



Date: 20th December, 2024

Ref: MIFL/BSE/RIC-OUTCOME/DECEMBER-2024

To,

BSE LIMITED

Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai,
Maharashtra 400001

Ref: Mangalam Industrial Finance Limited (Scrip Code: 537800)

Sub: Outcome of the meeting of the Rights Issue Committee under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Dear Sir/Madam,

We hereby inform you that the Rights Issue Committee of the Company in its meeting held on **20th December, 2024**, have considered and approved the Draft Letter of Offer dated 20th December, 2024 (the "Draft Letter of Offer") in relation to the rights issue of the Company (the "Issue"), with BSE Limited (the "Stock Exchanges").

The Draft Letter of Offer will be filed with the Stock Exchanges for seeking their in-principle approval for the proposed Issue and listing of Equity Shares, issued pursuant to the same.

A copy of the Draft Letter of Offer, to be filed with the Stock Exchange is attached herewith for your records.

The Rights Issue Committee meeting commenced at 02:30 P.M. & concluded at 03:00 P.M.

Please take it on your record.

Thanking you,

FOR MANGALAM INDUSTRIAL FINANCE LIMITED

VENKATA RAMANA REVURU
MANAGING DIRECTOR
DIN: 02809108

MANGALAM INDUSTRIAL FINANCE LIMITED

CIN No. : L65993WB1983PLC035815

Reg. Office : Old Nimta Road, Nandan Nagar, Belghoria, Kolkata West Bengal- 700083, India.

Corporate Office : Hall No.1, Mr Icon, Next To Milestone Vasna Bhayli, Road, Vadodra 391410. Gujarat, India

MO : +91 7203948909 | **Email:** compliance@miflindia.com | **Website :** www.miflindia.com



MANGALAM INDUSTRIAL FINANCE LIMITED
(CIN: L65993WB1983PLC035815)

Mangalam Industrial Finance Limited (“Company” or “Issuer”) was incorporated at Calcutta, on February 08, 1983 as a public limited company, under the Companies Act, 1956 read with the Companies Act, 2013 and a Certificate of Incorporation was issued by the Registrar of Companies, West Bengal at Calcutta. Thereafter our Company obtained a Certificate of Commencement of Business on March 05, 1983. Our Registered Office has been shifted from MMS Chambers, 4A, Council House Street, 1st Floor, Room No: D1, Kolkata – 700 001, West Bengal to the current address on October 06, 2022. Our Company is registered under section 45-IA of The Reserve Bank of India Act, 1934 to commence/carry on the business of a Non-Banking Financial Institution. Our Company is registered with the Reserve Bank of India (“RBI”) as Non-Systemically Important Non-Deposit taking Non-Banking Finance Companies (NSI-ND-NBFC), Investment and Credit Company (“ICC”). The registration number is B.05.02961 vide the Certificate of Registration dated 21.08.2001. For details of changes in the name and registered office of our Company, refer chapter titled “General Information” on page 36 of this Draft Letter of Offer.

Registered Office: Old Nimta Road, Nandan Nagar, Belghoria, Kolkata, West Bengal –700 083; Telephone No. +91 7203948909;

Fax; N.A.; E-mail id: compliance@miflindia.com

Corporate Office: Hall No.-1, M R Icon, Next to Milestone, Vasna, Bhayli Road, Vadodara-391410, Gujarat; Telephone No: +91 7203948909

Contact Person: Mr. Samoil Akilbhai Lokhandwala; Company Secretary and Compliance Officer

E-mail: compliance@miflindia.com; Website: www.miflindia.com, CIN: L65993WB1983PLC035815

OUR PROMOTERS: SOJAN VETTUKALLE AVIRACHAN, VENKATA RAMANA REVURU, YATIN SANJAY GUPTA, WARDWIZARD SOLUTIONS INDIA PRIVATE LIMITED AND GARUDA MART INDIA PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF MANGALAM INDUSTRIAL FINANCE LIMITED (OUR “COMPANY” OR “THE ISSUER”) 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 ₹[●] PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹ 4900.00 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] 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 165 OF THIS DRAFT LETTER OF OFFER.

**Assuming full subscription with respect to Rights Equity Shares*

WILFUL DEFAULTERS OR FRAUDULENT BORROWER

Neither our Company, nor our Promoter or Directors are categorised as wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India.

| AMOUNT PAYABLE PER RIGHTS EQUITY SHARE | FACE VALUE (₹) | PREMIUM (₹) | TOTAL (₹) |
|--|----------------|-------------|------------|
| On Application | [●] | [●] | [●] |
| Total | 1.00 | [●] | [●] |

* For further details on Payment Schedule, see “Terms of the Issue” on page 165 of this Draft Letter of Offer.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 22 of this Draft Letter of Offer.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares are listed on BSE Limited (“BSE/ “Stock Exchange”). Our Company has received ‘in-principle’ approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter dated [●]. Our Company will also make applications to the BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE



Purva Share Registry (India) Private Limited
Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai, 400011, Maharashtra Contact
Details: +91-22-4961 4132/ +91-22-3522 0056
Email: newissue@purvashare.com; Website: www.purvashare.com; Contact Person: Ms. Deepali Dhuri SEBI Registration Number:
INR000001112

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 Renouncees on or prior to the Issue Closing Date.

** Our Board or the Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (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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TABLE OF CONTENTS

| | |
|--|------------|
| Section I – General | 2 |
| Definitions and Abbreviations | 2 |
| Notice to Investors | 13 |
| Certain Conventions, Use of Financial Information and Currency of Presentation | 15 |
| Forward - Looking Statements | 17 |
| Summary of Draft Letter of Offer | 19 |
| Section II – Risk Factors | 22 |
| Section III: Introduction | 35 |
| The Issue | 35 |
| General Information | 36 |
| Capital Structure | 42 |
| Objects of the Issue | 44 |
| Statement of Tax Benefits | 48 |
| Section IV – About The Company | 52 |
| Industry Overview | 52 |
| Our Business | 62 |
| Our Management | 66 |
| Section V – Financial Information | 78 |
| Accounting Ratios and Capitalization Statement | 139 |
| Management’s Discussion and Analysis of Financial Condition and Results of Operations | 141 |
| Market Price Information | 150 |
| Section VI – Legal and Other Information | 152 |
| Outstanding Litigation and Material Developments | 152 |
| Material Developments | 157 |
| Other Regulatory and Statutory Disclosures | 158 |
| Section VII – Issue Information | 165 |
| Terms of the Issue | 165 |
| Restrictions On Foreign Ownership Of Indian Securities | 190 |
| Restrictions On Purchases And Resales | 191 |
| Section VIII: Other Information | 201 |
| Material Contracts and Documents For Inspection | 201 |
| Declaration | 203 |

SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

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

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

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 78, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Company Related Terms

| Term | Description |
|--|---|
| "Mangalam Industrial Finance Limited" or "the Company" or "our Company" or "we" or "us" or "our" or "the Issuer" | Mangalam Industrial Finance Limited, a public limited company incorporated under the Companies Act, 1956 whose registered office is situated at Old Nimta Road, Nandan Nagar, Belghoria, Kolkata, West Bengal –700 083 |
| Articles of Association" or "Articles" or AOA | Articles of Association of our Company, as amended from time to time |
| Audit Committee | The Committee of Board of Directors constituted as our Company's Audit Committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and section 177 of the Companies Act, 2013 |
| Auditors or Statutory Auditors | The statutory auditors of our Company, namely, M/s. Mahesh Udhvani & Associates, Chartered Accountants, Vadodara |
| Board of Directors, or Board or our Board | The Board of Directors of our Company or any duly constituted committee thereof. |
| Chairman and Managing Director | The Chairman and Managing Director of our Company, Mr. Venkata Ramana Revuru |
| Director(s) | The director(s) on our Board, as disclosed in "Our Management" on page 66 of this Draft Letter of Offer. |
| Equity Shares | Equity shares of face value of ₹ 1 each of our Company |
| Group Companies | Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations |
| Independent Directors | An Independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "Our Management" beginning on page 66 of this Draft Letter of Offer |
| Key Managerial Personnel or KMP | Mr. Venkata Ramana Revuru, Managing Director, Mr. Arun Pillai, Chief Financial Officer and Mr. Samoil Akilbhai Lokhandwala, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company. |
| Material Subsidiaries | None |
| Memorandum of Association | Memorandum of Association of our Company, as amended from time to time |
| "Non-Executive Director(s)" | A Director, not being an Executive Director of our Company. |
| Nomination and Remuneration Committee | The committee of the Board of Directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. |

| | |
|--|---|
| Promoters | The promoter of our Company, being, Mr. Venkata Ramana Revuru, Mr. Sojan Vettukallel Avirachan, Mr. Yatin Sanjay Gupte, Wardwizard Solutions India Private Limited and Garuda Mart India Private Limited |
| Promoter Group | Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations. |
| Registered Office | Registered office of our Company is situated at Old Nimta Road, Nandan Nagar, Belghoria, Kolkata, Kolkata, West Bengal, India, 700083. |
| Corporate Office | The Corporate Office of our Company situated at Hall No. - 1, M R Icon, Next to Milestone, Vasna Bhayli Road, Vadodara- 391 410, Gujarat, India |
| Registrar of Companies /ROC | Registrar of Companies, Kolkata, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal. |
| Subsidiary / Subsidiary Company / our Subsidiary | Our Company has no Subsidiary Company as on this date of filing of this Draft Letter of Offer. |
| Shareholders or "Equity Shareholders | The holders of the Equity Shares from time to time |
| Stakeholders Relationship Committee | The committee of the Board of Directors constituted as our Company's Stakeholders Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178(5) of the Companies Act, 2013. |

Issue Related Terms

| Term | Description |
|---|--|
| Abridged Letter of Offer or ALOF | The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act |
| Additional Rights Equity Shares/ Additional Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement |
| Allotment / Allot / Allotted /Allotment of Rights Equity Shares | Allotment of Rights Equity Shares pursuant to the Issue |
| Allotment Account(s) | The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013. |
| Allotment Account Bank(s) | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●] |
| Allotment Advice | The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE Ltd. |
| Allotment Date | The date on which Allotment is made pursuant to the Issue. |
| Allottee(s) | Persons to whom Rights Equity Shares of our Company are allotted pursuant to this Issue. |
| Applicant(s) / Investors | Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer. |
| Application | Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the 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 Applicant to make an application for the Allotment of Rights Equity Shares in this Issue. |
| Application Money | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price. |

| Term | Description |
|---|---|
| Application Supported by Blocked Amount/ASBA | The application (whether physical or electronic) used by Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB. |
| ASBA Account | An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application. |
| ASBA Circulars | Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2023/75 dated May 30, 2023. |
| Bankers to the Company | ICICI Bank, HDFC Bank Limited, Union Bank of India. |
| Bankers to the Issue / Escrow Collection Bank | [●] |
| Banker to the Issue Agreement | Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof. |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "Terms of the Issue" beginning on page 165 of this Draft Letter of Offer. |
| CAF / Common Application Form | The application form used by Investors to make an application for Allotment under the Issue |
| Controlling Branches / Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| Designated Branches | Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| Demographic Details | Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable. |
| Designated Stock Exchange | BSE Limited |
| Depository | A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018. |
| Draft Letter of Offer / DLOF | This draft letter of offer dated 20 th December, 2024 |
| ECS | Electronic Clearing Service |
| Equity Shareholder(s)/ Shareholder(s) | The holders of Equity Shares of our Company. |
| Eligible Equity Shareholders / Eligible Shareholders/ | Holders of Equity Shares of our Company as on the Record Date, i.e. [●]. |
| Escrow Account(s) | One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors. |
| "Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)" | Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●] |

| Term | Description |
|---|---|
| Fraudulent Borrower | Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations |
| General Corporate Purposes | General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations. |
| GIR | General Index Registrar |
| IEPF | Investor Education and Protection Fund |
| Investor(s) | The Equity Shareholders of our Company on the Record Date i.e. [●] and the Renouncee(s). |
| ISIN | International Securities Identification Number |
| Issue / the Issue / this Issue / Rights Issue | Issue of upto fully paid up [●] Equity Shares with a face value of Re. 1 each for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. 4,900 Lakhs on a rights basis to Eligible Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) fully paid-up Equity Share held on the Record Date i.e. [●]. |
| Issue Closing Date | [●] |
| Issue Opening Date | [●] |
| Issue Price | Rs. [●] per Equity Share |
| Issue Proceeds | The gross proceeds raised through the Issue |
| Issue Size | The issue of upto fully paid up [●] Rights Equity Shares for an amount aggregating up to Rs. 4,900 Lakhs. |
| Letter of Offer / LOF | The final letter of offer to be issued by our Company in connection with the Issue. |
| Listing Agreement | Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange. |
| MICR | Magnetic Ink Character Recognition |
| Multiple Application Forms | Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. |
| NAV | Net Asset Value calculated as Net Worth divided by number of fully paid up Equity Shares. |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 44 of this Draft Letter of Offer. |
| Net Worth | The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation |
| Non-Institutional Investor(s) | Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB. |
| Offer Document | The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto. |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●] |

| Term | Description |
|---|--|
| Payment Schedule | Payment schedule under which 100% of the Issue Price is payable on Application, i.e. ₹[●] per Rights Equity Share |
| QIBs / Qualified Institutional Buyers | Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Record Date | A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●]. |
| Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs | Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014. |
| Registrar to the Issue / Registrar and Transfer Agent / RTA | Purva Shareregistry (India) Private Limited |
| Registrar Agreement | Agreement dated [●] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue. |
| Renouncee(s) | Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders. |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date. |
| Retail Individual Investor(s) | Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta). |
| Rights Entitlements (Res) | 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 [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. |
| RE-ISIN | The RE-ISIN for Rights Entitlement of full paid-up shares being [●]. |
| Rights Equity Shares / Rights Shares | The equity shares of face value Re. 1 each of our Company offered and to be issued and allotted pursuant to the Issue. |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through on the website of our Company. |
| Self-Certified Syndicate Bank / SCSBs | The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=34 |
| Stock Exchange/ Stock Exchange(s) | Stock exchange where the Equity Shares are presently listed, being BSE Limited |
| Transfer Date | The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| Willful Defaulter | Willful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| Working Days | In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

