depreciation, amortisation and impairment	745.11	751.71	721.60	2,897.18
Other expenses	2,238.17	2,288.99	1,795.04	7,879.69
<b>Total expenses</b>	<b>12,144.45</b>	<b>14,218.49</b>	<b>8,683.60</b>	<b>43,199.52</b>
<b>5 Profit before tax (3-4)</b>	<b>5,973.76</b>	<b>6,637.97</b>	<b>2,913.90</b>	<b>19,197.49</b>
<b>6 Tax expense</b>				
Current tax	1,548.40	1,675.98	854.31	4,934.86
Deferred tax benefit	(28.67)	(10.26)	(27.63)	(58.95)
<b>Total tax expenses</b>	<b>1,519.73</b>	<b>1,665.72</b>	<b>826.68</b>	<b>4,875.91</b>
<b>7 Profit after tax (5-6)</b>	<b>4,454.03</b>	<b>4,972.25</b>	<b>2,087.22</b>	<b>14,321.58</b>
<b>8 Share in profit of associate and joint ventures</b>	<b>127.05</b>	<b>219.22</b>	<b>120.62</b>	<b>616.52</b>
<b>9 Profit for the period/ year (7+8)</b>	<b>4,581.08</b>	<b>5,191.47</b>	<b>2,207.84</b>	<b>14,938.10</b>
<b>10 Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
i) Remeasurement of post employment benefit obligations	(9.58)	64.32	(3.66)	(38.32)
ii) Income tax (charge)/ credit relating to these items	2.39	(16.28)	0.92	9.55
Items that will be reclassified to profit or loss				
i) Exchange differences in translating financial statements of foreign operations	(0.01)	5.10	(1.96)	9.57
<b>Total other comprehensive income / (loss)</b>	<b>(7.20)</b>	<b>53.14</b>	<b>(4.70)</b>	<b>(19.20)</b>
<b>11 Total comprehensive income (9+10)</b>	<b>4,573.88</b>	<b>5,244.61</b>	<b>2,203.14</b>	<b>14,918.90</b>
<b>12 Profit attributable to:</b>				
Owners of the company	4,451.19	5,057.99	2,102.55	14,485.39
Non-controlling interest	129.89	133.48	105.29	452.71
<b>Profit for the period / year</b>	<b>4,581.08</b>	<b>5,191.47</b>	<b>2,207.84</b>	<b>14,938.10</b>
<b>13 Total comprehensive income attributable to:</b>				
Owners of the company	4,443.67	5,109.65	2,099.15	14,461.76
Non-controlling interest	130.21	134.96	103.99	457.14
<b>Total comprehensive income</b>	<b>4,573.88</b>	<b>5,244.61</b>	<b>2,203.14</b>	<b>14,918.90</b>
<b>14 Paid-up equity share capital (of ₹1/- each)</b>	<b>2,391.44</b>	<b>2,391.44</b>	<b>2,390.95</b>	<b>2,391.44</b>
<b>15 Other equity</b>				<b>80,785.60</b>
<b>16 Earnings per share *</b>				
- Basic	1.86	2.12	0.88	6.06
- Diluted	1.86	2.12	0.88	6.06
* Not annualised for the quarters				

See the accompanying notes to the consolidated financial results.

**Notes to the consolidated financial results:**

- 1 Consolidated financial results cover the operations of Geojit Financial Services Limited ("the Company"), its subsidiaries in Geojit Technologies Private Limited, Geojit Credits Private Limited, Qurum Business Group Geojit Securities LLC, Geojit Techloan Private Limited, Geojit IFSC Limited, Geojit Investments Limited (the Parent and its subsidiaries together referred to as 'the Group'), its joint venture in Barjeel Geojit Financial Services LLC, and its associate in BBK Geojit Business Consultancy and Information KSC(C) (formerly known as 'BBK Geojit Securities KSC.')
- 2 The unaudited consolidated financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its meeting held on 13 July 2024.
- 3 The statutory auditors have carried out a review of the consolidated financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4 The above financial results have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India and SEBI circular dated 5 July 2016.
- 5 Figures for the quarter ended 31 March 2024 are the balancing figures between audited figures in respect of full financial year and the published year to date unaudited figures upto the third quarter of the financial year.
- 6 The Group has reported segment information as per Indian Accounting Standard (Ind AS) 108 on 'Operating segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the Group has identified two reportable segments, viz., financial services and software services:

(₹ in lakhs)

Particulars	For the quarter ended			For the year ended
	30 June 2024 (Unaudited)	31 March 2024 Refer Note 5	30 June 2023 (Unaudited)	31 March 2024 (Audited)
<b>Segment revenue</b>				
Financial services	17,442.71	20,250.69	10,452.55	59,306.01
Software services	774.19	718.67	762.82	2,937.21
<b>Total</b>	<b>18,216.90</b>	<b>20,969.36</b>	<b>11,215.37</b>	<b>62,243.22</b>
Less: Inter segment revenue	(110.08)	(156.86)	(230.61)	(829.81)
<b>Net revenue from operations</b>	<b>18,106.82</b>	<b>20,812.50</b>	<b>10,984.76</b>	<b>61,413.41</b>
<b>Segment results</b>				
Financial services	5,648.89	6,414.19	2,740.40	18,479.88
Software services	324.87	223.78	173.50	717.61
<b>Profit before tax</b>	<b>5,973.76</b>	<b>6,637.97</b>	<b>2,913.90</b>	<b>19,197.49</b>
<b>Segment assets</b>				
Financial services	207,505.47	180,996.08	133,284.43	180,996.08
Software services	21,507.18	21,033.07	17,725.22	21,033.07
<b>Total assets</b>	<b>229,012.65</b>	<b>202,029.15</b>	<b>151,009.65</b>	<b>202,029.15</b>
<b>Segment liabilities</b>				
Financial services	132,920.66	110,409.42	68,639.06	110,409.42
Software services	361.86	465.17	366.40	465.17
<b>Total liabilities</b>	<b>133,282.52</b>	<b>110,874.59</b>	<b>69,005.46</b>	<b>110,874.59</b>
<b>Capital employed</b>				
Financial services	74,584.81	70,586.66	64,645.37	70,586.66
Software services	21,145.32	20,567.90	17,358.82	20,567.90
<b>Total capital employed</b>	<b>95,730.13</b>	<b>91,154.56</b>	<b>82,004.19</b>	<b>91,154.56</b>

- 7 The Company proposes to transfer its securities broking business and its related activities carried on by the Company as a 'going concern' on 'slump sale' basis to Geojit Investments Limited, its wholly owned subsidiary, to comply fully with the applicable regulations. The Board of Directors of the Company had approved the proposed business transfer in its meeting held on 28 July 2023, subsequently approved by the shareholders of the Company on 4 October 2023. In continuation to the approval received from Shareholders and the Board of Directors, applications for prior approval for the transfer of business was submitted and the Company has received prior approval/ NOC from the stock exchanges. The Company is in the process of obtaining the new Stockbroker Registration for the subsidiary from SEBI.
- 8 Standalone financial results are available for perusal at the website of the Company and Stock Exchanges.

For Geojit Financial Services Limited

Place: Kochi

Date : 13 July 2024

Managing Director

## OTHER FINANCIAL INFORMATION

### Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards, i.e., Ind AS –Related Party Disclosures, entered into by our Company for Fiscal 2024 and Fiscal 2023, see “*Financial Statements – Note 41 - Related party disclosures*” on page 140.

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements included in the section “*Financial Statements*” on page 93:

Particulars	As at and for the Fiscal ended	
	March 31, 2024	March 31, 2023
Basic Earning Per Share (₹)	6.06	4.06
Diluted Earning Per Share (₹)	6.06	4.06
Return on Net Worth(%)	17.42	13.44
Net Asset Value per Equity Share (₹)	34.78	30.23
EBITDA (₹ in lakhs)	24,400.03	16,035.77

The formulae used in the computation of the above ratios are as follows:

<b>Basic Earning Per Share</b>	Profit for the year attributable to owners of the Company / Weighted average number of Equity Shares as outstanding at the end of the year
<b>Diluted Earning Per Share</b>	Profit for the year attributable to owners of the Company / Weighted average number of Equity Shares as outstanding at the end of the year, after adjustment for the effects of all dilutive potential equity shares
<b>Return on Net Worth (%)</b>	Profit for the year attributable to the owners of the Company / Net Worth (“Equity attributable to the owners of the Company”)
<b>Net Asset Value per Equity Share</b>	Net Worth (“Equity attributable to the owners of the Company”) / Number of Equity Shares issued, subscribed and fully paid outstanding as at the year end
<b>Net Worth</b>	Equity share capital plus other Equity
<b>EBITDA</b>	Profit for the year plus total tax expenses plus finance costs plus depreciation and amortisation expenses

a) Calculation of Net Worth and Return on Net Worth:

(₹ in lakhs)

Particulars	Consolidated	
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Profit attributable to owners of the Company (A)	14,485.39	9,717.71
Equity Share capital (B)	2,391.44	2,390.93
Other equity (C)	80,785.60	69,887.01
Net Worth (D)= [B+C]	83,177.04	72,277.94
<b>Return on Net Worth [A / D] * 100 (%)</b>	17.42%	13.44%

b) Calculation of Net asset value per Equity Share:

(₹ in lakhs)

Particulars	Consolidated	
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Equity Share capital (A)	2,391.44	2,390.93
Other equity (B)	80,785.60	69,887.01
Net Worth (C) [A + B]	83,177.04	72,277.94
No. of Equity shares issued, subscribed and fully paid (D)*	239,144,482	239,092,702
<b>Net Asset Value per Equity Share [C / (D/10^5)]*</b>	34.78	30.23

\*Amount in rupees

c) Calculation of EBITDA:

(₹ in lakhs)

Particulars	Consolidated	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year (A)	14,938.10	10,096.32
Total tax expenses (B)	4,875.91	2,248.17
Finance costs (C)	1,688.84	806.94
Depreciation and amortisation expense (D)	2,897.18	2,884.34
<b>EBITDA (A+B+C+D)</b>	<b>24,400.03</b>	<b>16,035.77</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our Audited Consolidated Financial Statements included in this Letter of Offer. You should also read the sections titled "Risk Factors" and "Forward Looking Statements" on page 20 and 15 included in this Letter of Offer which discuss a number of factors and contingencies that could affect our financial conditions and results of operations. This discussion is based on amounts derived from our Audited Consolidated Financial Statements which have been prepared in accordance with Indian Accounting Standards ("Ind AS"). Our financial year ends on March 31 of each year, so all references to a particular 'Fiscal' are to the twelve months ending March 31 of that year.*

*In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiaries, Joint Ventures and Associates, and references to "our Company" are to Geojit Financial Services Limited only.*

*You should read the following discussion and analysis of our financial condition and results of operations together with our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results included in this Letter of Offer. You should also read the sections titled "Risk Factors" and "Forward Looking Statements" on page 20 and 15 included in this Letter of Offer which discuss a number of factors and contingencies that could affect our financial conditions and results of operations. This discussion is based on amounts derived from our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results which have been prepared in accordance with Indian Accounting Standards ("Ind AS"). Our financial year ends on March 31 of each year, so all references to a particular 'Fiscal' are to the twelve months ending March 31 of that year.*

*In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiaries, Joint Ventures and Associates, and references to "our Company" are to Geojit Financial Services Limited only.*

### Overview

Our Company is an investment services provider in India with a history spanning over three decades since our incorporation in 1994. We have a presence in the Middle East with subsidiaries, joint ventures, and partnerships with local banks and financial institutions in that region. We have been a significant player in the Indian capital market arena with assets under custody and management of ₹ 10,335,000 lakhs as on June 30, 2024. We have multi-channel customer support points, such as, offline branches, centralised dealing desks, online web support and mobile applications and serve a client base of more than 14.12 lakh customers as on June 30, 2024.