Business and Industry related Terms / Abbreviations

| Term/Abbreviation | Description/ Full Form |
|--|---|
| AFC(S) | Asset Finance Companies |
| ALM | Asset Liability Management |
| ALCO | Asset Liability Committee |
| AIF(S) | Alternative Investment Funds |
| AUM | Assets Under Management |
| BG | Bank Guarantee |
| BIFR | Board for Industrial and Financial Reconstruction |
| BPS | Basis Points |
| CIBIL | Credit Information Bureau (India) Limited |
| CIC-ND-SI | Systemically Important Core Investment Company |
| CPI | Consumer Price Index |
| CRAR | Capital to Risk Weighted Assets Ratio |
| DSA | Direct Sales Agent |
| ECLGS | Emergency Credit Line Guarantee Scheme |
| EMI | Equated Monthly Instalment |
| GNPAS | Gross Non-Performing Assets |
| GLP | Gross Loan Portfolio |
| GROSS SPREAD | Yield on the average minus the cost of funds |
| HFC | Housing Finance Company |
| ICS | Investment Companies |
| IDF-NBFC | Infrastructure Debt Fund |
| IFC | Infrastructure Finance Company |
| IND AS | Indian Accounting Standards |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IRR | Interest Rate Risk |
| KYC/KYC NORMS | Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority |
| LAP | Loan Against Property |
| LCS | Loan Companies |
| LOAN BOOK | Outstanding loans net of provisions made for NPAs |
| LTV | Loan to value |
| MGC | Mortgage Guarantee Companies |
| MIS | Management Information Systems |
| MSME | Micro, Small and Medium Enterprises |
| NABARD | National Bank for Agriculture and Rural Development |
| NAV | Net Asset Value |
| NBFC | Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934 |
| NBFC – AA | NBFC-Account Aggregator |
| NBFC-ND-NSI (NBFC-BL/ NBFC – BASE LAYER) | Non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFCP2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface. |
| NBFC-D | NBFC registered as a deposit accepting NBFC |
| NBFC-ML/ NBFC – MIDDLE LAYER | (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC) |
| NBFC-ICC | NBFC registered as an Investment and Credit Company |
| NBFC-MFI | NBFC – Microfinance Institutions |
| NBFC-ND | NBFC registered as a non-deposit accepting NBFC |

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| NBFC-ND-NSI | Non Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and which is not systemically important i.e. having total assets of less than ₹ 50,000 lakhs as per the last audited balance sheet |
| NBFC-ND-SI | Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and which is systemically important i.e. having total assets of ₹ 50,000 lakhs and above as per the last audited balance sheet |
| NBFIS | Non-banking Financial Institutions |
| NBFC-P2P | NBFC–Peer to Peer Lending Platform |
| NBFC - TL | NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk |
| NBFC – UL | NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR Framework |
| NHAI | National Highways Authority of India |
| NII | Net Interest Income |
| NOF | Net Owned Fund |
| NOFHC | Non-Operative Financial Holding Company |
| NPA | Non-Performing Asset |
| NPCI | National Payments Corporation of India |
| NSO | National Statistical Office |
| OLC | Overdue Loan Cell |
| RBI NSI MASTER DIRECTIONS | RBI's Master Direction - Non-Banking Financial Company – Non – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended |
| RBI SI MASTER DIRECTION | RBI's Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended |
| ROA | Return on Assets |
| ROI | Return on Investment |
| SBR FRAMEWORK | Scale Based Regulation: A Revised Regulatory Framework for NBFCs (as amended) |
| SIDBI | Small Industries Development Bank of India |
| SME | Small and Medium Enterprises |
| STPLS | Small Ticket Size Loans |
| TAT | Turnaround Time |
| TIER I CAPITAL | <p>For NBFC-ND-NSI:</p> <p>Tier I Capital means owned fund as reduced by investment in shares of other nonbanking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten percent of the owned fund</p> <p>For NBFC-ND-SI:</p> <p>Tier I Capital means owned fund as reduced by investment in shares of other nonbanking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.</p> |
| | <p>For NBFC-ND-NSI:</p> <p>Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty-five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and To the extent, the aggregate does not exceed Tier I capital.</p> |

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| TIER II CAPITAL | For NBFC-ND-SI: Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital. |
| TLTRO | Targeted Long-Term Repo Operations |

Conventional and General Terms or Abbreviations

| Term/Abbreviation | Description/ Full Form |
|-----------------------------|---|
| ₹ OR RS. OR RUPEES OR INR | Indian Rupees |
| A/C | Account |
| AGM | Annual General Meeting |
| AY | Assessment Year |
| BIFR | Board for Industrial and Financial Reconstruction |
| CAGR | Compounded Annual Growth Rate |
| CARO | Companies (Auditor's Report) Order, 2020 |
| CBIC | Central Board of Indirect Taxes and Customs |
| CDSL | Central Depository Services (India) Limited |
| 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 |
| CATEGORY II AIF | AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations |
| CATEGORY II FPIS | FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations |
| CATEGORY III AIF | AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations |
| CENTRAL GOVERNMENT | The Central Government of India |
| CERSAI | Central Registry of Securitisation Asset Reconstruction and Security Interest |
| CFO | Chief Financial Officer |
| CIN | Corporate Identity Number |
| COMPANIES ACT | Companies Act, 2013, as amended from time to time |
| COMPANIES ACT, 1956 | Companies Act, 1956 and the rules made thereunder, as the context requires |
| COMPANIES ACT, 2013 | Companies Act, 2013 and the rules made thereunder |
| COVID-19 /NOVEL CORONAVIRUS | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CRAR | Capital adequacy ratio/Capital to risk assets ratio |
| CIVIL CODE | The Code of Civil Procedure, 1908 |
| CLIENT ID | The client identification number maintained with one of the Depositories in relation to the demat account |

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| CRPC | Code of Criminal Procedure, 1973 |
| CTS | Cheque Truncation System |
| DEPOSITORIES ACT | The Depositories Act, 2018 as amended from time to time |
| DIN | Director Identification Number |
| DP | Depository Participant as defined under the Depositories Act |
| DP ID | Depository Participant's Identity |
| DPIIT | The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India |
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EPS | Earnings per Share |
| EGM | Extraordinary General Meeting |
| FCNR ACCOUNT / FCNR | Foreign Currency Non-Resident Account |
| FBIL | Financial Benchmarks India Private Limited |
| FDI | Foreign Direct Investment |
| FEMA ACT / FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto. |
| FEMA REGULATIONS | Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017 as amended from time to time |
| FEMA RULES | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| FISCAL /FISCAL YEAR/ FINANCIAL YEAR/FY | 12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year. |
| FUGITIVE ECONOMIC OFFENDER | An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 |
| FPI | Foreign Portfolio Investor |
| FVCIs | Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations. |
| GCP | General Corporate Purpose |
| GOVERNMENT/GOI | Government of India |
| GST | Goods and Service Tax |
| HFC | Housing finance companies |
| HUF | Hindu Undivided Family |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| IND AS | Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. |
| INDIAN GAAP | Generally accepted accounting principles followed in India. |
| INSIDER TRADING REGULATIONS | SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time |
| ISIN | International Securities Identification Number |
| I.T. ACT / IT ACT | Income Tax Act, 1961 |
| I. T. RULES | Income Tax Rules, 1962, as amended from time to time. |
| KMP | Key Managerial Personnel |
| LAKH | One hundred thousand |
| MCA | Ministry of Corporate Affairs, Government of India |
| MUTUAL FUND | Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996 |
| NACH | National Automated Clearing House which is a consolidated system of ECS. |
| NBFC | Non-banking financial companies |

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| NCD (S) | Non-convertible debentures |
| NCLT | National Company Law Tribunal |
| NCLAT | National Company Law Appellate Tribunal |
| NEFT | National Electronic Fund Transfer |
| N.A. | Not Applicable |
| NI ACT | The Negotiable Instruments Act, 1881 |
| NR | Non Resident |
| NRE | Non Resident External Account |
| NRI | Non Resident Indian |
| NSDL | National Securities Depositories Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations. |
| OPC | One Person Company |
| P.A. | Per Annum |
| PAN | Permanent Account Number |
| PAT | Profit after tax |
| QP | Qualified purchaser as defined in the U.S. Investment Company Act |
| QIB | Qualified Institutional Buyer |
| RBI | Reserve Bank of India |
| RTGS | Real Time Gross Settlement |
| SCORES | SEBI Complaints Redress System |
| SCRA | The Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | The Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SEBI | The Securities and Exchange Board of India, constituted under the SEBI Act, 1992 |
| SEBI ACT | The Securities and Exchange Board of India Act 1992, as amended from time to time. |
| SEBI AIF REGULATIONS | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time. |
| SEBI FPI REGULATIONS | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time. |
| SEBI FVCI REGULATIONS | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time. |
| SEBI ICDR REGULATIONS /ICDR REGULATIONS | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time. |
| SEBI LISTING REGULATIONS/LISTING REGULATIONS | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. |
| SEBI TAKEOVER REGULATIONS/SAST REGULATIONS | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. |
| SEBI VCF REGULATIONS | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time. |
| SEBI RELAXATION CIRCULARS | SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 |
| SEBI RIGHTS ISSUE CIRCULARS | Collectively, SEBI circular, bearing reference number |

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| | SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars |
| STT | Securities Transaction Tax |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985. |
| TOTAL BORROWINGS | Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities |
| TAN | Tax deduction account number |
| TDS | Tax deductible at source |
| TRADEMARKS ACT | Trade Marks Act, 1999 |
| UPI | Unified Payments Interface |
| U.S./UNITED STATES | The United States of America |
| USD / US\$ | United States Dollars |
| US SECURITIES ACT | The United States Securities Act of 1933, as amended from time to time |
| VCFS | Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be. |
| WHO | World Health Organization |
| W.E.F. | With Effect From |

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively "**Issue Material**") and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and will send / dispatch the Issue Material only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and sent / dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar to the Issue, our Company and the Stock Exchange. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent to the registered email addresses of 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. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Material or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

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

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

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

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.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

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

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

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

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer have been derived from our Audited Financial Statements. For details, please see “*Audited Financial Information*” on page 79 of this Draft Letter of Offer. Our Company’s financial year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ending on March 31 of the following calendar year.

The Gol has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. We have prepared our Audited Financial Statements in accordance with Ind AS read with the Ind AS Rules and other relevant provisions of the Companies Act, 2013 and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in “Lakhs” and in this Draft Letter of Offer in “Lakh” units or in whole numbers where the numbers have been too small to represent in Lakh. One Lakh represents 1,00,000 and one million represents 10,00,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 78 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer,

(i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” or “Re.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “Lakh” or “Lac” units or in whole numbers. One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in Lakh or in whole numbers where the numbers have been too small to present in Lakh. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

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

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

| Currency | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|----------|--------------------|----------------|----------------|----------------|
| 1 USD | 83.78 | 83.37 | 82.22 | 75.81 |
| 1 Euro | 93.53 | 90.22 | 89.61 | 84.66 |

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

Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 22 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD - LOOKING STATEMENTS

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

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

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

- adverse effect of competition on our market share and profits;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
 - hire and retain senior management personnel and other skilled manpower;
 - manage cost of compliance with labor laws or other regulatory developments;
 - manage our operating costs;
 - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 22 and 141 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the

future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to 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 Draft Letter of Offer, including “Risk Factors”, “Objects of the Issue”, “Our Business” and “Outstanding Litigation and Defaults” on pages 22, 44, 62 and 152, respectively.

SUMMARY OF INDUSTRY

NBFCs encompass a heterogeneous group of intermediaries and provide a whole range of financial services. Though heterogeneous, NBFCs can be broadly classified into three categories, viz., asset finance companies (such as equipment leasing and hire purchase), loan companies and investment companies. A separate category of NBFCs, called the residuary non-banking companies (RNBCs), also exists as it has not been categorised into any one of the above referred three categories. Besides, there are miscellaneous non-banking companies (Chit Fund), mutual benefit financial companies (Nidhis and unnotified Nidhis) and housing finance companies. As of March 31, 2024, there were 9,327 NBFCs registered with the RBI categorized as Asset Finance Companies, Loan Companies, Infrastructure Finance Companies (IFCs), Systematically Important Core Investment Company (NBFC – CIC – ND – SI), Infrastructure Debt Fund (NBFC – IDF) and Micro Finance Institutions (NBFC – MFIs).

For further details, please refer to the chapter titled “Industry Overview” at page 52.

PRIMARY BUSINESS OF OUR COMPANY

We are an NBFC not accepting Public Deposits bearing certificate of registration No: B.05.02961 issued by the RBI on 21.08.2001, categorized as ‘Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (‘NSI-ND-NBFC’), Investment and Credit Company (ICC). We are in the business of loans and investments and providing various financial solutions.

For further details, please refer to the chapter titled “Our Business” at page 62

OUR PROMOTERS

The Promoters of our Company are Mr. Venkata Ramana Revuru, Mr. Yatin Sanjay Gupte, Mr. Sojan Vettukalle Avirachan, M/s. Wardwizard Solutions India Private Limited and M/s. Garuda Mart India Private Limited.

OBJECTS OF THE ISSUE

Our Company intends to utilise the Net Proceeds from the Issue towards funding of the following objects:

| Particulars | Estimated amount (up to) (₹ Lakhs) |
|---|---------------------------------------|
| To augment the capital base and to provide for our fund requirements for increasing our operational scale with respect to our NBFC activities | Upto 4800.00 |
| General corporate purposes* | [●]* |
| Total Net Proceeds | [●]* |

* To be finalized on determination of Issue Price

For further details, please see “Objects of the Issue” on page 44.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS

Pursuant to letter dated December 11, 2024 our Promoters have confirmed that they are not intend to (i) subscribe, to the full extent of their Rights Entitlements and have also confirmed that all the members of promoters do not intend to subscribe, jointly and / or severally, to their Rights Entitlements and may renounce them in favour of third parties.

Summary of Financial Information

Following are the details as per the Financial Information as at and for the Financial Years ended on March 31, 2022, March 31, 2023 and March 31, 2024 and unaudited limited reviewed results for the year ended September 30, 2024:

(₹ in lakhs)

| S. No. | Particulars | Unaudited Limited Review | Audited Financial | | |
|--------|---|--------------------------|--------------------|----------------|----------------|
| | | | September 30, 2024 | March 31, 2024 | March 31, 2023 |
| 1. | Authorised Share Capital | 12617.00 | 12617.00 | 9617.00 | 9617.00 |
| 2. | Paid-up Capital | 9616.44 | 9616.44 | 9616.44 | 9616.44 |
| 3. | Net Worth attributable to Equity Shareholders | 2923.12 | 2853.12 | 2834.27 | 3338.64 |
| 4. | Total Revenue | 178.24 | 354.47 | 133.12 | 116.94 |
| 5. | Profit / (Loss) after tax | 70.00 | 18.763 | (500.94) | 133.72 |
| 6. | Earnings per Share (basic & diluted) (in ₹) | 0.007 | 0.002 | (0.052) | 0.014 |
| 7. | Net Asset Value per Equity Share (in ₹) | 0.30 | 0.29 | 0.29 | 0.35 |
| 8. | Total Borrowings | 0.00 | 0.00 | 0.00 | 0.00 |

For further details, please refer the section titled "Financial Information" on page 78.

SUMMARY OF OUTSTANDING LITIGATIONS

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies is provided below:

Litigations involving our Company:

i) Cases filed against our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|--|-------------------------------|-------------------------------|
| Proceedings involving issues of moral turpitude or criminal liability on the part of our Company | Nil | Nil |
| Tax Proceedings | Nil | Nil |
| Proceedings involving material violations of statutory regulations by our Company | Nil | Nil |
| Labour Matters | Nil | Nil |
| Economic offences | Nil | Nil |
| Material civil litigations above the materiality threshold | Nil | Nil |
| Other civil litigation considered to be material by our Company's Board of Directors | Nil | Nil |

*To the extent quantifiable

ii) Cases filed by our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|--|-------------------------------|-------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax Matters | Nil | Nil |
| Indirect Tax Matters | Nil | Nil |
| Other civil litigation considered to be material by our Company's Board of Directors | Nil | Nil |

*To the extent quantifiable

Litigations involving our Promoters / Directors

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in Lakhs) |
|--|--------------------------------------|--|
| Criminal matters | Nil | Nil |
| Direct tax matters | Nil | Nil |
| Indirect tax matters | Nil | Nil |
| Other civil litigation considered to be material by our Company's Board of Directors | Nil | Nil |

**To the extent quantifiable*

For further details, please see “*Outstanding Litigation and Material Developments*” on page 152.

RISK FACTORS

For details, please see “*Risk Factors*” on page 22. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

SUMMARY OF CONTINGENT LIABILITIES

There are no contingent liabilities as at the end of March 31, 2024.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details regarding our related party transactions as per Ind AS 24 entered into by our Company in Fiscal 2024, please see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Related party transactions*” from pages 78.

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

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

SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

There has been no split or consolidation of equity shares in the last one year preceding the date of this Draft Letter of Offer.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 52, 62 and 78 respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 17.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Financial Information, prepared in accordance with Ind AS and the Companies Act and in accordance with the SEBI ICDR Regulations.

Materiality:

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

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

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

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

INTERNAL RISK FACTORS

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

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations and permissions must be

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

2. Any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition.

The liquidity and profitability of our business majorly depend on our timely access to, and the costs associated with, raising funds. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors including our current and future results of operations and financial condition, global and local macroeconomic conditions and the effect of events such as a pandemic, our risk management policies, the shareholding of Promoter in our Company, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income, and market share may be adversely affected.

Certain regulatory developments including the restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non- Banking Financial Companies dated July 1, 2015 (the “Master Circular”) may restrict our ability to obtain bank financing for specific activities. Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain activities by NBFCs are ineligible for financing by banks, including certain types of discounting and rediscounting of bills, current and long term investments in shares, debentures, loans and advances by NBFCs to their subsidiaries and group companies, lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter-corporate deposits provided by NBFCs, and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues or in the form of loans of a temporary nature pending the raising of long-term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-Company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, or at all, which could adversely affect our liquidity and financial condition.

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

A significant component of our revenue is the interest on term loans and other financing activity (net of reversal) we receive from the loans we disburse as given below:

| Particulars | Unaudited, reviewed | Audited Financial | | |
|-----------------------------------|------------------------|-------------------|----------------|----------------|
| | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Total Income (In ₹ Lakhs) | 178.24 | 354.472 | 133.12 | 116.94 |
| Interest Income (In ₹ Lakhs) | 176.23 | 258.160 | 131.25 | 110.04 |
| Percentage of Total Income (in %) | 98.87 | 72.83 | 98.60 | 94.10 |

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

4. ***Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our financial results. The objects of the Issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution.***

The objects of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results. Utilization of Issue proceeds would be disclosed to our Company's shareholders in the manner required under the SEBI LODR Regulations. For further details, please see to the section titled "Objects of the Issue" on page 44 of this Draft Letter of Offer.

5. ***An amount of Rs. 6.60 Lakhs was outstanding to MSME Companies as at the end of September 30, 2024.***

An amount of Rs 6.60 Lakhs was outstanding to MSME as at the end of September 30, 2024.

6. ***Our success depends largely on our senior management and our ability to attract and retain our key personnel. Any significant changes in the key managerial personnel, may affect the performance of our Company.***

Our success depends on the continued services and performance of the members of the senior management team and other key employees. Competition for senior and experienced personnel in the industry is intense at present. The loss of the services of senior management or other key personnel could seriously impair our ability to continue to manage and expand our business, which may adversely affect our financial condition.

7. ***Our Company has been reporting losses in the recent past and continuation of the same could have an adverse material impact on our business, financial condition and results of operation.***

Our Company has recorded losses in the recent past, the details of which are provided below:

| Particulars | Unaudited | Audited Financial | | |
|---------------------------|--------------------|-------------------|----------------|----------------|
| | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Profit/(Loss) after Taxes | 70.00 | 18.763 | (500.94) | 133.72* |

* Our Company made a loss of 67.51 lakhs before tax, but due to an exceptional item of ₹ 300 lakhs made a profit after tax of ₹ 133.72 lakhs

8. ***Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

Our Company has experienced negative net cash flow in operating activities in the recent past, the details of which are provided below:

| Particulars | Unaudited | Audited Financial | | |
|--|--------------------|-------------------|----------------|----------------|
| | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Net Cash Flow from / (used in) Operating Activities | 256.59 | (1141.57) | 404.27 | (780.47) |
| Net Cash Flow from / (used in) Investment Activities | (0.27) | (2.97) | (19.70) | 1588.44 |
| Net Cash Flow from / (used in) Financing Activities | - | - | - | - |

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

9. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We have not paid any dividend during the last 3 years. Our Company may retain all our future earnings, if any, for use in the operations, and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate.

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

Our Company is subject to periodic inspections by the RBI of our Company's books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information, which our Company have failed to furnish when called upon to do so. The RBI conducts an annual inspection of our Company's books of accounts and other records relating to our financial position every year under Section 45N of the RBI Act. RBI inspections are a regular exercise and are carried out periodically by RBI for banks, financial institutions and NBFCs. Any major failure to meet the RBI's directions could materially and adversely affect our Company's pending applications or requests with the RBI and our Company's ability to obtain the regulatory permits and approvals required to expand our business or result in the interruption of all or some of our Company's operations, which could have a material adverse effect on our Company's business, financial condition and results of operations.

11. Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.

We have to comply with numerous regulatory filings, maintenance of record etc under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI Listing Regulation”), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable.

12. The deployment of funds is entirely at our discretion and as per the details mentioned in the section titled ‘Objects of the Issue’.

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue.

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

Misconduct by our employees could bind us for transactions that exceed authorised limits or present unacceptable risks, and our employees could conceal unauthorised or unlawful activities from us. Employee misconduct could also involve front running in securities markets or the improper use or disclosure of confidential information or non-compliance with insider trading rules, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter fraud or misconduct by employees, and the precautions we have taken and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of fraud or misconduct could adversely affect our reputation, business, results of operations and financial condition.

14. The Company does not own the premises on which its registered office or corporate office is situated. Any failure on the part of the lessee to renew the lease agreement or any disruption of our rights as a lessee or termination of the agreements with the lessors would adversely impact our business.

The premises on which the Registered Office and the Corporate Office of the Company is situated is not owned by us. The Company has entered into a formal lease agreement with Owner of the premises and pay rent at a regular interval. The owners may demand that we vacate the premises at any point and in that event, the Company would need to arrange for the Registered office and / or Corporate Office on an urgent basis at such rent as may be applicable as per the market rate applicable upon happening of such event which may adversely affect our profitability as additional expenditure would need to be incurred for the same.

There is no assurance that our Company will be able to enter into the fresh lease agreements in a timely manner and in favourable terms or at all. Further, there is no assurance that we will not face any disruption in our activities which could adversely affect our business operations.

15. We have in the past entered into related party transactions and we may continue to do so in the future.

We have entered into certain related party transactions as on the date of this Draft Letter of Offer. While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For further details, please refer to the chapter titled — “Financial Information-” at page 78.

16. *We operate in a competitive industry and our failure to successfully compete may adversely affect our business, financial condition and results of operations, and prospects.*

The NBFC Sector is highly competitive. We compete against various domestic companies and some of our competitors may have larger financial resources or access to lower cost funds. They may also benefit from greater economies of scale and operating efficiencies. Whilst we have sufficient track record and experience if we are unable to compete effectively with competitors, we may be unable to sustain or increase our volume of order intake. This Competition may result in reduced revenues, reduced margins and loss of market share. Failure to compete successfully against current or future competitors could harm our business, operating cash flows and financial condition.

17. *Your holdings may be diluted by additional issuances of equity by us, which may adversely affect the market price of our Equity Shares.*

Any future issuance of our Equity Shares may dilute the holdings of investors in our Equity Shares, which could adversely affect the market price of our Equity Shares. Additionally, sales of a large number of our Equity Shares by our principal shareholder could adversely affect the market price of our Equity Shares. The perception that any such sale may occur could also adversely affect the market price of our Equity Shares.