We provide various services, such as, advisory, financial product distribution and equity and commodity and offer a wide range of financial products and services, including stock and currency derivatives, portfolio management, mutual fund and insurance distribution, online financial planning, and commodity derivatives and have a wide network with 497 offices in India and six overseas through joint ventures. We are a SEBI registered investment advisor and provide customized solutions and personalized advice to our customers.

We have pioneered online trading in equities in India & commodity trading in rubber, pepper, other commodities contracts.

As per Mordor Intelligence, security broking market is estimated at \$3.9 billion in 2024 and is expected to reach \$ 5.8 billion by the end of 2029, growing at a CAGR of 7.9% during that period. Indian capital markets have witnessed a broad-based expansion across various sub-markets, with the country's equity market capitalisation reaching ₹415 lakh crore (USD 5 trillion) in May 2024, placing it fifth in the global rankings. (Source: ICRA Report) India's market capitalisation to GDP ratio has improved significantly over the last five years to 124 per cent in FY2024, compared to 77 per cent in FY2019, far higher than that of other emerging market economies like China and Brazil (Source: ICRA Report).

### Significant Factors Affecting Our Results of Operations and Financial Condition



## **General economic and financial services industry conditions in India**

Our business and results of operations are affected by general economic conditions and trends in the financial services industry in India.

The key factors which contribute to the financial services industry in India include growth in GDP, change in demographic profile, rising affluence, increase in business profitability, increase in savings rate, change in investment trends, growth in financial savings, lower inflation, and increased use of online, mobile, and technology-based channels. If general economic conditions in India deteriorate or are not in line with market expectations, our financial condition and results of operations may be materially and adversely affected. In addition, if there is a slowdown in the existing favourable trends in the financial services industry and the momentum in the digitalisation, then our financial condition and results of operations may be materially and adversely affected. See *“Risk Factors – General economic and market conditions in India and globally that affect trading volumes could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.”* on page 20.

## **Activity and trends in the Indian equity capital markets**

A significant amount of our revenue depends on the activity and trends of the Indian equity capital markets. Factors such as trading volumes, regulatory environment, interest rates, liquidity, transparency, and efficient functioning of the equity capital markets in India are important for the continuous growth of our business. For example, the cost of doing business, investments in employees, IT infrastructure information security and compliances have increased, which in turn may affect the brokerage and commissions earned from broking activities and distribution of financial products, respectively. For instance, while our total income increased in the quarter ended June 30, 2024 in comparison to the quarter ended June 30, 2023, there has been a considerable increase in the expenses in the quarter ended June 30, 2024 in comparison to the quarter ended June 30, 2023.

Our client base increased from 13,04,800 as of June 30, 2023 to 14,12,500 as of June 30, 2024, which we believe will benefit our results of operations in subsequent periods, which led to an increase in client acquisition costs, reflecting an increase in our other expenses. During the quarter ended June 30, 2024, we also added employees in connection with our broking and distribution of financial products business, which led to higher employee benefits expense for the quarter ended June 30, 2024.

Accordingly, any disproportionate increase in the expenses without a commensurate increase in the income, may have a material impact on our financial condition and results of operations. For further information, see *“Risk Factors – General economic and market conditions in India and globally that affect trading volumes could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.”* on page 20.

## **Innovation and investments in technology**

In the fast-evolving financial services landscape, technological prowess serves as a key differentiator. Our commitment to continuous product innovation and maintaining a technological lead, especially in trading and settlement technology, has been instrumental to our success. We have embraced the transformative power of online and mobile trading, APIs, integrated analytics and diverse order types to redefine how market participants interact. Our proactive adaptation to these technological shifts has enabled us to anticipate and meet the evolving needs of our clients, driving efficiency and growth. We are proud to be pioneers in offering a range of online investment services. Our platforms empower clients to manage their wealth and investments effectively and securely. We are committed to enhancing our in-house platforms further, focusing on proactive customer service, user-friendliness, and a unique experience, all underpinned by resilience and advanced security features. We have engaged eminent designers for efficient UI/UX.

We are also committed to providing a seamless omnichannel order and settlement experience. This means our clients can execute trades and manage their settlements across various channels - be it online, mobile, through our dedicated branches or through tele-support team - with consistent efficiency and transparency. Our future plans include several exciting developments, such as UI/UX enhancements, product improvements and seamless content integration. We are collaborating with technology partners to optimize our platform for improved latency, resilience, uptime, security, and robustness. We recognize the importance of investing in technology to boost productivity, reduce turnaround times and ultimately, enhance customer satisfaction. With enhanced collaboration with the product and research team,

we provide more products for investments to enhance the wealth of the customers.

Integration of Advanced analytics and data visualization tools offer deeper insights into market trends, empowering investors to make more informed decisions. In essence, our technology solutions have become an indispensable ally for investors, offering greater accessibility, efficiency, and sophistication in navigating the complex world of financial assets. Our dedication to technological advancement is not merely a strategic choice; it's a core element of our identity. We believe that by remaining at the forefront of innovation, we can continue to deliver exceptional value to our clients and achieve sustainable growth in the dynamic financial services industry.

If we are unable to continue to invest in updating existing technology, innovate, and maintain competitive advantage in technology, our business and results of operation may be adversely affected. See *“Risk Factors – The operation of our businesses is highly dependent on information technology, and we are subject to risks arising from any failure of, or inadequacies in, our IT systems.”* on page 22.

### **Our product mix and pricing strategy**

Our products and services in each of our businesses have different brokerage yields, commissions, profit margins, and growth prospects. The commission income from our brokerage business and the interest earned from our MTF book account for a substantial portion of our total income, and, as a result, our revenues from operations depend largely on the continued growth of such businesses. Accordingly, any material changes in our business mix, whether due to changes in our growth strategies, segment business, market conditions, clients or demand, or other reasons, may affect our financial condition and results of operations. We aim to maintain an optimal product mix through analysing client trends and a competitive pricing strategy by focusing on product risk management and leveraging our technological capabilities. To continue to achieve our vision of increasing the long-term wealth of our customers, we will continue to focus on achieving a wide range of services in relation to our competitors and optimizing fee structures to enhance our competitiveness while maintaining our profitability.

### **Competition**

The Indian financial services industry is highly competitive. We face significant competition in all aspects of our business. In particular, we compete with other Indian brokerage houses which operate in the markets in which we conduct our business. Our competitors may have various competitive advantages over us, such as greater financial resources, wider brand recognition, broader knowledge resources, far-reaching partnerships, parentage, and access to an existing client base. It is also possible for our competitors to quickly adopt our business practices, scale up the services offered, and set lower prices to compete with us. Mergers and acquisitions involving our competitors may create entities with even greater competitive advantages. Any increase in competition may reduce our market share, decrease growth in our business, increase operating expenses and reduce our customer base, which could adversely affect our financial condition and results of operations. Please see the section entitled *“Risk Factors –We face significant competition in our businesses, which may limit our growth and prospects.”* on page 25.

### **Our expense management**

Our ability to adequately manage our expenses will directly affect our results of operations. For instance, as of June 30, 2024, we have a pan-India branch network of 359 branches, thereby contributing significantly to the fixed cost of our Company. Further, our expenses may also be impacted by macroeconomic conditions, including an increase in inflation, changes in laws and regulations, increased competition, the introduction of technological advancements in the market, personnel expenses, and other factors. Personnel expense is one of the major components of our total expense. As we grow our business in the new digital framework, our reliance on technological platforms and systems is higher in comparison to the augmentation of human capital. These platforms and systems are highly scalable with minimum investments. We will continue to hire domain experts in artificial intelligence, machine learning, analytics, and new technology platforms. Changes affecting our expenses may impact our financial condition and results of operations.

### **Material Accounting Policies**

#### **For the Financial Year ended March 31, 2024**

## **1. Material Accounting Policies**

### **1.1. Basis of Preparation**

The consolidated 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, notified under Section 133 of the Companies Act, 2013 (“**Act**”) and other relevant provisions of the Act.

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Group’s financial statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest lakh, except when otherwise indicated.

The consolidated financial statements for the year ended 31 March 2024 are approved for issue in accordance with a resolution of the directors on 30 April 2024.

### **1.2. Basis of consolidation**

#### **a. Subsidiaries**

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of profit and loss including Other comprehensive income (OCI) is attributable to the equity holders of the holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

#### **b. Associates and joint ventures**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

#### **c. Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **d. Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### **1.3. Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Group makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

#### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in the notes:

- Note 7 - Valuation of investments
- Note 38 - Lease classification

#### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2024 is included in the following notes:

-Note 5 and 6 - Expected credit loss allowance for trade receivables and loans; key assumption in determining the average loss rate.

-Note 9 and 12 - Measurement of useful life and residual value of property, plant and equipment and intangible assets.

-Note 33 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

-Note 35 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used.

-Note 37 - Measurement of defined benefit obligations: key actuarial assumptions.

#### 1.4. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Investments other than in joint venture, associate and subsidiaries	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit liability	Fair value of plan asset less present value of defined benefit obligations
Derivative financial instruments	Fair value

#### 1.5. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

' Level 1: The investments included in Level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market.

' Level 2: The investments included in Level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data.

' Level 3: The investment included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value.

'When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Share-based payment arrangements
- Financial instruments including derivatives
- Fair value of property, plant and equipment and intangible assets

## **1.6. Revenue and Other income**

The Group is engaged in the business of retail and institutional broking and distribution of financial products. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head:

### **a. Brokerage fee income**

Brokerage income is recognised on the trade date of transaction upon confirmation of the transaction by the stock exchange. The services are point in time in nature.

### **b. Income from depository services and portfolio management services**

Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. It is recognised at the point in time for transaction charges and others are recognised over the period of service as applicable.

### **c. Income from distribution of financial products**

Commission income from financial products distribution is recognised on the basis of agreements entered into with principals and when the right to receive the income is established. The date of the agreement is considered as point in time when the performance obligation is satisfied. In case of continuing services, the same is recognised over a period of time.

### **d. Interest income**

Interest income is recognised using the effective interest rate method.

### **e. Dividend income and others**

Dividend income is recognised in the statement of profit or loss on the date that the Group'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. Shared services cost is recognised based on agreements entered into with the parties. Marketing support income is recognised as income when performance obligation is satisfied as per the terms of agreement.

### **f. Software development and commission income**

Software development revenue is recognised on completion of different stages of software development and acceptance by clients. Revenue from annual maintenance contracts are recognised on time proportion basis. Commission income from insurance business is recognised on completion of policy formalities in all aspects based on intimation from the principal.

## **1.7. Property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of property, plant and equipment and intangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended

use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The cost of property, plant and equipment as at 1 April 2018, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Property, plant and equipment acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advances paid towards the acquisition of property, plant and equipment and intangible assets, outstanding at each balance sheet date are shown under advances for capital goods. The cost of the property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

### Depreciation and amortization

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on property, plant and equipment of the Company and its Indian subsidiaries has been provided under the straight-line method as per the useful life as estimated by management.

Management estimates the useful life for the tangible assets as under:

Class of assets	Useful life
Buildings*	40 years
Plant and machinery	15 years
Electrical installation*	5 years
Office equipments	5 years
Furniture and fixtures	10 years
Furniture and fixtures in leasehold premises*	5 years
Vehicles*	5 years
Computers and accessories	3 years
Computers and accessories - Data centre equipments*	5 years

\* For these class of assets, the Company has assessed the useful life based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Improvements to leasehold premises are amortised over the lease term or useful lives of the assets, whichever is lower. If the premises are vacated before the expiry of above term, the un-amortised costs are fully written off in the year of vacation.

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. 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. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Development expenditure on software is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

The cost of other intangible assets as at 1 April 2018, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Computer softwares are amortised under straight-line method over the estimated useful life of 5 years or 3 years or license period whichever is lower. Client acquisition is amortised under straight-line method over an estimated useful life of 5 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

Depreciation on the property, plant and equipment of the Company's foreign subsidiary has been provided under the straight-line method as per the estimated useful life of such assets as follows:

Class of assets	Useful life
Office Equipments	4 years
Furniture & Fixtures	4 years
Vehicles	4 years
Computers	4 years

### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

## 1.8. Financial instruments

The Group recognises all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

- a. **Amortised cost:** The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.
- b. **Fair value through other comprehensive income (FVOCI):** The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c. **Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a



measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

Based on the Group's business model for managing the investments, the Group has classified its investments at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

- d. Impairment of financial assets: In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Group recognises lifetime expected losses for all contract assets including loan and trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses whether the loans have been impaired. The Group is exposed to credit risk when the customer defaults on his contractual obligations. The Group has followed simplified approach for measurement of expected credit loss in case of receivables and loans.
- e. Offsetting: Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **Derecognition**

#### **Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:

- a) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- b) the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### **Presentation of allowance for expected credit loss (ECL) in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### **Write-off**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## **1.9. Employee benefits**

### **i. Short-term employee benefits**

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

### **ii. Provident Fund**

The Group's contribution to provident fund scheme is considered as defined contribution plan, and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### **iii. Gratuity**

The Group pays gratuity, a defined benefit plan, to its employees who retire or resign after a minimum period of five years of continuous service.

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Group.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Group recognises these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in the statement of profit and loss .

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the statement of profit or loss when the plan amendment or when a curtailment or settlement occurs.

**iv. Compensated absences**

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognised in the statement of profit and loss as and when they are incurred.

**v. Employee stock option scheme**

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straightline basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

**1.10. Borrowing costs**

'Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

**1.11. Foreign currency transactions and translations**

Initial recognition

'Company: Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of exchange differences

'Company: Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the consolidated statement of profit and loss

Measurement of foreign currency monetary items at the balance sheet date

Company: Foreign currency monetary items outstanding at the balance sheet date are restated at the closing exchange rates on that date. Non-monetary items are carried at historical cost.

### **Foreign operations**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognised in FCTR is transferred to the statement of consolidated profit and loss as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income /expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of profit and loss in the reporting period in which the exchange rates change.

### **1.12. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Lease" as notified by MCA.

#### **a) Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### **b) Measurement of leases as a lessee**

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset

leased. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease payments associated with leases, that have a lease term of 12 months or less, are recognised as an expense on a straight-line basis over the lease term.

### **1.13. Income tax**

The income tax expense comprises current and deferred tax incurred by the Group. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the consolidated balance sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Group are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

### **1.14. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short term investments with an original maturity of three months or less, and accrued interest thereon.

### **1.15. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

#### **1.16. Impairment of non financial assets**

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

#### **1.17. Provisions**

Provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

#### **1.18. Contingent liabilities and assets**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in the notes to the financial statements.

Contingent assets: Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### **1.19. Earnings per share**

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

Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **1.20. Recent accounting pronouncements**

As on the date of release of these financial statements, MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024.

## CHANGE IN ACCOUNTING POLICIES

There has been no change in accounting policies during the three months' period ended June 30, 2024 and during the Fiscal 2024.

### Results of operations

The following table sets forth certain information with respect to our results of operations on for the periods indicated:

(in ₹ lakhs)

Particulars	For the three month period ended June 30, 2024	For the three month period ended June 30, 2023	Fiscal 2024	Fiscal 2023
Revenue from operations	18,106.82	10,984.76	61,413.41	43,929.48
Other income	11.39	612.74	983.60	833.59
<b>Total Income</b>	<b>18,118.21</b>	<b>11,597.50</b>	<b>62,397.01</b>	<b>44,763.07</b>
<b>Expenses</b>				
Finance costs	857.51	207.22	1,688.84	806.94
Fee and commission expense	2,682.89	1,529.04	8,638.76	6,123.70
Impairment of financial instruments	4.66	13.89	16.68	256.51
Employee benefit expenses	5,616.11	4,416.81	22,078.37	16,040.27
Depreciation, amortisation and impairment	745.11	721.60	2,897.18	2,884.34
Other expenses	2,238.17	1,795.04	7,879.69	6,757.53
<b>Total expenses</b>	<b>12,144.45</b>	<b>8,683.60</b>	<b>43,199.52</b>	<b>32,869.29</b>
<b>Profit before tax</b>	<b>5,973.76</b>	<b>2,913.90</b>	<b>19,197.49</b>	<b>11,893.78</b>
<b>Tax expense</b>				
Current tax	1,548.40	854.31	4,934.86	2,376.97
Deferred tax benefit	(28.67)	(27.63)	(58.95)	(128.80)
<b>Total tax expenses</b>	<b>1,519.73</b>	<b>826.68</b>	<b>4,875.91</b>	<b>2,248.17</b>
<b>Profit after tax</b>	<b>4,454.03</b>	<b>2,087.22</b>	<b>14,321.58</b>	<b>9,645.61</b>
Share in profit of associate and joint venture	127.05	120.62	616.52	450.71
<b>Profit for the period / year</b>	<b>4,581.08</b>	<b>2,207.84</b>	<b>14,938.10</b>	<b>10,096.32</b>
<b>Other comprehensive income/ (loss)</b>				
Items that will not be reclassified to profit or loss				
(i) Remeasurement of post employment benefit obligations	(9.58)	(3.66)	(38.32)	(15.20)
(ii) Income tax (charge)/credit relating to these items	2.39	0.92	9.55	3.68
Items that will be reclassified to profit or loss				
(i) Exchange differences in translating financial statements of foreign operations	(0.01)	(1.96)	9.57	28.85
<b>Total other comprehensive income/ (loss)</b>	<b>(7.20)</b>	<b>(4.70)</b>	<b>(19.20)</b>	<b>17.33</b>
<b>Total comprehensive income</b>	<b>4,573.88</b>	<b>2,203.14</b>	<b>14,918.90</b>	<b>10,113.65</b>
<b>Profit for the period / year attributable to:</b>				
Owners of the company	4,451.19	2,102.55	14,485.39	9,717.71
Non-controlling interest	129.89	105.29	452.71	378.61
	<b>4,581.08</b>	<b>2,207.84</b>	<b>14,938.10</b>	<b>10,096.32</b>
<b>Other comprehensive income/ (loss) attributable to:</b>				
Owners of the company	(7.52)	(3.40)	(23.63)	(2.39)
Non-controlling interest	0.32	(1.30)	4.43	19.72

Particulars	For the three month period ended June 30, 2024	For the three month period ended June 30, 2023	Fiscal 2024	Fiscal 2023
	(7.20)	(4.70)	(19.20)	17.33
<b>Total comprehensive income attributable to:</b>				
Owners of the company	4,443.67	2,099.15	14,461.76	9,715.32
Non-controlling interest	130.21	103.99	457.14	398.33
	<b>4,573.88</b>	<b>2,203.14</b>	<b>14,918.90</b>	<b>10,113.65</b>
<b>Earnings per share (Face value ₹1/- per equity share)</b>				
<b>Basic (Rupees)</b>	<b>1.86</b>	<b>0.88</b>	<b>6.06</b>	<b>4.06</b>
<b>Diluted (Rupees)</b>	<b>1.86</b>	<b>0.88</b>	<b>6.06</b>	<b>4.06</b>

### Discussion on results of operations

#### Three months period ended June 30, 2024 compared to three months period ended June 30, 2023

##### *Total Income*

Our total income increased by 56.23% to ₹18,118.21 lakhs in the three months period ended June 30, 2024 from ₹ 11,597.50 lakhs in the three months period ended June 30, 2023 due to the factors described below:

*Revenue from operations:* Our revenue from operations increased by 64.84% to ₹ 18,106.82 lakhs in the three months period ended June 30, 2024 from ₹ 10,984.76 lakhs in the three months period ended June 30, 2023. This was primarily due to increase in incomes from broking and allied activities, margin trading, portfolio management services and distribution business.

*Other Income:* Our other income decreased by 98.14% to ₹ 11.39 lakhs in the three months period ended June 30, 2024 from ₹ 612.74 lakhs in the three months period ended June 30, 2023. This decrease was primarily due to the reduction in income from marketing activities for the quarter ended June 30, 2024. Our other income as a percentage of total income was 0.06% for the three months period ended June 30, 2024 from 5.28% in the three months period ended June 30, 2023.

##### *Total Expenses*

Our total expenses increased by 39.86% to ₹ 12,144.45 lakhs in the three months period ended June 30, 2024 from ₹ 8,683.60 lakhs in the three months period ended June 30, 2023 due to the factors described below:

(₹ in lakhs)

Particulars	For the three month period ended June 30, 2024	For the three month period ended June 30, 2023
Finance Costs	857.51	207.22
Fee and commission expense	2,682.89	1,529.04
Impairment of financial instruments	4.66	13.89
Employee benefit expenses	5,616.11	4,416.81
Depreciation, amortisation and impairment	745.11	721.60
Other expenses	2,238.17	1,795.04

*Finance Costs:* Our finance costs increased by 313.82% to ₹ 857.51 lakhs during the three-month period ended June 30, 2024 from ₹ 207.22 lakhs during the three-month period ended June 30, 2023 primarily on account of substantial increase in borrowings for margin trading business.