18. *We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.*

A number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers, or both. Although we devote significant resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, our security measures may not provide absolute security. Despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside the Company such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments. A successful penetration or circumvention of the security of our systems could cause serious negative consequences, including significant disruption of our operations, misappropriation of our confidential information or that of our customers, or damage to our computers or systems or those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure, and affect to our reputation, all of which could have a material adverse effect on us.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches, including any breach of our systems or by persons with whom we have commercial relationships that result in the unauthorized release of customers' or businesses' personal information, could damage our reputation and expose us to a risk of loss or litigation and possible liability.

19. *Security breaches of customers' confidential information that we store may harm our reputation and expose us to liability.*

We store customers' bank information, credit information and other sensitive data. Any accidental or wilful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to customer data, our relationships with customers will be severely damaged, and we could incur significant liability. Further, we engage with certain third-party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no

assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws.

- 20. *We rely on the accuracy and completeness of information concerning borrowers and counterparties for credit evaluation and risk management. Any misrepresentation, inaccuracies, or omissions in such material could have a negative impact on our business and financial results.***

We rely on information provided to us by or on behalf of borrowers when evaluating whether to provide credit or engage in other transactions with clients (including in relation to their financial transactions and past credit history). We may also depend on borrowers' assurances about the accuracy and completeness of the information. For ascertaining the creditworthiness and encumbrances on collateral, we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation on the part of our customers or employees. In addition, customers may misrepresent information in the loan application forms including in relation to the intended end use of the loans and may apply the loans disbursed for end uses different from those mentioned in the loan application form. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

There may be relatively less financial and credit information available on retail and rural individual borrowers, micro, small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present.

- 21. *Our inability to completely detect money laundering and other illicit actions or detect the same in a timely manner or at all may expose us to extra responsibility and affect our business and reputation.***

In India, we must follow all applicable anti-money laundering ("AML") and anti-terrorism laws and regulations. We bear the risk of failing to follow the statutory know your customer ("KYC") requirements, as well as fraud and money laundering by dishonest customers, in the ordinary course of our business. Despite having internal rules, processes, and controls in place to prevent and identify any AML activity and maintain KYC compliance, we cannot guarantee that we will be able to entirely manage instances of any possible or attempted violation. Any failure or ineffectiveness of our control system to detect such activities completely and immediately may subject us to regulatory action, including fines and penalties, and have a negative impact on our business and reputation.

- 22. *As we expand our lending business, we may encounter asset-liability mismatches, which might negatively impact our cash flows, financial condition, and results of operations.***

As we expand our lending operations, we may encounter liquidity concerns due to mismatches in the maturity of our assets and obligations. If we are unable to obtain additional borrowings or renew our existing credit facilities in a timely and cost-effective manner, or at all, for matching tenures of our loan portfolio, it may result in mismatches between our assets and liabilities, which could harm our cash flows, financial condition, and results of operations.

- 23. *Failure to stay up to date with technological changes, as well as the uses and regulation of the internet, might be detrimental to our Company.***

The industry of delivering finance products and services via a mobile app or the internet is dynamic and fresh. We must keep up with changing technical breakthroughs, customer and small company usage habits, internet security threats, system failure or inadequacy hazards, and governmental regulation and taxation, all of which could have a negative influence on our Company.

If we are unable to adequately react to such developments, decreased demand for loans as a result of higher savings or income could result in a loss of revenues or a fall in profitability. The demand for loan products in the markets we serve could fall as a result of a variety of factors, including regulatory restrictions that limit customer access to specific products, the availability of competing or alternative products, or changes in customers' financial circumstances, such as

increases in income or savings. A shift in focus from borrowing to saving would also lessen demand. Our revenues could be severely reduced if we fail to adjust to a significant change in our clients' desire for, or access to, our financing products. Customers may refuse or reject products whose changes make them less appealing or less available, even if we make adjustments or launch new products to meet customer demand.

24. ***We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled "Industry Overview" on page 52 of this Draft Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

25. ***Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and IFRS, which investors may be more familiar with and consider material to their assessment of our financial condition.***

Our audited summary statements of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and audited summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Financial Year 2024, 2023 and 2022 have been prepared in accordance with the Ind AS, read with the Ind AS Rules and in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ISSUE SPECIFIC RISKS

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

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

34. *SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see ‘Terms of the Issue’ on 165 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right 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 Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being [●]) opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

- (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- (b) Equity Shares held in the account of IEPF authority; or
- (c) The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- (e) Credit of the Rights Entitlements returned/reversed/failed; or
- (f) The ownership of the Equity Shares currently under dispute, including any court proceedings.

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if STT was paid on the sale transaction and, additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on long-term capital gains arising from sale of equity shares. However, where specified conditions are met, such long-term capital gains are only taxed to the extent they exceed Rs. 100,000.00 and unrealized capital gains earned up to January 31, 2018, continue to be exempt. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity Shares.

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

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

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

38. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

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

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

Under the Companies Act, 2013, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

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

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

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

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

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

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

SECTION III: INTRODUCTION THE ISSUE

The Issue has been authorised by way of resolution passed by our Board on June 21, 2024, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been approved by the Board of Directors at their meeting held on [●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 165.

| | |
|---|--|
| Rights Equity Shares being offered by our Company | [●] Rights Equity Shares |
| Rights Entitlement for the Rights Equity Shares | [●] Rights Equity Share for every [●] Equity Shares held on the Record Date |
| Record Date | [●] |
| Face Value per Equity Share | ₹1/- each |
| Issue Price | ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share). On Application, Investors will have to pay ₹ [●] per Rights Equity Share, which constitutes 100% of the Issue price including premium. |
| Issue Size | [●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] per Rights Equity Share up to an amount of Rs. 4,900 Lakhs * <i>*Assuming full subscription</i> |
| Voting Rights and Dividend | The Equity Shares issued pursuant to this Issue shall rank <i>pari-passu</i> in all respects with the Equity Shares of our Company. |
| Fractional Entitlement | For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any. |
| Equity Shares issued, subscribed and paid up and outstanding prior to the Issue | 96,16,43,500 Equity Shares issued subscribed and paid-up. For details, please see “Capital Structure” on page 42. |
| Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares) | [●] Equity Shares* <i>*assuming full subscription</i> |
| Security Codes for the Equity Shares | ISIN: INE717C01025 BSE Code: 537800 |
| ISIN for Rights Entitlements | [●] |
| Terms of the Issue | For details, please see “ <i>Terms of the Issue</i> ” on page 165. |
| Use of Issue Proceeds | For details, please see “ <i>Objects of the Issue</i> ” on page 44. |

GENERAL INFORMATION

Our Company was originally incorporated as 'Mangalam Industrial Finance Limited' at Calcutta, West Bengal on February 08, 1983 as a public limited company, under the Companies Act, 1956 and a Certificate of Incorporation was issued by the Registrar of Companies, West Bengal at Calcutta on February 08, 1983. Thereafter our Company obtained a Certificate of Commencement on March 05, 1983. Our Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 to commence/carry on the business of a Non-Banking Financial Institution. Our Company is registered with the Reserve Bank of India ("RBI") as Non-Systemically Important Non-Deposit taking Non-Banking Finance Companies (NSI-ND-NBFC), Investment and Credit Company ("ICC"). The registration number is B.05.02961 vide the Certificate of Registration dated 21.08.2001.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

| Date of change | Details of change in the registered office |
|----------------|---|
| 14.08.2014 | Change of the registered office address from 3 Synagogue Street, 2 nd Floor, Room No: 17, Kolkata 700 001, West Bengal to Subol Dutt Building, 13, Brabourne Road, Mezzanine Floor Kolkata – 700 001, West Bengal |
| 21.10.2021 | Change of the registered office address from Subol Dutt Building, 13, Brabourne Road, Mezzanine Floor Kolkata – 700 001, West Bengal to MMS Chambers, 4A, Council House Street, 1st Floor, Room No. D1, Kolkata– 700 001, West Bengal |
| 06.10.2022 | Change of the registered office address from MMS Chambers, 4A, Council House Street, 1st Floor, Room No. D1, Kolkata, West Bengal – 700 001 to Old Nimta Road, Nandan Nagar, Belghoria, Kolkata–700 083, West Bengal |

Registered Office of our Company

Mangalam Industrial Finance Limited

Old Nimta Road, Nandan Nagar,
Belghoria, Kolkata, West Bengal –700 083
Tel: +91 7203948909; **Fax:** N.A
Email: compliance@miflindia.com
Website: www.miflindia.com
CIN: L65993WB1983PLC035815

Corporate Office of our Company

Hall No-1, M R Icon, Next to
Milestone, Vasna Bhayli Road,
Vadodara, Gujarat – 391 410
Tel: + 91 7203948909 **Fax:** N.A

Our books of accounts and statutory registers are kept at the corporate office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal at Kolkata at the following address:

Registrar of Companies, Kolkata
Nizam Palace; 2nd MSO Building;
2nd Floor, 234/4, A.J.C.B. Road;
Kolkata – 700020, West Bengal;
Phone: 033-22473156, 22473404
Email: roc.kolkata@mca.gov.in

Board of Directors of our Company

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

| Name | Age | Designation | Address | DIN |
|------------------------------------|-----|--|--|----------|
| Mr. Venkata Ramana Revuru | 49 | Chairman and Managing Director | 13/1 2nd Cross Sreekar Mansion, Raghuram Reddy Layout, Near BBMP Office, Bangalore North, Doddanekkundi, Bangalore-560037, Karnataka | 02809108 |
| Mr. Yatin Sanjay Gupte | 46 | Non-Executive Non-Independent Director | 12/A, Suramya Bungalows, Raipura Road, Bhayali Gaon, Behind Lalguru Farm, Bhayli Vadodara – 391410, Gujarat | 07261150 |
| Mr. Sojan Vettukallel Avirachan | 46 | Non-Executive Non-Independent Director | Vettukallel House, Thommankuthu P.O, Thommankuthu, Nadakkal, Vannapuram, Idukki, Vannapuram – 685607, Kerala | 07593791 |
| Mr. Nikhil Bhagwanshanker Dwivedi | 66 | Non- Executive Independent Director | 23/B, Bhavanipura Society, Nizampura, Vadodara, Gujarat, 390002, India | 08865234 |
| Mr. Miteshkumar Ghanshyambhai Rana | 37 | Non-Executive Independent Director | 1620, Janavadi ni Pole, Near Verai Darvaja, Umreth, Anand, Gujarat - 388220 | 06770916 |
| Mrs. Mansi Jayendra Bhatt | 36 | Non-Executive Independent Director | 158/159, Ajit Nagar Society, Near Urmi Char Rasta, Vadodara, Gujarat, 390020, India | 10177722 |
| Mr. Paresh Prakashbhai Thakkar | 36 | Non-Executive Independent Director | B-4, Brahmpuri Society, Waghodia Road, Opp Swaminarayan Temple, Vadodara, Soma Talav, Vadodara, Gujarat - 390025 | 08265981 |

For detailed profile of our directors, please refer to the chapter titled “*Our Management*” on page 66 of this Draft Letter of Offer.

Chief Financial Officer

Mr Arun Pillai

Hall No-1, M R Icon,
Next to Milestone, Vasna Bhayli Road,
Vadodara, Gujarat – 391 410

Tel: +91 9274685603;

Fax: N.A

Email Id: cfo@miflindia.in

Company Secretary and Compliance Officer

Mr. Samoil Akilbhai Lokhandwala is the Company Secretary and Compliance Officer of our Company. His contact details are:

Hall No-1, M R Icon, Next to
Milestone, Vasna Bhayli Road,
Vadodara, Gujarat – 391 410
Tel. No.: + 91 72039 48909; **Fax:** N.A
Email id: compliance@miflindia.com

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE:

Registrar to the Company / Issue

Purva Shareregistry (I) Private Limited
Unit No. 9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai - 400011, Maharashtra.
Contact Details: +91-22-4961 4132/ +91-22- 3522 0056
Email Address: newissue@purvashare.com;
Website: www.purvashare.com;
Contact Person: Ms. Deepali Dhuri;
SEBI Registration Number: INR000001112

Statutory and Peer Review Auditor of our Company

M/s. Mahesh Udhvani & Associates

Chartered Accountants
3rd Floor, Satyam Building,
Opp. Vuda Office, Fatehgunj,
Vadodara, Gujarat – 390024
Email: mahesh@maheshudhwani.com
Telephone: +91 265 2785858
Person: Mr. Mahesh Udhvani
Firm Registration Number: 129738W
Peer Review Certificate Number: 014453

Bankers to the Issue/ Refund Bank

[●]

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

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

Inter-se Allocation of Responsibilities

Since there is no lead manager, a statement of inter se allocation of responsibilities is not required.

Expert Opinion

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

Our Company has received written consent dated September 01, 2024 from the Statutory Auditors to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) Unaudited Report dated September 30, 2024 on our Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, and (ii) Statement of Special Tax Benefits dated December 09, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "Expert" shall not be construed to mean an "Expert" as defined under the Securities Act, 1933.

Investor grievances

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

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. 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, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

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

Debenture Trustees

As this is a Rights Issue of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

Since the size of the issue is less than Rs.10,000 lacs, under Regulation 137 of the SEBI ICDR Regulations, a monitoring agency is not required to be appointed by our Company.

Filing

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

Changes in Auditors during the last three years

There has been no change in the Statutory Auditor of our Company in last three years immediately preceding the date of this Draft Letter of Offer except as disclosed below:

| Date | From | To | Reason for change |
|-----------------|---|---|--|
| August 23, 2021 | M/s. R. K. Kankaria & Co., Contact Person: Mr. R. K. Kankaria Membership Number: 082796 Firm Registration Number:321093E | Mahesh Udhwani & Associates Contact Person: Mr. Mahesh Udhwani Membership No: 047328 Firm Registration No: 129738W | Filling up the casual vacancy on account of the resignation and change in management pursuant to Open Offer under SEBI (SAST) Regulations. |

Underwriting Agreement

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

Issue Schedule

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

| Event | Indicative Date |
|--|-----------------|
| Issue Opening Date | [●] |
| Last Date for On Market Renunciation of Rights | [●] |
| Issue Closing Date* | [●] |

* The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) 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, being [●],[●],[●] .

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see "Terms of the Issue" on page 165.

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 lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Minimum Subscription

Our Promoters, vide letter dated December 11, 2024 confirmed that all the members of the Promoters do not intend to subscribe, jointly and / or severally, to their Rights Entitlements and may renounce them in favour of third parties. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue shall be applicable. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

CAPITAL STRUCTURE

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

(₹ Lakhs except share data)

| | | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|----------|---|-------------------------------|--------------------------------|
| A | AUTHORISED SHARE CAPITAL* | | |
| | 1,26,17,00,000 Equity Shares of ₹1 each | 12617.00 | - |
| B | ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE | | |
| | 96,16,43,500 Equity Shares of ₹1 each | 9616.44 | - |
| C | PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾ | | |
| | Up to [●] Rights Equity Shares, at a premium of ₹[●] per Rights Equity Share, i.e., at a price of ₹[●] per Rights Equity Share ⁽²⁾ | [●] | Up to 4900.00 |
| D | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽³⁾ | | |
| | Up to [●] Equity Shares | [●] | |
| E | SECURITIES PREMIUM ACCOUNT | | |
| | Before the Issue | | Nil |
| | After the Issue | | [●] ⁽³⁾ |

⁽¹⁾ The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated June 21, 2024

⁽²⁾ On Application, Investors will have to pay [●] per Rights Equity Share which constitutes 100% of the Issue Price.

⁽³⁾ Assuming full subscription for and Allotment of the Rights Equity Shares.

NOTES TO CAPITAL STRUCTURE

- Intention and extent of participation by our Promoters and Promoter Group in the Issue:** Pursuant to letter dated December 11, 2024 our Promoters have confirmed that they are not intend to (i) subscribe, to the full extent of their Rights Entitlements and have also confirmed that all the members of promoters do not intend to subscribe, jointly and / or severally, to their Rights Entitlements and may renounce them in favour of third parties.
- The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●] per equity share.
- At any given time, there shall be only one denomination of the Equity Shares of our Company.
- All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. For details on the terms of this Issue, see "Terms of the Issue" on page 165.
- Shareholding Pattern of our Company as per the last filing with the Stock Exchange:**

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

<https://www.bseindia.com/stock-share-price/mangalam-industrial-finance-ltd/manqind/537800/shareholding-pattern/>

The statement showing the holding of Equity Shares of persons belonging to the category "Promoter and Promoters

Group” as on September 30, 2024 can be accessed on the website of the BSE respectively at

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=537800&qtrid=123.00&QtrName=September%202024>

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

https://www.bseindia.com/corporates/sastpledge_new.html?scripcd=537800

6. *Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges: i.e. September 30, 2024*

| Sr. No | Name of the Shareholders | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|--------|--|----------------------|-------------------------------------|
| 1 | Sojan V Avirachan | 25,00,27,310 | 26.00 |
| 2 | Wardwizard Solutions India Private Limited | 12,66,94,780 | 13.17 |
| 3 | Venkata Ramana Revuru | 13,46,30,090 | 14.00 |
| 4 | Yatin Sanjay Gupte | 10,55,52,952 | 10.98 |
| 5 | Garuda Mart India Private Limited | 4,76,98,610 | 4.96 |

- i. ***Details of shares locked-in, pledged, encumbrance by the Promoters and the Promoter Group:***

As on date of this Draft Letter of Offer, none of the shares held by the promoter are locked-in, pledged or encumbered.

- ii. ***Details of shares acquired by Promoters and Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer:***

| S. No. | Name of the Promoter and Promoter Group | Number of shares acquired | Mode of Acquisition | Date |
|--------|---|---------------------------|---------------------|------|
| NIL | | | | |

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

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses (“Net Proceeds”) towards the following objects:

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

(Collectively, referred to herein as the “Objects”)

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

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

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue and the activities for which the borrowings proposed to be prepaid in full or part from the Net Proceeds.

Details of the Object of the Issue

The details of objects of the Issue are set forth in the following table:

(Rs in Lacs)

| S. No | Particulars | Amounts* |
|-------|--------------------------------|---------------|
| 1. | Gross Proceeds from the Issue | Upto 4,900.00 |
| 2. | (Less) Issue related expenses* | [●]* |
| 3. | Net Proceeds from the Issue | [●]* |

** To be finalized on determination of Issue Price*

FUND REQUIREMENTS

The details of the Gross Proceeds are set forth in the following table:

(Rs in Lacs)

| S. No | Particulars | Estimated Amounts* |
|-------|--|--------------------|
| 1. | To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities | Upto 4,800.00* |
| 2. | General Corporate Purposes** | [●]* |
| 3. | Issue Related Expenses | [●]* |
| | Total | Upto 4,900.00* |

** To be finalized on determination of Issue Price.*

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

Schedule of implementation/ Utilization of Issue Proceeds

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors. The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business strategy, including external factors which may not be within

the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein

MEANS OF FINANCE:

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

DETAILS OF THE OBJECTS

The details of the objects of the Issue are set out below:

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

We are a Registered NBFC with RBI, Kolkata and currently we are primarily focusing on providing various financial solutions. We are presently in the business of financing and investing. We are categorised as categorized as 'Non-Systemically Important Non-Deposit taking Non-Banking Financial Company ('NSI-ND-NBFC'), Investment and Credit Company (ICC). We intend to extend vehicle finance to the customers of promoter company which deals in electric vehicles and also intend to provide finance for the purchase of capital goods which are dealt with by our Promoter i.e. Garuda Mart India Private Limited. Since our networth has eroded considerably due to losses in the last 2 financial years, we propose to augment our capital base by Rs. 4900 Lakhs through this Issue and utilize the funds raised to further increase the operational scale of its business of NBFC activities. The amount raised will primarily be used to expand our business operations. We intend to increase our lending/ financing portfolio qualitatively and quantitatively target eligible clients for secured and unsecured loans.

2. General Corporate Purposes:

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. [●] * Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

** To be finalized on determination of Issue Price.*

ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] *Lacs.

| Particulars | Amount (Rs in Lacs) | % of Total Issue Expenses | % of Total Issue Size |
|--|---------------------------|---------------------------------|--------------------------------|
| Issue management fees, selling commissions, brokerages, Payment to other intermediaries such as Registrars, Auditor, Legal Advisor, out of pocket expenses etc | [●]* | [●]* | [●]* |
| Advertising, printing, distribution, marketing and stationery expenses | [●]* | [●]* | [●]* |
| Regulatory fees, filing fees, listing fees and other miscellaneous expenses | [●]* | [●]* | [●]* |
| Total Estimated Issue Expenses[^] | [●]* | [●]* | [●]* |

* To be finalized on determination of Issue Price.

[^]Excluding taxes

In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.

Details of funds already deployed till date and sources of funds deployed

The funds deployed up to [●] pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. Mahesh Udhvani & Associates, Chartered Accountants pursuant to their certificate dates [●] is given below:

| Deployment of funds | Amount (Rs. In Lacs) |
|--------------------------|----------------------|
| Issue Related Expenses | -- |
| Objects Related Expenses | -- |
| Total | --- |

| Sources of funds | Amount (Rs. In Lacs) |
|-------------------|----------------------|
| Internal Accruals | --- |
| Bank Finance | --- |
| Total | --- |

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds.

APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization.

STRATEGIC AND FINANCIAL PARTNERS

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

INTERIM USE OF FUNDS

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 137 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a Quarterly yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year.

Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchange on a Quarterly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Draft Letter of offer.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any act, regulations, rules and other laws are or will be applicable to the company for the proposed Rights Issue.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Mangalam Industrial Finance Limited

Dear Sirs,

Re: Proposed rights issue of equity shares (the "Equity Shares") by **MANGALAM INDUSTRIAL FINANCE LIMITED** (the "Company", and such rights issue, the "Issue").

We have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the "Issue"). The Statement has been prepared by the management of the Company and stamped by us for identification purposes showing the possible special tax benefits available to the Company and the shareholders of the Company as per the provisions of the Indian direct and indirect tax laws including the Income Tax Act, 1961 (the "Act"), the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, each as amended (collectively, the "Tax Laws") including the rules, regulations, circulars and notifications issued in connection with the Tax Laws as presently in force and applicable to the assessment year 2024-2025 relevant to the financial year 2023- 2024.

The benefits discussed in the enclosed Annexure A (*as certified by the company*) are neither exhaustive nor conclusive. The contents stated in Annexure A (*as certified by the company*) are based on the information and explanations obtained from the Company. This 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the 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 benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

We conducted our examination of the statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the 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 whether:

- The Company and its shareholders will continue to obtain these benefits in the future;
- The conditions prescribed for availing the benefits have been/will be met, and
- The revenue authorities/courts will concur with the views expressed herein.

This certificate is issued for the sole purpose of draft letter of offer and/or letter of offer, and can be used, in full or part, for inclusion in the draft letter of offer and/or letter of offer proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited (collectively, the "Stock Exchanges"), as applicable; and any other documents or materials to be issued in relation to the draft letter of offer and/or letter of offer, and for the submission of this certificate as may be necessary, to any regulatory/statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Lead Managers in connection with the draft letter of offer and/or letter of offer and in accordance with the applicable law.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the Lead Managers and the Company

until the Equity Shares allotted in the Issue commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the Lead Managers, and the legal advisors appointed with respect to the Issue can assume that there is no change to the information/confirmations forming part of this certificate, and accordingly, such information should be considered to be true and accurate. This certificate may be relied upon by the Lead Managers and the legal advisors appointed in connection with the Issue for documenting and conducting their due diligence and due inquiry into the affairs of the Company in connection with the Issue. Accordingly, we consent to this certificate and its contents being presented and/or utilized in connection with the Issue and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the draft letter of offer and letter of offer.

Limitation:

Our views expressed in the enclosed Annexure A (*as certified by the company*) are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations, and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India 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. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Issue or any third party relying on the statement.

For Mahesh Udhwani & Associates
Chartered Accountants
FRN :129738W

Mahesh Udhwani
Partner
M.N-047328
UDIN: 24047328BJZAL5453
Place: Vadodara
Date: 09th December, 2024

Annexure-A

The information provided below sets out the possible special tax benefits available to the Company and to shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the condition prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in the future.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute of professional advice.

Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the securities, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation of the benefits, which an investor can avail.

I. Direct Taxation

A. Special tax benefits available to the Company under Income Tax Act, 1961.

I. Deduction under section 36(1)(viiia) of the Income Tax Act, 1961

The Company is entitled to an accelerated deduction in respect of bad and doubtful debts up to the limit specified under section 36(1)(vii a) of the Income Tax Act, 1961 in computing its income under the head “Profits and gains of business or profession”, to the extent of five percent (5%) of the gross total income (computed before making any deduction under this section and Chapter VI-A), and subject to satisfaction of prescribed conditions.

As per section 36(1)(vii) of the Income Tax Act, 1961, where the Company has claimed deduction under section 36(1)(viiia) of the Act, then the subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Income Tax Act, 1961 shall be reduced to the extent of deduction already claimed under section 36(1)(viiia) of the Income Tax Act, 1961.

Further, as per section 41(4) of the Income Tax Act, 1961, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1)(vii) of the Income Tax Act, 1961, then any amount subsequently recovered on any such debt is greater than the difference between such debt and the amount so allowed as a deduction under section 36(1)(vii) of the Income Tax Act, 1961, the excess shall be deemed to be business income of the year in which it is recovered.