*Fee and commission expense:* Our fee and commission expense increased by 75.46% to ₹ 2,682.89 lakhs during the three-month period ended June 30, 2024 from ₹ 1,529.04 lakhs during the three-month period ended June 30, 2023. This was primarily due to increase in broking and distribution business from franchisees, referral partners and joint ventures.

*Impairment of financial instruments:* Our impairment of financial instruments decreased by 66.45% to ₹ 4.66 lakhs during the three-month period ended June 30, 2024 from ₹ 13.89 lakhs during the three-month period ended June 30, 2023. This was primarily on account of minor changes in the ECL provision.

*Employee benefit expenses:* Our employee benefit expense increased by 27.15% to ₹ 5,616.11 lakhs during the three-month period ended June 30, 2024 from ₹ 4,416.81 lakhs during the three-month period ended June 30, 2023. This was primarily due to rise in the number of employees mainly in branches, wealth management and PMS functions. Also employee incentive has increased due to the enhanced broking, portfolio management service and distribution business.

*Depreciation, amortisation and impairment:* Our depreciation, amortization and impairment expense increased by 3.26% to ₹ 745.11 lakhs during the three-month period ended June 30, 2024 from ₹ 721.60 lakhs during the three-month period ended June 30, 2023. This was primarily due to addition of fixed assets and software applications in the books of the company.

*Other expenses:* Our other expenses increased by 24.69% to ₹ 2,238.17 lakhs during the three-month period ended June 30, 2024 from ₹ 1,795.04 lakhs during the three-month period ended June 30, 2023. This increase was majorly due to increase in information technology, information security and legal/professional charges.

### **Profit before Tax**

During the three month period ended June 30, 2024, our profit before tax was ₹ 5,973.76 lakhs and during the three month period ended June 30, 2023 our profit before tax was ₹ 2,913.90 lakhs.

### **Tax Expense**

Our total tax expense during the three month period ended June 30, 2024, was ₹ 1,519.73 lakhs and our total tax expense during the three month period ended June 30, 2023 was ₹ 826.68 lakhs.

### **Profit for the Period**

For the three month period ended June 30, 2024, our profit was ₹ 4,581.08 lakhs and for the three month period ended June 30, 2023 our profit was ₹ 2,207.84 lakhs.

### **Fiscal 2024 compared to Fiscal 2023**

#### **Total Income**

During Fiscal 2024 total income increased by 39.39% to ₹ 62,397.01 lakhs from ₹ 44,763.07 lakhs in Fiscal 2023, due to the factors described below:

*Revenue from Operations:* Our revenue from operations, which included interest income, income from broking and allied activities, commission from distribution business and income from portfolio management services, software services income and other operating income, increased by 39.80% to ₹ 61,413.41 lakhs and in Fiscal 2024 from ₹ 43,929.48 lakhs in Fiscal 2023 which was primarily due to increase in incomes from broking and allied activities, margin trading, portfolio management services and distribution business.

*Other Income:* Other income, increased by 18% to ₹ 983.60 lakhs in Fiscal 2024 compared to ₹ 833.59 lakhs in Fiscal 2023 which was primarily due to the increase in income from marketing activities.

## Total Expenses

Our total expenses increased by 31.43% to ₹ 43,199.52 lakhs in Fiscal 2024 from ₹ 32,869.29 lakhs in Fiscal 2023, due to the factors described below:

Particulars	For Fiscal 2024	For Fiscal 2023
Finance Costs	1,688.84	806.94
Fee and commission expense	8,638.76	6,123.70
Impairment of financial instruments	16.68	256.51
Employee benefit expenses	22,078.37	16,040.27
Depreciation, amortization and impairment	2,897.18	2,884.34
Other expenses	7,879.69	6,757.53
Total expenses	43,199.52	32,869.29

### *Finance Costs:*

Finance Costs increased by 109.29% to ₹ 1,688.84 lakhs in Fiscal 2024 from ₹ 806.94 lakhs in Fiscal 2024 primarily on account of substantial increase in borrowings for margin trading business.

### *Fee and commission expense*

Our fee and commission expense increased by 41.07% to ₹ 8,638.76 lakhs in Fiscal 2024 from ₹ 6,123.70 lakhs in Fiscal 2023 primarily due to increase in broking and distribution business from franchisees, referral partners and joint ventures.

### *Impairment of financial instruments*

Impairment of financial instruments decreased by 93.50% to ₹ 16.68 lakhs in Fiscal 2024 from ₹ 256.51 lakhs in Fiscal 2023, primarily due to a one-time impact in Fiscal 2023 on account of change in the basis of ECL provision.

### *Employee Benefit Expenses*

Employee Benefit expenses increased by 37.64% to ₹ 22,078.37 lakhs in Fiscal 2024 from ₹ 16,040.27 lakhs in Fiscal 2023, primarily due to increase in the number of employees majorly in sales function and increase in the employee incentive due to the enhanced broking, portfolio management service and distribution business.

### *Depreciation, amortization and impairment*

Depreciation, amortization and impairment expenses increased by 0.45% to ₹ 2,897.18 lakhs in Fiscal 2024 from ₹ 2,884.34 lakhs in Fiscal 2023, which is a nominal increase in the normal course of business.

### *Other Expenses*

Other expenses increased by 16.61% to ₹ 7,879.69 lakhs in Fiscal 2024 from ₹ 6,757.53 lakhs in Fiscal 2023, majorly due to increase in expenses related to research activities, information technology, information security, advertisement and legal/professional charges.

## Profit before Tax

For the reasons discussed above, our profit before tax increased to ₹ 19,197.49 lakhs in Fiscal 2024 compared to ₹ 11,893.78 lakhs in Fiscal 2023.

## Tax Expense

Our total tax expense increased to ₹ 4,875.91 lakhs in Fiscal 2024 from ₹ 2,248.17 lakhs in Fiscal 2023, primarily on

account of increase in profit.

### **Profit for the Year**

Our profit for the year increased by ₹ 4,841.78 lakhs to ₹ 14,938.10 lakhs in Fiscal 2024 compared to ₹ 10,096.32 lakhs in Fiscal 2023.

### **Cash Flows**

The following table sets forth certain information relating to our cash flows in the periods indicated:

(in ₹ lakhs)

<b>Particulars</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>
Net cash flow from/ (used in) operating activities	(12,405.19)	3,768.65
Net cash flow used in investing activities	(1,476.24)	(1,659.19)
Net cash flows from/ (used in) financing activities	20,982.62	(6,057.52)
Net increase/(decrease) in cash and cash equivalents	7,101.19	(3,948.06)
Cash and cash equivalents at the end of the year	14,718.99	7,609.00

### ***Operating Activities***

#### ***Fiscal 2024***

Our net cash used in operating activities was ₹ 12,405.19 lakhs for Fiscal 2024. Our operating profit before working capital changes was ₹ 23,664.14 lakhs for Fiscal 2024, which was primarily adjusted for finance cost which is considered under cash flows from financing activities and for non-cash items like depreciation.

#### ***Fiscal 2023***

Our net cash generated from operating activities was ₹ 3,768.65 lakhs for Fiscal 2023. Our operating profit before working capital changes was ₹ 15,814.52 lakhs for Fiscal 2023, which was primarily adjusted for adjusted for finance cost as the same is considered under cash flows from financing activities and non-cash items like depreciation.

### ***Investing Activities***

#### ***Fiscal 2024***

Our net cash used in investing activities was ₹ 1,476.24 lakhs for Fiscal 2024. This was primarily used on account of incremental investment in fixed assets and software applications.

#### ***Fiscal 2023***

Our net cash used in investing activities was ₹ 1,659.19 lakhs for Fiscal 2023. This was primarily used on account of incremental investment in fixed assets and software applications

### ***Financing Activities***

#### ***Fiscal 2024***

Our net cash generated from financing activities was ₹ 20,982.62 lakhs during Fiscal 2024. This primarily consisted of:

1. Outflow in respect of dividend for FY 2022-23.
2. Inflow on account of increase in borrowings from banks and financial institutions

#### ***Fiscal 2023***

Our net cash used in financing activities was ₹ 6,057.52 lakhs during Fiscal 2023. This primarily consisted of:

- 1) Outflow in respect of dividend for FY 2021-22.
- 2) Inflow on account of increase in borrowings from banks and financial institutions

### **Total Borrowings**

As on March 31, 2024, our total borrowings aggregated to ₹ 35,022.41 lakhs, which comprises of overdrafts from banks, loans from financial institutions and loans from related parties.

### **Material Frauds**

There are no material frauds committed against our Company, in the last two financial years.

### **Reservations, Qualifications, Matters of Emphasis, and Adverse Remarks or other observations**

There are no reservations, matters of emphasis, qualifications, adverse remarks or other observations in the CARO report in the financial statements of our Company, in the last two financial years except for the year ended March 31, 2024, as mentioned below:

1) reference to certain non-compliances with respect to maintenance of audit trail for accounting softwares, pursuant to the requirements of Rule 3 of Companies (Accounts) Rules, 2014 for the year ended 31 March 2024 by the Holding Company; and

(2) reference to certain non-compliances with respect to maintenance of audit trail for accounting softwares, pursuant to the requirements of Rule 3 of Companies (Accounts) Rules, 2014 for the year ended 31 March 2024 by its material subsidiary.

The above mentioned reservations do not have any impact on the financial statements of our Company.

### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

We have not defaulted in repayment of loans or borrowing to a financial institution, bank or government, or repayment of statutory dues.

### **Contingent Liabilities**

A summary of our contingent liabilities as at March 31, 2024, see “*Financial Statements*” on page 93.

### **Related party transactions**

For details regarding our related party transactions for Fiscal 2024, in accordance with Ind AS 24, see “*Financial Statements*” on page 93.

### **Commitments and contingencies**

For Fiscal 2024, we had contractual obligations in the following amounts:

<i>(in ₹ lakhs)</i>	
<b>Commitments</b>	<b>Fiscal 2024</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for -	
Property, plant and equipment	226.81
Intangible assets	179.98

### **Qualitative disclosure about market risk**

Our Company has exposure to the following risk arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

### **Risk management framework**

Our Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

Our Company has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees our Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialised departments such as risk management, Internal Permanent Control and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

- a) Credit risk:

It is risk of financial loss that our Company will incur a loss because its customer and counterparty to financial instruments fails to meet its contractual obligation.

Our Company's financial assets comprise of Cash and bank balance, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from our Company's trade receivable and loans.

### **Trade receivables, loans and other financial assets:**

Our Company has followed simplified approach for measurement of expected credit loss in case of receivables and loans. At each reporting date, our Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which our Company is exposed to credit risk. Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables and loans are in default based on the due dates of the respective

financial assets.

Our Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance (ECL) for all trade receivables. The application of simplified approach does not require the our 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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics as follows:

- Receivable from Brokerage (Secured by collaterals mainly in form of Securities of listed Group)
- Receivable from Depository (Secured by collaterals mainly in form of Securities of listed Group)
- Other receivables

#### **Receivable from brokerage**

Trade receivable of the our Company are of short duration with credit period ranging up to maximum 30 days. Our Company has computed expected credit loss where there is significant delay in collection by grouping under various aging categories and based on historical data of probability of Default is applied to arrive at ECL. For receivables aged over 90 days, probability of default is 100% and 100% ECL provision is made.

#### **Receivable from depository**

Depository receivables are secured by collaterals in the form of securities. Based on historical data, probability of default for various categories based on a matrix of collateral coverage and ageing is determined.

#### **Other receivables**

Our Company has computed expected credit loss where there is significant delay in collection by grouping under various aging categories and based on historical data of probability of default is applied to arrive at ECL.

#### **Collaterals held**

Our Company holds collateral and other credit enhancements against certain of its credit exposures.

#### **Other financial assets considered to have a low credit risk:**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

Investments comprise of equity investments in joint ventures and associate, debt mutual funds which are market tradeable.

#### **b) Liquidity Risk**

Liquidity represents the ability of our Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that our Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and/or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

Funds required for short period is taken care by borrowings utilising overdraft facility from bank.

c) Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates credit spreads and equity prices) impact our Company's income or the market value of its portfolios. Our Company, in its course of business is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximise returns. Our Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analysis:

- i) Equity price Risk
- ii) Interest rate Risk
- iii) Currency Risk

- i) *Equity price Risk*: Our Company does not have proprietary trading positions in equity. In respect of the client positions, the risk is managed through risk based margin requirements and hence our Company do not envisage a substantial equity price risk.
- ii) *Interest rate Risk*: Our Company's exposure to interest rate risks arises primarily due to the short term investments in debt mutual funds. The non-traded financial assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the our Company's statement of profit and loss.
- iii) *Foreign exchange risk/ Currency risk*: The financial risks arising to our Company include foreign exchange risk. As a part of our Company's risk management policy, the exchange risks arising from foreign currency fluctuations are hedged by forward contracts designated as cash flow hedges. The fair value of derivative contracts is determined based on the mark to market price i.e. the price that would be paid/received to transfer a liability/asset as at the reporting date.

**Competitive Conditions**

We operate in a competitive environment. Please see "Our Business", "Industry Overview" and "Risk Factors" on pages 80, 76 and 20, respectively for further information on our industry.

**Significant Developments after March 31, 2024, that may affect our Future Results of Operations**

Except as disclosed below and elsewhere in this Letter of Offer, no circumstances have arisen since March 31, 2024, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

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1.	Limited review consolidated financial results of the Group as at and for the three months period ended June 30, 2024, with the comparatives for the three months ended June 30, 2023,	150

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND DEFAULTS

*Our Company and our Subsidiaries are subject to various legal proceedings from time to time, primarily arising in the ordinary course of business.*

*Except as disclosed below and in accordance with the materiality policy set out hereunder, there are no outstanding litigations with respect to the (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) material violations of statutory regulations by our Company and/or our Subsidiaries; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; and (iv) any pending matters including civil litigation and tax proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.*

*In relation to point (iv) above, our Board in its meeting held on September 19, 2024, has considered and adopted a 'Policy for Determining Material Events and Information', framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**"). In terms of the Materiality Policy, any outstanding litigations, involving our Company and/or our Subsidiaries, whose total monetary impact is equivalent to or exceeds the lower of the following:*

- a) 2% of turnover, as per the last audited financial statements of our Company;*
- b) 2% of Net Worth, as per the last audited financial statements of our Company, except in case the arithmetic value of the Net Worth is negative; and*
- c) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company.*

*Accordingly, all outstanding litigation (including civil and tax proceedings), involving our Company and/or our Subsidiaries whose monetary impact is equivalent to or in excess of 5 % of the average of absolute value of profit or loss after tax, as per the last three Audited Consolidated Financial Statements of our Company, which is determined to be ₹ 674.00 lakhs have been disclosed in this section.*

*Additionally, it is clarified that pre-litigation notices received by our Company and/or our Subsidiaries from third parties (excluding those notices issued by statutory or regulatory or governmental authorities) shall not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as a defendant in litigation proceedings before any judicial forum.:*

*Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer. All terms defined herein in a particular litigation disclosure pertain to that litigation only.*

#### **A. Litigation involving our Company**

##### ***Material litigation (including civil litigation and tax proceedings) involving our Company***

*Material litigation (including civil litigation and tax proceedings) against our Company*

Nil

*Material litigation (including civil litigation) by our Company*

Our Company and others ("**Petitioners**") had filed a plaint dated August 29, 2017 ("**Petition**") before the Hon'ble Munsiff Court, Ernakulam ("**Court**") against P. Vimala & Others. ("**Respondents**") under the provisions of the Code of Civil Procedure, 1908 for permanent prohibitory injunction restraining Anantharama Krishnan ("**Respondent no. 2**") from transferring / alienating the sale proceeds of equity shares amounting to up to ₹ 800.00 lakhs from the depository participant account of Respondent no. 2 and pass a decree of mandatory injunction directing the Respondents to freeze or control the operation of the equity shares using the sale proceeds of the equity shares from the joint account. The equity shares from the joint depository participant were sold by Respondent no. 2 by mapping



the joint depository participant to the individual trading account of Respondent No. 2. The sale proceeds in depository participant account of Respondent no. 2 were purchased from the sale proceeds of equity shares from the joint depository participant account of Respondent no.1 and Respondent no. 2. Therefore, our Company filed the Petition for permanent prohibitory injunction and was granted a stay by the Court for freezing the equity shares (purchased from the sale proceeds from joint depository participant account), in the depository participant account of Respondent no. 2. The matter is currently pending.

***Issues of moral turpitude or criminal liability on the part of our Company***

*Criminal litigation against our Company*

Nil

*Criminal litigation by our Company*

Our Company (“**Petitioner**”) has filed a criminal miscellaneous petition dated February 1, 2023, against the Inspector of Police, K-9 Thiru. Vi. Ka Police (“**Respondent**”) before the Court of the V Metropolitan Magistrate Egmore, Chennai for directing the Respondent to lodge a FIR and investigate the matter against an erstwhile employee for forgery and misappropriation, and file a report. Our Company received an order dated July 14, 2023, under the provisions of Cr.P.C by the Court of the V Metropolitan Magistrate Egmore, Chennai (“**Order**”), directing the Respondent to register an FIR and investigate the matter of fraud and forgery. In furtherance to the Order, the Respondent has filed an FIR dated June 6, 2024, against the erstwhile employee of our Company under the provisions of Cr.P.C, alleging fraud and forgery by deliberately not reporting the death of the customer and undertaking unauthorised transactions in the deceased client’s account. The matter is currently pending for filing a chargesheet and final report.

***Material violations of statutory regulations by our Company***

Nil

***Economic offences where proceedings have been initiated against our Company***

Nil

***Any other pending matters including civil litigation and tax proceedings involving our Company, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position***

Nil

**B. Litigation involving our Subsidiaries**

NIL

*Material litigation (including civil litigation and tax proceedings) against our Subsidiaries*

Nil

*Material litigation (including civil litigation and tax proceedings) by our Subsidiaries*

Nil

***Issues of moral turpitude or criminal liability on the part of our Subsidiaries***

Nil

***Material violations of statutory regulations by our Subsidiaries***

Nil

*Economic offences where proceedings have been initiated against our Subsidiaries*

Nil

*Any other pending matters including civil litigation and tax proceedings involving our Subsidiaries, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position*

Nil

## **GOVERNMENT AND OTHER APPROVALS**

Our Company requires various licences, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations for carrying on its present business activities. Further, our obligation to obtain and renew such licences, registrations, permits and approvals may arise periodically and applications for such approvals are made/will be made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the Objects.

For further details, please see “*Objects of the Issue*” on page 57.

## MATERIAL DEVELOPMENTS

Except as stated below in this Letter of Offer, no circumstances have arisen since March 31, 2024, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

Sr. No.	Particulars	Page Number
1.	Limited review consolidated financial results of the Group as at and for the three months period ended June 30, 2024, with the comparatives for the three months ended June 30, 2023,	150

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for this Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on July 13, 2024, pursuant to Section 62(1)(a) of the Companies Act and other applicable laws. The terms of the Issue including the Record Date, Issue Price, Rights Entitlement ratio and other related matters, have been approved by our Rights Issue Committee on September 19, 2024.

The Rights Issue Committee, at its meeting held on September 19, 2024, has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 50 per Rights Equity Share (including a premium of ₹ 49 per Rights Equity Share), in the ratio of 1 Rights Equity Share for every six Equity Shares, as held on the Record Date and the Rights Entitlement as 1 (one) Rights Equity Share for every 6 (six) fully paid-up Equity Shares, as held on the Record Date. The Issue Price is ₹50 per Rights Equity Share which has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

This Letter of Offer has been approved by our Board pursuant to its resolution dated [●].

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain their respective trading approvals for the Rights Entitlements, as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” on page 198.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the members of the Promoter Group and our Directors have not been debarred and are not prohibited 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 other regulatory or governmental authority.

The companies with which our Promoters or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

### Association of our Directors with the securities market

Other than Radhakrishnan Nair, none of our Directors are associated with the securities market in any manner.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Letter of Offer.

### Prohibition by RBI

Neither our Company nor our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

### Confirmation under the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Letter of Offer.

## **Eligibility for this Issue**

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

## **Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and has received their in-principle approvals from BSE and NSE through their letter dated [●] and [●], respectively, for listing of the Equity Shares to be issued pursuant to this Issue. NSE is the Designated Stock Exchange for the Issue.

## **Compliance with conditions of Fast Track Issue**

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having, nationwide trading terminals, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
2. The entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;
3. The average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹ 25,000 lakhs, in at least one of the recognized stock exchanges with nationwide trading terminals, where our securities are listed, calculated as per explanation (i) of Regulation 99 of the SEBI ICDR Regulations;
4. The annualized trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months' period;
5. The annualized delivery-based trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-months period;
6. The Company is and have been in compliance with the equity listing agreement or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, for a period of at least three years immediately preceding the reference date, however:
  - a) There was a delay of one day in filing of the voting results with the Stock Exchanges pursuant to Regulation 44 of the SEBI Listing Regulations by our Company. However, our Company remedied the non-compliance by paying a penalty of ₹ 10,000, levied by the Stock Exchanges. For further details, please see, "*Risk Factors - Our Company may incur penalties or liabilities for non-compliance with certain provisions of the SEBI Listing Regulations.*". Consequently, the Company is in compliance with the provisions of the SEBI Listing Regulations at the time of filing of this Letter of Offer. Accordingly, since our Company has paid only a monetary fine imposed by the Stock Exchanges, our Company is in compliance with the eligibility conditions for a fast track rights issuance under the SEBI ICDR Regulations.