II. Concessional corporate tax rates - Section 115BAA of the Income Tax Act, 1961

A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. April 1, 2020 i.e., AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives and comply with other conditions specified in section 115BAA. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) on its book profits under section 115JB.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Deduction with respect to inter-corporate dividends —Section 80M of the Income Tax Act, 1961

As per the provisions of section 80M of the Income Tax Act, 1961, inserted with effect from April 1, 2021, a domestic

company shall be allowed to claim a deduction of divided income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it and is subject to fulfilment of other conditions laid down therein.

B. Special tax benefits available to the shareholders of the Company under the Income Tax Act,1961.

There are no special tax benefits available to the shareholders of the Company under the Income Tax Act, 1961.

II. Indirect Taxation

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, and respective State Goods and Services Tax Act, 2017, each as amended (collectively, the "indirect Tax Regulations").

A. Special tax benefits available to the Company or shareholders of the company under Income Tax Act, 1961

There are no special tax benefits available to the Company or Shareholders of the Company under the Indirect Tax Regulations.

**For Mahesh Udhwani & Associates
Chartered Accountants
FRN: 129738W**

**Mahesh Udhwani
Partner
M.N-047328
UDIN: 24047328BJZZAL5453**

**Place: Vadodara
Date: 09th December, 2024**

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither We nor any of our affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 22 and 78 of this Draft Letter of Offer respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 22 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

GLOBAL PROSPECTS AND POLICIES

Global growth is projected to stabilize at 2.6 percent this year, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. It is then expected to edge up to 2.7 percent in 2025-26 amid modest growth in trade and investment. Global inflation is projected to moderate-but at a slower clip than previously assumed, averaging 3.5 percent this year. Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDEs) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average. Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards in advanced economies and EMDEs alike. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average pace. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, representing more than 80 percent of global population and world output. EMDE growth is forecast to moderate from 4.2 percent in 2023 to 4 percent in both 2024 and 2025. Prospects remain especially lackluster in many vulnerable economies— over half of economies facing fragile- and conflict-affected situations will still be poorer by the end of this year than on the eve of the pandemic.

(Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/d644659c-2e22-410e-98a5b8a40dc6c183/content>)

Market Size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 173.82 lakh crores (US\$ 2.08 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 23.2 billion for the 2023-24 compared to US\$ 67.0 billion or 2.0% of GDP in the preceding year. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry,

Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

Introduction to the Financial Services Industry

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

(Source : <https://www.ibef.org/industry/financial-services-india>)

Historical Context

Historically, NBFCs have been a vital cornerstone of the Indian financial ecosystem as important financial intermediaries channelizing savings and investments, especially for small-scale and retail sectors as well as underserved areas and unbanked sectors of the Indian economy.

A Non-Banking Financial company (NBFC) is a company registered under the Companies Act, 1956 or under Companies Act, 2013 engaged in the business of loans and advances, acquisition of shares /stocks /bonds/debentures /securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in instalments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

In terms of Section 45-IA of the RBI Act, 1934, no Non-banking Financial Company can commence or carry on business of a non-banking financial institution without a) obtaining a certificate of registration from the Bank and without having a Net Owned Funds of ₹ 25 lakhs (₹ Two crore since April 1999). However, in terms of the powers given to the Bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. Venture Capital Fund/Merchant Banking companies/Stock broking companies registered with SEBI, Insurance company holding a valid Certificate of Registration issued by IRDA, Nidhi companies as notified under Section 620A of the Companies Act, 1956, Chit companies as defined in clause (b) of Section 2 of the Chit Funds Act, 1982, Housing Finance Companies regulated by National Housing Bank, Stock Exchange or a Mutual Benefit Company.

A Company incorporated under the Companies Act, 1956 and desirous of commencing business of non-banking financial institution as defined under Section 45-IA of the RBI Act, 1934 should comply with the following:

1. it should be a company registered under Section 3 of the companies Act, 1956
2. It should have a minimum net owned fund of ₹ 200 lakh.

(Source: <https://www.rbi.org.in/Scripts/FAQView.aspx?id=92>)

Categories of NBFCs

NBFCs are categorized

- a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs,
- b) non deposit taking NBFCs by their size into non-systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and

- c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:
1. **Asset Finance Company (AFC):** An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipment, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets company total income respectively.
 2. **Investment Company (IC):** IC means any Company which is a financial institution carrying on as its principal business the acquisition of securities,
 3. **Loan Company (LC):** LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
 4. **Infrastructure Finance Company (IFC):** IFC is a non-banking finance company
 - a) which deploys at least 75 per cent of its total assets in infrastructure loans,
 - b) has a minimum Net Owned Funds of ₹ 300 crore,
 - c) has a minimum credit rating of 'A' (or equivalent d) and a CRAR of 15%.
 5. **Systemically Important Core Investment Company (CIC-ND-SI):** CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:
 - a. it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
 - b. its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
 - c. it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
 - d. it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI Act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
 - e. Its asset size is ₹ 100 crore or above; and
 - f. It accepts public funds
 6. **Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC):** IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
 7. **Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI):** NBFC-MFI is a non- deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
 - a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;
 - b. loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;
 - c. total indebtedness of the borrower does not exceed ₹ 1,00,000;
 - d. tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
 - e. loan to be extended without collateral;
 - f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
 - g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower
 - h. **Non-Banking Financial Company – Factors (NBFC-Factors):** NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.
 8. **Mortgage Guarantee Companies (MGC) -** MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.

9. **NBFC- Non-Operative Financial Holding Company (NOFHC)** is financial institution through which promoter / promoter groups will be permitted to set up a new bank. It's a wholly-owned Non- operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

(Source: <https://www.rbi.org.in/Scripts/FAQView.aspx?Id=92>)

Evolution

Over the years, NBFCs have evolved given the extensive changes in the regulatory framework for NBFCs in India which have moved from simplified regulations to stringent and extensive regulations as well as towards rationalization per the currently revised NBFC regulatory framework. Given these high levels of regulation, NBFCs have also emerged as preferred options to meet credit needs since the low cost of operations has provided these NBFCs an edge over banks.

Financial Access and Supportive Government Schemes

Additionally, NBFCs have gradually become important mechanisms to fuel growth and entrepreneurship due to the launch of government-backed schemes including Pradhan Mantri Jan-Dhan Yojana which has contributed to a significant increase in the number of bank accounts.

These NBFCs have also been key in being able to mitigate and manage the spread of risks during times of financial duress and have increasingly become recognized as complementary services to banks.

NBFCs have become integral for all business services, including loans and credit facilities, retirement planning, money markets, underwriting and merger activities. As such these companies play an important role in providing credit to the unorganized sector and for small borrowers at local level. Additionally, hire purchase finance is also the largest activity of NBFCs and the rapid growth of NBFCs has gradually blurred the lines between banks and NBFCs although commercial banks have retained importance. These NBFCs facilitate long term investment and financing, which is challenging for banking sector, and the growth of NBFCs widens range of products available for individuals/institutions with resources to invest.

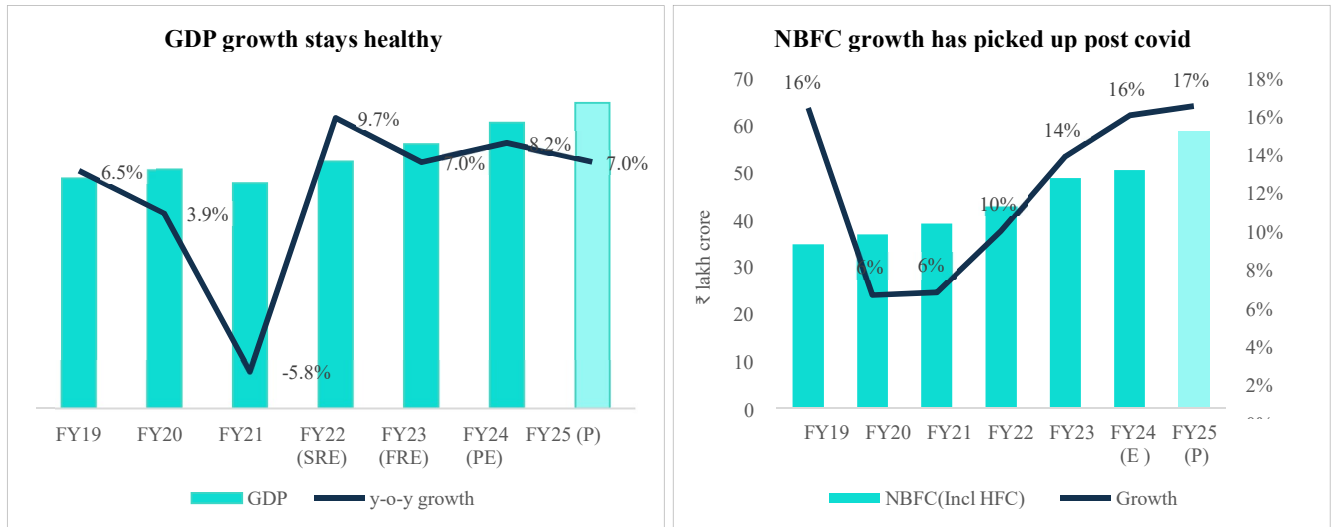
Opportunities for NBFCs

India, as the fastest-growing economy and the fifth-largest globally, offers a favourable environment for credit market expansion. The Non-Banking Financial Companies (NBFCs) maintain a significant 22% share - amongst banks, NBFC & AIFI in the credit market. NBFCs have stronger balance sheets with reduced leverage, and improved asset quality. We believe that credit costs are near bottom, if not already bottomed out. The growth of NBFCs is primarily driven by retail loans, with a high reliance on banks for funding. The rising interconnectedness of financial markets poses additional risks. A robust and proactive regulatory framework, coupled with swift penal actions by the Reserve Bank of India is crucial for balancing risk and growth. As competition intensifies, NBFCs' ability to mobilize resources, manage credit costs, and maintain Return on Equity (ROE) will be critical for sustaining their growth trajectory.

Economic Growth and Credit Demand

India's economy is on a robust growth trajectory, with healthy GDP growth rates despite geo-political challenges and growth concerns around the globe. The NBFCs sector has demonstrated significant resilience, with credit growth accelerating in the post-pandemic period. NBFCs play a crucial role in the financial ecosystem, growing at a CAGR of 14%. Amongst banks, NBFC and AIFIs (All India Financial Institutions), NBFCs have maintained 21-24% share of credit from FY17 to FY24. The banks account for approximately 70% and AIFIs make up remaining 5-7%. As India targets becoming a USD 5 trillion economy in the coming years, the demand for financing is set to increase, underscoring the vital role of NBFCs in supporting economic growth and development. The sector's ability to adapt and innovate will be crucial in addressing the evolving needs of the expanding economy. We expect NBFCs to grow at 17% in FY25.

Figure-1: Growing Economic



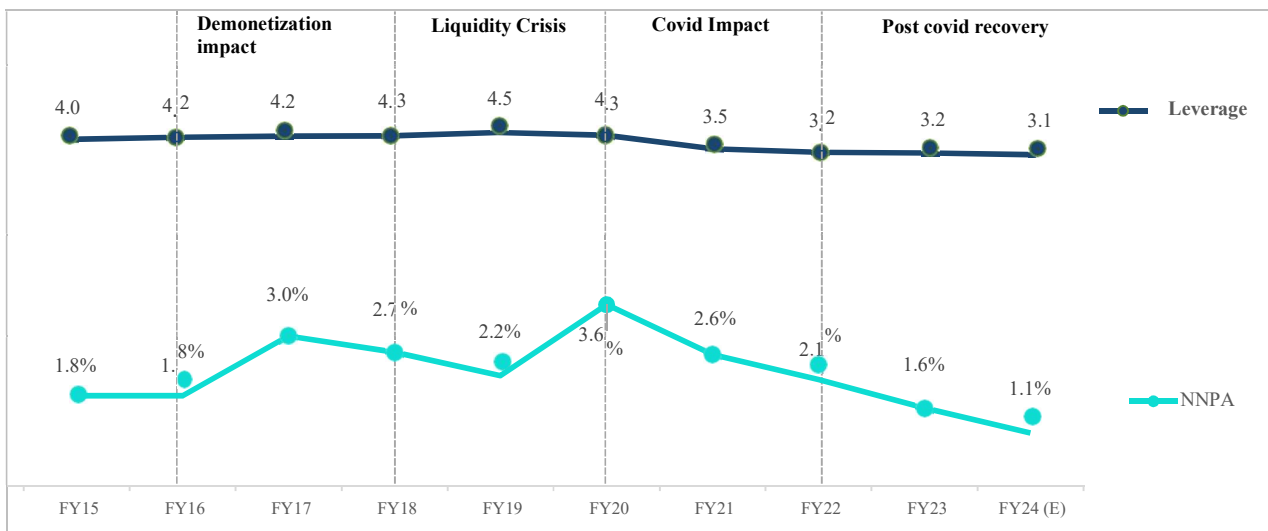
Source: MOSPI, CareEdge Estimates; SRE: Second Revised Estimate; FRE: First Revised Estimate; PE: Provisional Estimate

Strengthened Financial Metrics

Over the past decade, NBFCs have shown remarkable resilience, even amidst systemic shocks like the pandemic, thanks to crucial regulatory support and government initiatives. Currently, at aggregate level, NBFC balance sheets are stronger, with leverage ratios reduced to 3.1x from a peak of 4.5x. Asset quality has improved significantly, with the net non-performing asset (NNPA) ratio at an all-time low of 1.1%, despite the stricter Income Recognition, Asset Classification, and Provisioning (IRAC) norms introduced in November 2021. A similar trend is observed in credit costs (computed as provisioning & write off charged to P&L divided by average assets), which are near their bottom. However, an uptick in credit costs is anticipated over the medium term.