- b) There was a delay of 42 days in the appointment of an Independent Director pursuant to Regulation 17 of the SEBI Listing Regulations. The Company had subsequently appointed Binoy Varghese Samuel as an Independent Director on August 26, 2024. For further details, please see, “*Risk Factors - Our Company may incur penalties or liabilities for non-compliance with certain provisions of the SEBI Listing Regulations.*”. Consequently, the Company is in compliance with the provisions of the SEBI Listing Regulations at the time of filing of this Letter of Offer and the eligibility conditions for a fast track rights issuance under the SEBI ICDR Regulations.
7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;
  8. As on the date of filing of this Letter of Offer, no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, our Promoters or whole-time Directors as on date of filing this Letter of Offer with the Designated Stock Exchange. Further, no show-cause notices have been issued or adjudication proceedings or prosecution proceedings initiated by SEBI against our Company, our Promoter, our Directors or our Whole-time Directors which have not been disclosed in this Letter of Offer, along with its potential adverse impact on our Company;
  9. Our Company, our Promoters, the members of our Promoter Group or our Directors have not settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during the three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
  10. Our Equity Shares have not been suspended from trading as a disciplinary measure during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
  11. There is no conflict of interest between the Lead Manager and our Company or our Group Companies in accordance with applicable regulations;
  12. Our Promoters, and the members of the Promoter Group, have confirmed to (i) subscribe to the full extent of their Rights Entitlements and not renounce their Rights Entitlements, (except to the extent of Rights Entitlements renounced by any of them in favour of our Promoters or other member(s) of the Promoter Group), (ii) subscribe to Rights Entitlements over and above their Rights Entitlements, if any, , if any, which are renounced in their favour or purchased by them using the secondary market platform of the Stock Exchanges or through an off-market transaction in compliance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group; and (iii) subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, or to ensure subscription to the extent of at least Minimum Subscription, each as may be applicable, subject to the subscription to additional Rights Equity Shares under (ii) and (iii) above, being made to the extent that: (a) it does not result in any obligation on our Promoters and the members of the Promoter Group to make an “open offer” in accordance with the SEBI Takeover Regulations; and (b) the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations and in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

Any participation by our Promoters and the members of the Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

For subscription by our Promoters and the members of the Promoter Group and details in relation to compliance with minimum public shareholding norms prescribed under the SCRR, see “*Capital Structure - Intention and extent of participation by our Promoters and Promoter Group*” on page 54; and

13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company in respect of the Financial Year for which such accounts are disclosed in this Letter of Offer.

#### **Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of this 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 NSE; 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.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, BEING DAM CAPITAL ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, BEING DAM CAPITAL ADVISORS LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:**

**WE CONFIRM THAT:**

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE; COMPLIED WITH TO THE EXTENT APPLICABLE**



- (2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
- (a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
  - (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - (c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (“SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOT APPLICABLE
- (5) WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. NOT APPLICABLE
- (6) ALL APPLICABLE PROVISIONS SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. NOT APPLICABLE
- (7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER’S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR’S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK

**AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE**

- (8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SEPCIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE.**
- (9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE.**
- (10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**
- (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY EXCLUDING SUPERIOR RIGHTS EQUITY SHARES WHERE THE ISSUER HAS OUTSTANDING EQUITY SHARES WITH SUPERIOR RIGHTS. COMPLIED WITH TO THE EXTENT APPLICABLE (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND**
  - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. COMPLIED WITH.**
- (11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. NOTED FOR COMPLIANCE.**
- (12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. NOT APPLICABLE.**
- (13) NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH.**
- (14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH.**
- (15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE.**

**(16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE.**

**(17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH.**

**THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.**

#### **Disclaimer clauses from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and 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 represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

#### **Caution**

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Manager and their affiliates may engage in transactions with and perform services for our Company or our affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or our affiliates, for which they have received and may in the future receive, compensation.

#### **Disclaimer with respect to jurisdiction**

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is NSE.

### **Disclaimer Clause of BSE**

As required, a copy of this Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

*“BSE Limited (**“the Exchange”**) has given, vide its letter dated [●] permission to this Company to use the Exchange’s name in this Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

*and it should not for any reason be deemed or construed that this 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.”*

### **Disclaimer Clause of NSE**

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Letter of Offer is set out below:

*“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] dated [●] permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.*

*It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”*

## **Selling Restrictions**

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Rights 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 Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis in offshore transactions outside the United States in compliance with Regulation S to the Eligible Equity Shareholders

Our Company will dispatch, in accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer and Application Form 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 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 Letter of Offer is being filed with SEBI and the Stock Exchange. In those circumstances, this 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 subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer/ Abridged Letter of Offer and Application Form 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 Letter of Offer is being filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Equity Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

**This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.**

**Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other 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, this 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.**

If this 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 Rights Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights

Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale of Equity Shares and/ or the Rights Entitlements 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. The contents of this 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 of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

### **NO OFFER IN THE UNITED STATES**

The Rights Entitlement and the Rights Equity Shares are being offered and sold only to investors outside the United States in "offshore transactions" as defined in, and in reliance, on Regulation S. None of the Rights Entitlement or the Rights Equity Shares has been, or will be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

### **JURISDICTIONS OUTSIDE INDIA**

The distribution of this Letter of Offer may be restricted by law in certain jurisdictions. Persons into whose possession this document and any other related documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document, in whole or in part, does not form the basis of, and should not be relied upon in connection with, any contract, agreement or commitment whatsoever. Anyone purchasing or seeking to acquire the Rights Equity Shares will be deemed to have represented that they have complied with all applicable restrictions.

Investors are advised to consult their own legal counsel prior to taking up any Rights Equity Shares, or making any offer, sale, resale, pledge or transfer of the Rights Equity Shares. No action has been or will be taken to permit a public offering of the Rights Equity Shares in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Equity Shares may not be offered, sold, resold, allotted, taken up, pledged, transferred or delivered, directly or indirectly, and this document may not be distributed, in any jurisdiction outside of India, except in accordance with legal requirements applicable in such jurisdiction.

### **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 LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS 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 ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED IN THIS LETTER OF OFFER.

### **Consents**

Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, the Lead Manager, Legal Counsel to the Company as to Indian Law, the Registrar to the Issue, the Statutory Auditors, Banker to the Issue and Monitoring Agency have been obtained, and such consents have not been withdrawn up to the time of delivery of this Letter of Offer as required under Sections 26 and 32 of the Companies Act, 2013.

### **Filing**

This Letter of Offer is being filed with the Stock Exchanges and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. This Letter of Offer will also be filed with BSE and NSE, where the Equity Shares are proposed to be listed.

### **Listing**

The Rights Equity Shares offered through this Letter of Offer are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. NSE is the Designated Stock Exchange with which the Basis of Allotment will be finalised.

### **Investor Grievances and Redressal System**

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular bearing reference number 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 currently comprises of Rajan Medhekar , C J George and A Balakrishnan, which meets at least once every year and as and when required. The broad terms of reference includes redressal of investors' grievances pertaining to share transfers, effective exercise of voting rights, non-receipt of annual report, non-receipt of declared dividend, and general meetings. Link Intime India Private Limited is our Registrar. All investor grievances received by us have been handled by the Registrar in consultation with our Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 14 Working Days from the date of receipt of the complaint.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, 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, see "*Terms of the Issue*" on page 198.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

### **Registrar to the Issue**

#### **Link Intime India Private Limited**

C-101, 247 Park, L B S Marg, Vikhroli West,

Mumbai - 400 083, Maharashtra, India

**Contact person:** Ms. Shanti Gopalakrishnan

**Tel:** +91 810 811 4949

**Fax:** +91 22 4918 6195

**E-mail ID:** [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Investor Grievance Email pertaining to Rights Issue:** [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)

**CIN:** U67190MH1999PTC118368

### **Company Secretary and Compliance Officer**

Liju Kaitherathu Johnson is the Company Secretary and Compliance Officer of our Company. His details are as follows:

#### **Liju Kaitherathu Johnson**

11th Floor,

34/659-P,

Civil Line Road,

Padivattom,

Kochi - 682 024,

Kerala, India

Telephone: +91 484 290 1000

E-mail: [liju\\_johnson@geojit.com](mailto:liju_johnson@geojit.com)

### **Other Confirmations**

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.



## SECTION VII: ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this 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 this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors are requested to note that application in this issue can only be made through ASBA or any other mode which may be notified by SEBI.*

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this 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, the SEBI ICDR Master Circular 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

Please note that our Company has opened a separate demat suspense escrow account (namely, “[●]”) (“**Demat Suspense Account**”) and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund (“**IEPF**”) authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed suspense account / demat suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar to the Issue on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar to the Issue no later than two clear Working Days prior to the Issue Closing Date, i.e., by [●] to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense 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 to the Issue account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar to the Issue by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

## **I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue 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 a registered address in India or who have provided an Indian address to our Company. 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, this 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.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at [www.geojit.com](http://www.geojit.com);
- (ii) the Registrar to the Issue at [www.linkintime.co.in](http://www.linkintime.co.in);
- (iii) the Lead Manager, *i.e.*, DAM Capital Advisors Limited at [www.damcapital.in](http://www.damcapital.in);
- (iv) the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in).

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (*i.e.*, [www.linkintime.co.in](http://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.*, <https://www.geojit.com>).

**Please note that neither our Company nor the Registrar to the Issue nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this 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 this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights 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 this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this 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 this 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, this 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 this 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 Rights Equity Shares or the Rights Entitlements, distribute or send this 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 this 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 this 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 Rights 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 Rights 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).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company.

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements 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 and Rights Entitlement Letter should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of 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 this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, 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, and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat any Application Form as invalid which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/ or the Rights Entitlements 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 not in the United States and eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. Our Company shall not be bound to issue or allot any Equity Shares and/ or the Rights Entitlements in respect of any such Application Form.

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

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

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

## **II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

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” on page 215.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available

by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “- Grounds for Technical Rejection” on page 211. Our Company, the Lead Manager, the Registrar to the Issue and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that 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” on page 202.

### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders' Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at [www.linkintime.co.in](http://www.linkintime.co.in) and link of the same would also be available on the website of our Company at [www.geojit.com](http://www.geojit.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights 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 Rights 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**

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors 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.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

**The Lead Manager, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue 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.**

**Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.**

*Do's for Investors applying through ASBA:*

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) 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.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.

- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

*Don'ts for Investors applying through ASBA:*

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Lead Manager, the Registrar, the Banker(s) to the Issue, (assuming that Banker(s) to the Issue 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.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoid applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (g) Do not submit Multiple Application Forms.

#### **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 accordance with Regulation 78 of the SEBI ICDR Regulations 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 address outside India.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, 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:

1. Name of our Company, being Geojit Financial Services Limited;

2. 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);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. 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
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ [•] per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. 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;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. 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);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar to the Issue at:

**Link Intime India Private Limited**

C-101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai - 400 083, Maharashtra, India

**Contact person:** Ms. Shanti Gopalakrishnan

**Tel:** +91 810 811 4949

**Fax:** +91 22 4918 6195

**E-mail ID:** [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Investor Grievance Email pertaining to Rights Issue:** [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)

**CIN:** U67190MH1999PTC118368; and



17. All such Eligible Equity Shareholders are deemed to have accepted the following:

***“Purchaser Representations and Transfer Restrictions***

*Any person who acquires Rights Entitlements and / or Rights Equity Shares, by its acceptance of this Letter of Offer / Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:*

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and / or Rights Equity Shares, and it acknowledges and agrees that none of us or the Lead Manager and their respective affiliates shall have any responsibility in this regard;*
- *It certifies that it is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, it is located outside the United States, Canada, the People’s Republic of China, South Africa and Australia, and it has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States, Canada, the People’s Republic of China, South Africa and Australia, or entered into any arrangement for the transfer of Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States, Canada, the People’s Republic of China, South Africa and Australia,; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, (ii) such customer is located outside the United States, Canada, the People’s Republic of China, South Africa and Australia, and (iii) such customer has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States, Canada, the People’s Republic of China, South Africa and Australia, or entered into any arrangement for the transfer of the Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States, Canada, the People’s Republic of China, South Africa and Australia,;*
- *It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and / or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and / or Rights Equity Shares, or any economic interest therein, such Rights Entitlements and / or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India; or (B) in the United States pursuant to an exemption from the registration requirement of the Securities Act and applicable state securities laws;*
- *It is not an affiliate of our Company or a person acting on behalf of an affiliate;*
- *It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Rights Entitlements and / or Rights Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S under the Securities Act);*
- *It will base its investment decision on a copy of the Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Manager) or any of their respective affiliates has made or will make any representations, express or*

*implied, to it with respect to the Company, the Issue, the Rights Entitlements and / or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and / or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;*

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and / or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and / or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and / or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and / or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and / or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and / or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and / or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*
- It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and / or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and / or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*
- It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and / or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*
- It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and / or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.*

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 an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar to the Issue not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar to the Issue at [www.linkintime.co.in](http://www.linkintime.co.in).

Our Company, the Lead Manager and the Registrar to the Issue shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' 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 Rights 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 Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue 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 to the Issue, 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 to the Issue 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 by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar to the Issue no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar to the Issue 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*” on page 204.

In accordance with the SEBI Master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, 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 Rights Equity Shares while submitting the Application.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application.

### *Application for Additional Rights Equity Shares*

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights 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, being NSE. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “- *Basis of Allotment*” on page 225.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.**

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares unless regulatory approvals are submitted.

*Additional general instructions for Investors in relation to making of an Application*

- (a) Please read this 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 this 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*” on page 204.
- (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, Applications 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 (assuming that the Banker(s) to the Issue is not an SCSB), our Company or the Registrar to the Issue 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 Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (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. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar to the Issue will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar to the Issue. Hence, Investors 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 Investor as per the e-mail address provided to our Company or the Registrar to the Issue or Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar to the Issue or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order**

**of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, 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 Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investors 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 to the Issue, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar to the Issue will not be liable for any such rejections.
- (k) In case of joint holders and physical Applications, 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 Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue 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 to the Issue in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- (m) Investors are required to ensure that the number of Rights 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) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (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 a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- (u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021, March 30, 2022 and March 28, 2023.

### ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar to the Issue.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar to the Issue.
- (c) Sending an Application to our Company, the Lead Manager, Registrar to the Issue, Banker(s) to the Issue (assuming that the Banker(s) to the Issue 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 an Investor 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 Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

- (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 or other jurisdictions where the offer and sale of the Rights 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 not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights 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 Investors that are residing in U.S. address as per the depository records.
- (s) Applicants not having the requisite approvals to make Application in the Issue.

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

#### **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 Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights 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*” on page 214.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor 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 the 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 Promoters and Promoter Group*” on page 54.

## Procedure for Applications by certain categories of Investors

### *Procedure for Applications by FPIs*

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. 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 (iv) 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:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) 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., in any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. 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 our 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 Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar to the Issue about such approval within the Issue Period.

#### *Procedure for Applications by Mutual Funds*

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

#### *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 certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

#### *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 / Rights Issue Committee, 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 / Rights Issue Committee, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board / Rights Issue Committee, shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- *Basis of Allotment*” on page 225.

Please note that on the Issue Closing Date, Applications 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, Investors can mention the reference number of the e-mail received from Registrar to the Issue 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*

An Investor who has applied in this Issue may withdraw its Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, 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 / Rights Issue Committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded/unblocked in the ASBA Accounts of the Investor within a period of four 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 Rights 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 to the Issue (*i.e.*, [www.linkintime.co.in](http://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.*, <https://www.geojit.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 to the Issue 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 Rights 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 Rights Equity Shares offered under Rights Issue for subscribing to the Rights 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 to the Issue 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 to the Issue (*i.e.* [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)). 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 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 dematerialised form; and (ii) a demat suspense escrow account (namely, “[●]”) 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 Listing Regulations) or details of which are unavailable with our Company or with the Registrar to the Issue 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;

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 to the Issue 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 to the Issue account is active to facilitate the aforementioned transfer.

#### IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

##### *Renouncees*

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

##### *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 favour 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. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

##### *Procedure for Renunciation of Rights Entitlements*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of Rights Entitlement not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or 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 Investors 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 Investors.**

(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 [•] 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 Investors 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 Investors 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 prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [•], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for 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.

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 favour 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.

## V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar to the Issue will not accept any payments against the Application Forms, if such payments are not made through ASBA.

In case of Application, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on 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 this 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. 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 Issue 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 Investors*

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 Investors*

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

## **VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE**

The Rights 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*” on page 47.

### ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1:6 (one Rights Equity Share for every six Equity Shares held as on the Record Date). As per the SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than six Equity Shares or is not in the multiple of six Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than six Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one additional Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties, and the application forms shall be non-negotiable.

## ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this 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 Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

## ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights 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 Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] and from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges 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 Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, from the Call Record Date, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the final Call.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532285) and NSE (Scrip Code: GEJITFSL) under the ISIN: INE007B01023. The Rights 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 Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights 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 Rights 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 four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

## ***Subscription to this Issue by our Promoters and the 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 Promoters and Promoter Group*” on page 54.



### ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Shareholders who have been Allotted Rights 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 Rights 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 this Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.**

## **VII. GENERAL TERMS OF THE ISSUE**

### ***Market Lot***

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights 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 Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor 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 Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Right Equity Share and hence, no arrangements for disposal of odd lots are required.

### ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

### ***Notices***

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue 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 through email and speed post. 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, this 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.

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, one Hindi language national daily newspaper with wide circulation, and one Malayalam language newspaper (Malayalam being the regional language of Kochi, Kerala, where our Registered Office is situated) and/or, will be sent by post to the Indian address of the Eligible Equity Shareholders provided to our Company. However, the distribution of this Letter of Offer Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis, including pursuant to the Issue, to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

This 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/Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident Equity Shareholders including additional Rights 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 Rights 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 Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor 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 to the Issue at [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in). It will be the sole responsibility of the investors 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 Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application

Forms will be made available at Registered and Corporate Offices of our Company. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on 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 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.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in).

#### **ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 226.**

#### **VIII. ISSUE SCHEDULE**

<b>Last Date for credit of Rights Entitlements</b>	[•]
<b>Issue Opening Date</b>	[•]
<b>Last date for On Market Renunciation of Rights Entitlements<sup>#</sup></b>	[•]
<b>Issue Closing Date*</b>	[•]
<b>Finalization of Basis of Allotment (on or about)</b>	[•]
<b>Date of Allotment (on or about)</b>	[•]
<b>Date of credit (on or about)</b>	[•]
<b>Date of listing (on or about)</b>	[•]

*# 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 prior to the Issue Closing Date.*

*\* Our Board / Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

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 to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Issue 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.*, [•] If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be

kept in suspense account on behalf of such shareholder 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, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

## **IX. BASIS OF ALLOTMENT**

Subject to the provisions contained in this 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 Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Rights Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights 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.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights 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.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the Investors who have been allocated Rights 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.
4. Further, the list of Applicants eligible for refund/unblocking with corresponding amount will also be shared with Banker to the Issue to refund/unblock such Applicants.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

## **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 Rights 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 fifteen days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through 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 Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed 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***

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

### ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## **XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

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.

### ***Receipt of the Equity Shares in Dematerialized Form***

**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 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 APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED..**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has executed an agreement dated June 17, 2016 and an agreement dated June 18, 2016 with CDSL and NSDL, respectively. which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

### **INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights 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 to the Issue but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar to the Issue or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

### **XIII. IMPERSONATION**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act 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 for fraud involving an amount of at least ₹ 10.00 lakhs 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 ₹ 10.00 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50.00 lakhs 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 unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 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; And
- D. Our Company may utilise the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **XV. UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- 3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) No further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- 8) As on the date of this Letter of Offer, our Company does not have any convertible debt instruments
- 9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

#### **XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

1. Please read this 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 this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this 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 ["[●] – **Rights Issue**"] on the envelope and postmarked in India) to the Registrar at the following address:

**LINK INTIME INDIA PRIVATE LIMITED**

C-101, 247 Park, L B S Marg, Vikhroli West,

Mumbai - 400 083, Maharashtra, India

Contact person: Ms. Shanti Gopalakrishnan

**Tel:** +91 810 811 4949

**Fax:** +91 22 4918 6195

**E-mail ID:** [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Investor Grievance Email pertaining to Rights Issue:** [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)

**CIN:** U67190MH1999PTC118368

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar to the Issue (i.e.,



www.linkintime.co.in). Further, helpline number provided by the Registrar to the Issue for guidance on the Application process and resolution of difficulties is +91 810 811 4949.

4. The Investors can visit following links for the below-mentioned purposes:
  - a) Frequently asked questions and online/electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.linkintime.co.in](http://www.linkintime.co.in)
  - b) 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](http://www.linkintime.co.in)
  - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [www.linkintime.co.in](http://www.linkintime.co.in)
  - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [geojit.rights@linkintime.co.in](mailto:geojit.rights@linkintime.co.in)

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

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 manner in which 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. Accordingly, the process for foreign direct investment (“**FDI**”) 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) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors. 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.

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 FEMA Non-Debt Rules 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 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) 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 Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Our Company is engaged in other financial services, where currently 100% FDI investment is permissible.