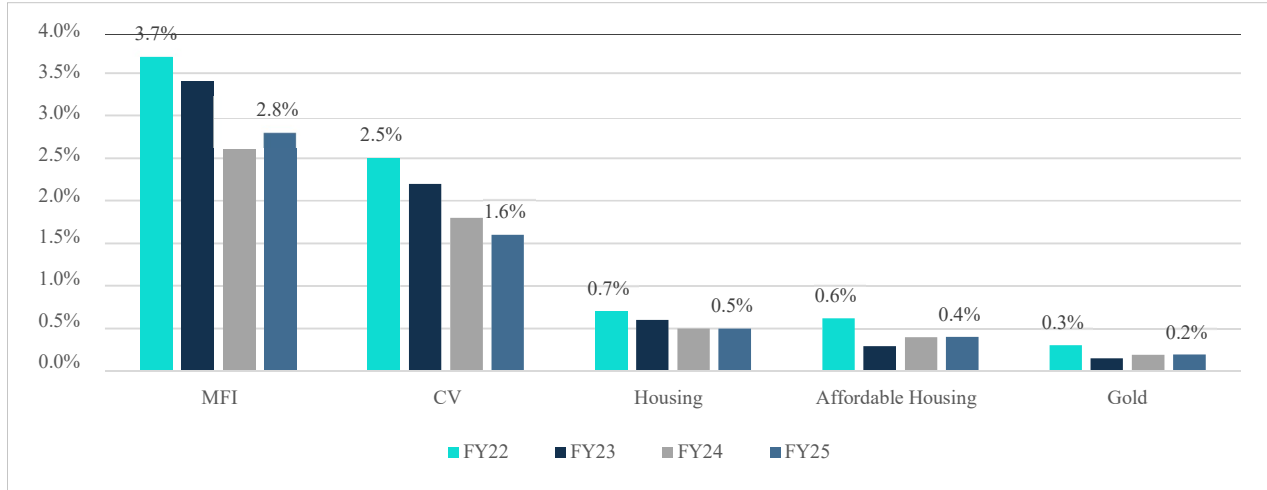
We also note that asset liability maturity pattern profile has strengthened with reliance on short-term funding, such as commercial papers, reducing from approximately 9% in FY17 to about 3% in FY24.

Figure 1: NBFCs – On Firm Footing



Source: RBI, CareEdge database

Figure 2: Credit Cost near bottom



Source: Company data, CareEdge estimates

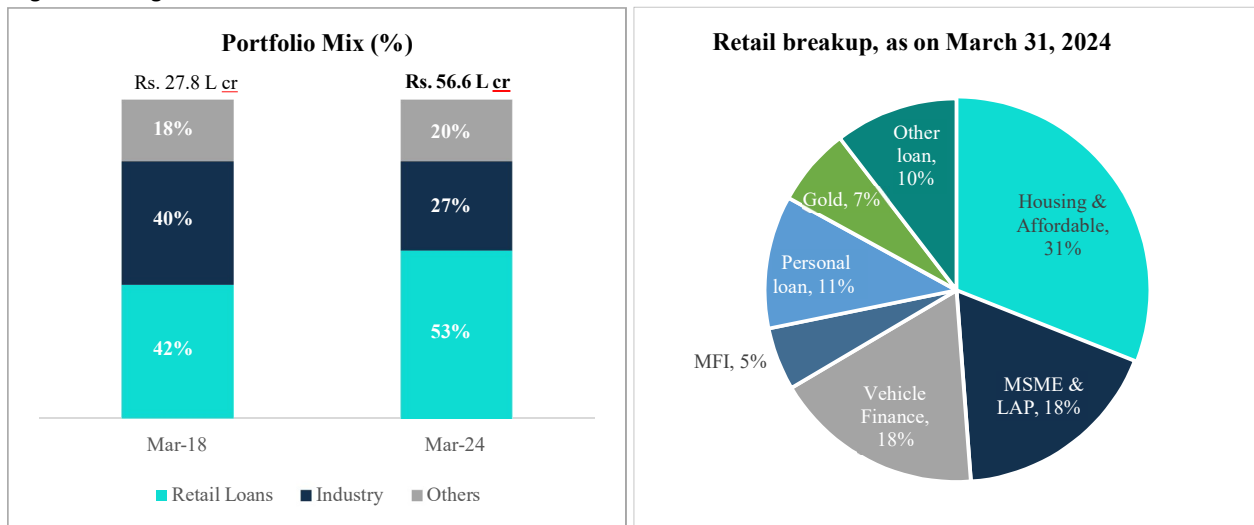
Shift Towards Retail Lending

The portfolio mix of NBFCs has significantly evolved, reflecting a shift from wholesale lending to a focus on retail loans. Retail loans now drive NBFC growth, with housing loans leading the share, followed by MSME loans, Loan Against Property (LAP), and vehicle loans. This transition has resulted in a more diversified and resilient loan portfolio. This transition was supported by emergence of new players like credit AIFs and private credit market. The preference of lenders and equity investor to support retail focused NBFCs also enabled this swift transition.

The wholesale lending within NBFC space is now predominantly handled by specialized entities registered Infrastructure Finance Companies (IFCs) or Infrastructure Debt Funds (IDFs). These entities are largely mandated to cater to this space and notable names include PFC, REC, IRFC, NaBFID, NIIF IDF, Aseem Infra.

Overall proportion of retail loans has gone up from 42% in FY2018 to 53% in FY24.

Figure 3: Rising Share of Retail in the NBFC Loan Mix

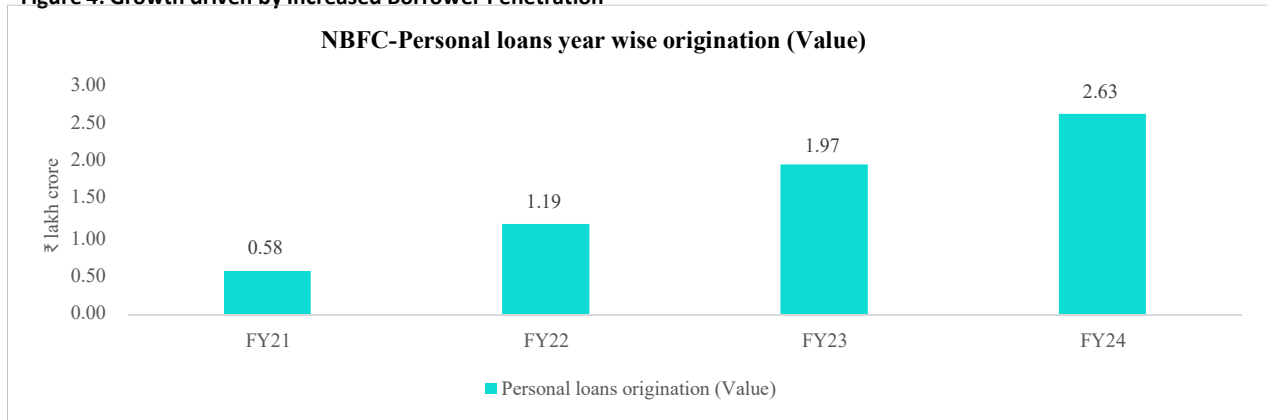


Source: RBI, NHB, CareEdge database

Unsecured Personal Loans and Digital Lending

The growth of unsecured personal loans within the NBFCs sector has been striking, driven by increased borrower penetration. The value of personal loans originated by NBFCs surged from INR 0.58 lakh crore in FY21 to INR 2.85 lakh crore in FY24. This expansion is accompanied by a substantial rise in the number of loans originated, increasing from 1.9 crore in FY21 to 10.4 crore in FY24. The average ticket size currently stands at INR 25,000. However, we also see a shift towards higher ticket and longer tenure loans. This segment also shows higher delinquency trends, underscoring the need for vigilant risk management as NBFCs broaden their personal loan offerings.

Figure 4: Growth driven by Increased Borrower Penetration



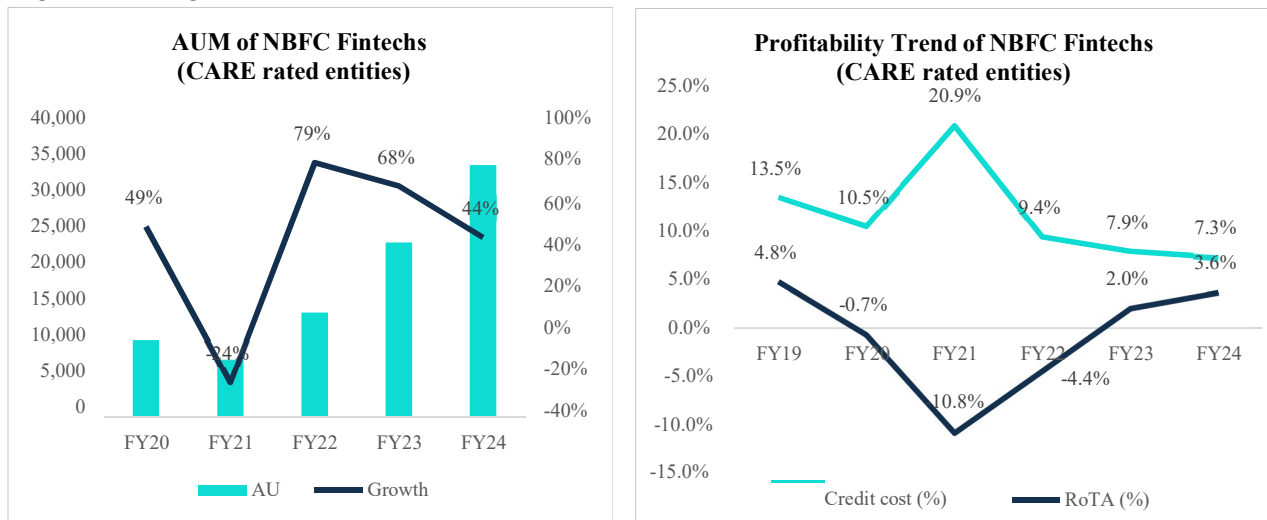
Source: CRIFHIGHMARK and CareEdge estimates

Top of Form Bottom of Form The Rise of Fintech NBFCs

Fintech Non-Banking Financial Companies (NBFCs) have experienced rapid growth in recent years, harnessing technology to boost efficiency and expand customer reach. The Assets Under Management (AUM) of CARE-rated fintech NBFCs have surged from ₹10,262 crore in FY20 to ₹33,676 crore in FY24, reflecting a notable year-on-year increase. However, growth rates are expected to moderate for the current fiscal year due to a higher base and potential funding constraints.

Fintech NBFCs have been able to maintain healthy Pre-Provision Operating Profit (PPOP) margins and reduction in credit costs has in turn improved the bottom-line, making them increasingly economically viable.

Figure 5: Fintech growth trend



Source: Company data, CareEdge Estimates

Rising share of bank borrowings in the funding profile

The absolute exposure of all sets of debt providers have increased to NBFCs in line with book growth of NBFCs. However, in percentage terms, the funding patterns for NBFCs shows increased reliance on bank loans and a decline in bond market’s share. This trend is visible across the rating categories. In terms of borrowing share, whilemarket instruments dominate the borrowing mix of AAA rated entities, for entities rated AA and below, bank borrowings dominate the funding profile. We note that around 90% of bank debt to NBFCs is extended to entities rated in AA category or higher.