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 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 an 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. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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. Investors are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer.

## **RESTRICTIONS ON PURCHASES AND RESALES**

### **Eligibility and Restrictions**

#### ***General***

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) any jurisdiction other than India, in each case, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their affiliates to any filing or registration requirement (other than in India. If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

#### **No offer in the United States**

The Rights Entitlement and the Rights Equity Shares are being offered and sold only to investors outside the United States in “offshore transactions” as defined in, and in reliance, on Regulation S. None of the Rights Entitlement or the Rights Equity Shares has been, or will be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

#### **Representations, Warranties and Agreements by Purchasers**

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in “offshore transactions” as defined in, and in reliance, on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and

accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “**purchaser**”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States, Canada, the People’s Republic of China, South Africa and Australia in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States, Canada, the People’s Republic of China, South Africa and Australia and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in “offshore transactions” as defined in, and in reliance, on Regulation S .
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as defined in Regulation S under the Securities Act).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer;
7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
11. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (*as defined below*); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or their affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) neither the Lead Manager nor any of their affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or their affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager or any of their affiliates.
14. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or their affiliates to it.
15. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or

the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from their engagement with our Company and in connection with this Issue.

16. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.
17. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
18. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
19. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Manager with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
20. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
21. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
22. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
23. The purchaser shall hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
24. The purchaser acknowledges that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

## SECTION VIII: STATUTORY AND 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 Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. (Indian Standard Time) on all working days from the date of this Letter of Offer until the Issue Closing Date.

#### A. Material Contracts for the Issue

1. Issue Agreement dated [●], 2024 among our Company and the Lead Manager.
2. Registrar Agreement dated [●], 2024 among our Company and the Registrar to the Issue.
3. Banker(s) to the Issue Agreement dated [●], 2024 among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.
4. Monitoring Agency Agreement dated [●], 2024 between our Company and the Monitoring Agency.

#### B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated February 9, 2017, upon incorporation.
3. Certificate of incorporation dated November 24, 1994 upon change in the name of the Company.
4. Certificate of commencement of business issued to our Company on November 24, 1994.
5. Certificate of incorporation dated October 16, 2003 upon change in the name of the Company.
6. Certificate of incorporation dated April 1, 2009, upon change in the name of the Company.
7. Certificate of incorporation dated February 9, 2017, upon change in the name of the Company.
8. Letter of Offer dated [●], 2024, in respect of the rights issue of equity shares of face value of ₹ 1 each by our Company.
9. Resolution of our Board dated July 13, 2024 authorising the Issue.
10. Resolution of our Board dated September 19, 2024 approving the Issue and finalizing the terms of the Issue including Record Date, Issue Price, Rights Entitlement ratio and other related matters.
11. Resolution passed by our Board dated [●], 2024 for approving this Letter of Offer.
12. Resolution passed by the Rights Issue Committee dated [●], 2024 for determining the Issue Period.
13. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, the Lead Manager, Legal Advisor to our Company as to Indian law, Banker(s) to the Issue, the Registrar to the Issue and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.



14. Written consent dated [●] from B S R & Associates LLP, to include their name as our Statutory Auditors in relation to their (i) audit reports and (ii) statement of special tax benefits under direct and indirect tax laws in India dated September 14, 2024 and as an “expert” as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.
15. Written consent dated [●] from [●], Chartered Accountants, to include their name as the Independent Chartered Accountants in relation to their as an “expert” as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.
16. The Audited Consolidated Financial Statements for the year ended March 31, 2024 and the Auditor’s Reports thereon dated April 30, 2024. Auditors Report dated April 28, 2023 on the Audited Consolidated Financial Statements for the year ended March 31, 2023. Unaudited Consolidated Financial Results for three months ended June 30, 2024 and the review report thereon dated July 13, 2024. The review report dated July 28, 2023 on the Unaudited Consolidated Financial Results for three months ended June 30, 2023.
17. Annual Reports of our Company for Fiscal 2024, 2023, 2022, 2021 and 2020.
18. In-principle approvals dated [●] issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.
19. Due diligence certificate dated [●] addressed to SEBI from the Lead Manager.
20. Tripartite agreement dated April 20, 2005, among our Company, Registrar to the Company and NSDL.
21. Tripartite agreement dated March 22, 2005, among our Company, Registrar to the Company and CDSL.

Any of the contracts or documents mentioned in this 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 Eligible Equity Shareholders, subject to compliance with applicable law.

## **DECLARATION**

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Chenayappillil John George**  
*Chairman and Managing Director*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Radhakrishnan Nair**  
*Independent Director*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Alice Geevarghese Vaidyan**  
*Independent Director*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Rajan Krishnanath Medhekar**  
*Independent Director*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Muthu Raja Paravasa Vijay Kumar**  
*Independent Director*

**Place: [●]**

**Date: [●]**

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Sebastian Luckose Morris**

*Independent Director*

**Place: [●]**

**Date: [●]**

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

---

**Binoy Varghese Samuel**  
*Independent Director (Additional)*

**Place:** [●]

**Date:** [●]



## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Harikishore Subramanian**

*Nominee Director*

**Place: [●]**

**Date: [●]**

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

---

**Punnoose George**  
*Non-executive Director*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

---

**Satish Ramakrishnan Menon**  
*Whole-time Director (Executive)*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

---

**Aiyappan Pillai Balakrishnan**  
*Whole-time Director (Executive)*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

---

**Jones George**

*Whole-time Director (Executive)*

**Place:** [●]

**Date:** [●]

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules and regulations made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

---

**Mini Rajeev Nair**  
*Chief Financial Officer*

**Place:** [●]

**Date:** [●]

**B S R & Associates LLP**

Chartered Accountants

49/179A, 3rd Floor, Syama Business Centre  
NH 47 Bypass Road, Vyttila  
Kochi – 682 019, India  
Telephone: +91 484 4148 500  
Fax: +91 484 4148 501

## Independent Auditor's Report

### To the Members of Geojit Financial Services Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Geojit Financial Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at 31 March 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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



**Independent Auditor's Report (Continued)**

**Geojit Financial Services Limited**

Information Technology	
The key audit matter	How the matter was addressed in our audit
<p><b>IT systems and controls</b></p> <p>The Holding Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly.</p> <p>We have focused on user access management, change management, computer operations and system application controls over key financial accounting and reporting systems.</p>	<p>Our audit procedures to assess the IT systems and controls included the following:</p> <p>Testing the design of General IT Controls (GITCs) for the audit period which included controls over access to program and data, program changes, computer operations over financial accounting and reporting systems and related IT systems (referred to as 'in-scope systems').</p> <p>Testing the operating effectiveness of GITCs for the audit period over the in-scope systems as follows:</p> <ul style="list-style-type: none"> <li>• User access creation, modification, and revocation process</li> <li>• User access review</li> <li>• Privileged User Access Management</li> <li>• Password policies</li> <li>• Application change management procedures and</li> <li>• Computer operations process</li> </ul> <p>Understanding IT application controls for the audit period for significant accounts, reports, and system processing for significant accounts determined by us during our risk assessment. We have tested the controls to determine that these controls remained unchanged during the audit period and in case of changes, whether changes followed the standard change management process.</p> <p>Understanding IT infrastructure records for the in-scope systems - i.e., operating systems and databases.</p> <p>Based on procedures performed above, wherever required, we extended our audit procedures over other IT application controls, manual approval processes, tests on identified key changes and additional substantive testing.</p>

**Other Information**

The Holding Company's Management and Board of Directors are responsible for the other information.



## Independent Auditor's Report (Continued)

### Geojit Financial Services Limited

The other information comprises the Directors' report and Corporate Governance report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Annual report, which are expected to be made available to us after that date.

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

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

If, based on the work we have performed and based on the work done/audit reports of other auditors on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other sections of Annual report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the applicable laws and regulations.

#### Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint venture are responsible for overseeing the financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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,



**Independent Auditor's Report (Continued)**

**Geojit Financial Services Limited**

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company, of which we are the independent auditors, 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of



**Independent Auditor's Report (Continued)**

**Geojit Financial Services Limited**

doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

- a. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 28,483.41 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 3,495.07 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 3.22 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

- b. The financial information of a subsidiary, whose financial information reflect total assets (before consolidation adjustments) of Rs. 738.66 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 459.01 lakhs and net cash inflows (before consolidation adjustments) amounting to Rs. 36.69 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit and other comprehensive income of Rs. 616.52 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate and a joint venture, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, joint venture and associate, is based solely on such financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to financial information certified by the Management.

**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 Section 143(11) of the Act, 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 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.



**Independent Auditor's Report (Continued)**

**Geojit Financial Services Limited**

- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group, its associate and joint venture. Refer Note 33 to the consolidated financial statements.
  - b. The Group, its associate and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
  - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.
  - d (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 49(a) to the consolidated financial statements, 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 Holding Company or any of such subsidiary companies, 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 49(b) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies, shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any



**Independent Auditor's Report (Continued)**

**Geojit Financial Services Limited**

guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 20 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
  - (i) In respect of the Holding Company and one of its subsidiary company, in the absence of reporting of controls with respect to audit trail in the independent auditor's report in relation to controls at service organisation for accounting software used to maintain general ledger, which is operated by a third-party software service provider, we are unable to comment on whether audit trail feature of the said software was enabled at the database level and operated throughout the year for all relevant transactions recorded in the software..
  - (ii) In respect of the Holding Company and one of its subsidiary, the feature of recording audit trail (edit log) was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to payroll.
  - (iii) In respect of the Holding Company, the feature of recording audit trail (edit log) was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to revenue.

Further, we did not come across any instance of the audit trail feature being tampered with, except for (i) above for which we are unable to comment whether the audit trail feature was tampered with.

**Independent Auditor's Report (Continued)**

**Geojit Financial Services Limited**

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies 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) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024



**Baby Paul**

*Partner*

Place: Kochi

Date: 30 April 2024

Membership No.: 218255

ICAI UDIN:24218255BKFWFV6843

B S R & Associates LLP

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Geojit Financial Services Limited for the year ended 31 March 2024**

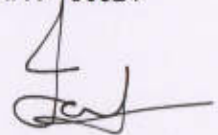
**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024



**Baby Paul**

*Partner*

Membership No.: 218255

ICAI UDIN:24218255BKFWFV6843

Place: Kochi

Date: 30 April 2024



**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Geojit Financial Services Limited for the year ended 31 March 2024**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of Geojit Financial Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies,, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors



**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Geojit Financial Services Limited for the year ended 31 March 2024 (Continued)**

of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matter**

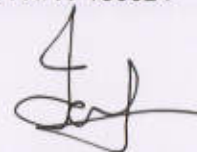
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024



**Baby Paul**

*Partner*

Place: Kochi

Date: 30 April 2024

Membership No.: 218255

ICAI UDIN:24218255BKFWFV6843