Figure 6: On book borrowing profile of CARE Rated entities

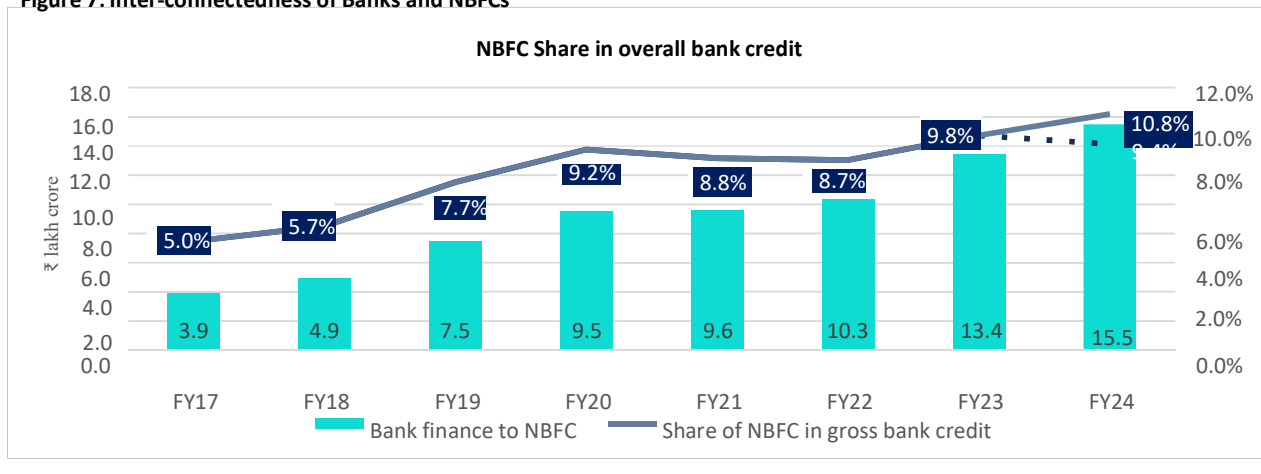


Source: Company data, CareEdge Estimates
 Other includes Fixed deposits, Inter-corporate borrowings, Securitization

Rising Interconnectedness with Banks

The interconnectedness between banks and NBFCs has grown significantly, with bank finance to NBFCs increasing fourfold over the past seven years. Bank finance to NBFCs has risen from 5% to ~9.4% over the same period. If we ignore the likely impact of HDFC merger, bank finance to NBFCs would be near 10.8%. The Reserve Bank of India has raised concerns about the growing interconnectedness and are encouraging NBFCs to diversify their funding sources

Figure 7: Inter-connectedness of Banks and NBFCs



Source: RBI, CareEdge database

In addition to bank loans, banks also support NBFCs through their investment books (investment in NCDs, CPs, and PTCs) as well as through buyouts such as Direct Assignments (DA) and Co-lending Mechanisms (CLM).

Regulatory Framework balances Risk and Growth

The proactive regulatory framework, supported by swift penal actions, has been and will be instrumental in balancing risk and growth within the NBFC sector. A few notable regulations in recent history including scale-based norms, alignment of IRAC norms of NBFC to that of banks, capital treatment for exposure to Alternative Investment Funds (AIFs) etc. are contributing to a more robust sector.

Additionally, the Reserve Bank of India (RBI) has taken decisive penal measures against several prominent NBFCs in recent years for regulatory violations and exploitation of regulatory gaps, reinforcing the importance of adherence to regulatory standards and maintaining sector stability.

Strengths and Challenges

The NBFCs sector in India is currently experiencing several positive trends. Retail lending is increasing, with a focus on productive financing. NBFCs are effectively utilizing digital data to improve credit assessments and operational efficiency. Their balance sheets are stronger and credit costs are contained compared to previous years. The interest of equity investors remains robust and there is vast pool of debt capital overseas which is largely untapped.

However, challenges persist. Pressure on banks' credit-deposit ratios raises concerns about NBFCs' ability to secure funds. Enhanced regulatory supervision will lead to higher compliance costs, though necessary for stability. There is a growing discussion on need to monitor the end-use of funds by NBFC. Additionally, smaller NBFCs and smaller fintechs are facing challenges on liability-side, underscoring the need for strategic solutions to address these challenges.

Conclusion

The NBFC sector in India is well-positioned for continued growth, bolstered by a thriving economy, robust balancesheets and a good portfolio mix. The sector's resilience and adaptability provide a strong foundation for future success. The last mile reach, understanding and focus on niche micro markets are expected to continue as their USP. As NBFCs continue to innovate and harness technology, their role in the financial ecosystem will become increasingly crucial, driving significant contributions to India's overall economic development, especially lower strataof the economy.

Source: https://www.careratings.com/uploads/newsfiles/1723195327_NBFC-Navigating%20growth%20amidst%20regulatory%20changes.pdf

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 22 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 141 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Financial Statements.

Overview

Our Company was incorporated as a Public Limited Company in name and style of Mangalam Industrial Finance Limited under the Companies Act, 1956 vide Certificate of Incorporation issued by Registrar of Companies, West Bengal at Calcutta on February 08, 1983. Thereafter, our company was granted Certificate of Commencement of Business on March 05, 1983. We are a NBFC not accepting Public Deposits bearing certificate of registration No: B.05.02961 issued by the Reserve Bank of India ("RBI") on 21.08.2001. We are a Non-Banking Financial Company (NBFC), registered with Reserve Bank of India and categorised as 'Non-Systemically Important Non- Deposit taking Non-Banking Financial Company ('NSI-ND-NBFC'), Investment and Credit Company (ICC).

Our Company's erstwhile promoter were Mr. Pradeep Daga, M/s. Response Commodities LLP and M/s. Response Securities Pvt. Ltd. Our Company has been taken over by the current promoters, Mr. Venkata Ramana Revuru, Mr. Sojan Vettukallel Avirachan, Mr. Yatin Sanjay Gupte, M/s. Wardwizard Solutions Private Limited and M/s. Garuda Mart India Private Limited in the financial year 2021-2022 after making a public announcement and complying with all the requirements under the SEBI (SAST) Regulations, 2011 after acquiring 25,51,92,000 equity shares of ₹ 1.00 each representing 26.54% of the paid-up capital of the Company by way of a Share Purchase Agreement dated November 19, 2020 with the previous promoters. RBI vide its letter no. DoS(NBFC). RO.Kol.No.333/08.02.400/2020-21 dated 23rd December, 2020 has given its approval for change in the control & management of the Company.

The Acquirers have made the first open offer of 25,00,27,310 equity shares of ₹ 1.00/- each at an offer price of ₹ 0.50/- per share representing 26.00% of the paid-up capital of the Company vide Detailed public statement dated November 19, 2020. The Acquirers have made the second open offer of 21,15,61,570 equity shares of ₹ 1.00/- each at an offer price of ₹ 0.50/- per share representing 22.00% of the paid-up capital of the Company vide Detailed public statement dated August 04, 2021. The second open offer opened on November 11, 2021 and concluded successfully on November 25, 2021.

As on the date of this Draft Letter of Offer the Promoters holds 63,98,76,170 equity shares of ₹ 1/- each aggregating 66.54 % of the paid-up capital of the company.

Our Business

We were incorporated in the year 1983 and after completing 41 years, we continue to provide competitive and tailor- made financial services. We are one of the Non- Banking Finance Companies based out in Kolkata and Gujarat, and we strive to deliver our best to meet our customers' financial needs.

At MIFL, the atmosphere is characterized by focus and drive, as everyone collaboratively strives for excellence to pursue their goals. The Company has a workforce championing this spirit of MIFL in our day-to-day activities.

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

As the Company has been granted NBFC License by RBI, the Company's business model is mainly centred on Loan activities i.e., financing the two wheelers electric vehicle and granting of unsecured loans to body corporates and individuals.

Set out below is a summary of our financial and operational performance, for the periods indicated.

(Amount in ₹ Lakhs)

| Particulars | Half year ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|------------------------------|--|--------------------------|-------------|-------------|
| | <i>Unaudited; Reviewed</i> | <i>Audited Financial</i> | | |
| Total Income from operations | 178.24 | 261.45 | 133.12 | 116.94 |
| EBITDA | 96.80 | 29.03 | (487.43) | (67.51) |
| Profit / (Loss) after Tax | 70.00 | 18.76 | (500.94) | 133.72 |
| Equity Share Capital | 9616.44 | 9616.44 | 9616.44 | 9616.44 |
| Net worth | 2923.12 | 2853.12 | 2834.27 | 3338.64 |
| Net Asset Value | 0.30 | 0.29 | 0.29 | 0.35 |
| Total Borrowings | 0.00 | 0.00 | 0.00 | 0.00 |

Our Business Strategies

The digital lending in India has sharply risen, especially during the COVID-19 pandemic. Banks and NBFCs are increasingly lending either directly through their own digital platforms or through a digital lending platform under an outsourcing arrangement.

Our vision is anchored in a digitally advanced India, where financial solutions are effortless and swift for everyone. Our commitment is to provide our own digital platforms for paperless, simplified disbursement process, speedy loan approval, hassle-free and customized finance solutions is paralleled by our dedication to social responsibility, amplifying positive change within society.

The Company has adopted an integrated approach to lending, with the technology infrastructure and related back-end support functions similar to that of a retail bank. This integrated approach has enabled it to manage increasing business volumes and optimize overall efficiencies.

Our focus to provide financial facilities such as vehicle financing, working capital loans, personal loans, housing loans, etc.

Our Major Customers

The following is the revenue breakup on financial basis of the top five and top ten customers of our Company for the FY 2023-24 is as follows:

| Particulars | FY 2023-24 | |
|------------------|--------------------|----------------|
| | Amount (₹ in lacs) | Percentage (%) |
| Top 5 customers | 211.37 | 80.86 |
| Top 10 customers | 234.65 | 89.77 |

Our Subsidiaries

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

Competition

We operate in a highly competitive industry. We face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in SME, retail and individual lending. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. They may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide.

Competition in our industry depends on, amongst others, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

Collaborations/Tie Ups/ Joint Ventures

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

Human Resources

We believe that our employees are key contributors to our business success. As on September 30, 2024, we have 13 [Thirteen] employees including our Directors, who look after our business operations, management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Following is a department wise employee break-up:

| Department | Number of Employees |
|----------------------|---------------------|
| Top level management | 7 |
| Accounts | 1 |
| Admin | 2 |
| Secretarial | 1 |
| Marketing & Sales | 2 |
| Total | 13 |

Intellectual Property

Our Company does not own any intellectual property rights as on date of this Draft Letter of Offer.

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. We are not required to constitute a Corporate Social Responsibility Committee as our Company does not fall within purview of Section 135(1) of the Companies Act, 2013. We are also not required to formulate a policy on corporate social responsibility.

Insurance

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

Our Immovable Properties

We carry out business operations from the following properties:

a) *Owned property:*

| Sr. No. | Particulars of the Property | Usage |
|---------|-----------------------------|-------|
| | Nil | |

b) *Leasehold/Rental property:*

| Sr. no. | Details of the Particulars of the property, Deed/Agreement | Consideration | Usage |
|---------|--|---------------------|-------------------|
| 1. | Lease Agreement Old Nimta Road, Nandan Nagar, Belghoria, Kolkatta West Bengal – 700 083 Tenure: 11 months upto August 31, 2025 | Rs. 15,000 plus GST | Registered Office |

| Sr. no. | Details of the Deed/Agreement | Particulars of the property, description and area | Consideration | Usage |
|----------------|--------------------------------------|--|------------------------|------------------|
| 2. | Lease Agreement | Hall No. 1, M R Icon, Next to M1elstone, Vasna Bhayli Road, Vadodara, Gujarat – 391 410 Tenure – 11 months upto January 02, 2025 | Rs. 21,000 plus GST | Corporate Office |

OUR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association, subject to the provisions of the Companies Act, 2013 and unless and until otherwise agreed and determined by our Company by a special resolution, the Board shall consist of not less than three (03) Directors and not more than fifteen (15) Directors.

As on date of this Draft Letter of Offer, our Board comprises Seven (07) Directors, including One (01) Executive Director, Two (02) Non-executive Non-Independent Director and Four (04) Non-Executive Independent Directors.

The detailed composition is as follows:

| Sr. No. | Name of the Director | DIN | Designation |
|---------|--------------------------------|----------|---|
| 1 | Venkata Ramana Revuru | 02809108 | Chairman and Managing Director |
| 2 | Yatin Sanjay Gupte | 07261150 | Non-Executive Non- Independent Director |
| 3 | Sojan Vettukallel Avirachan | 07593791 | Non-Executive Non- Independent Director |
| 4 | Nikhil Bhagwanshanker Dwivedi | 08865234 | Non- Executive Independent Director |
| 5 | Mansi Jayendra Bhatt | 10177722 | Non-Executive Independent Director |
| 6 | Paresh Prakashbhai Thakkar | 08265981 | Non-Executive Independent Director |
| 7 | Miteshkumar Ghanshyambhai Rana | 06770916 | Non-Executive Independent Director |

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

1. Mr. Venkata Ramana Revuru

| Sr. No. | Particulars | Details |
|----------------|---|--|
| 1 | Name of the Director | Mr. Venkata Ramana Revuru |
| 2 | Father's Name | Mr. Penchalaiah Revuru |
| 3 | Residential Address (India) | 13/1 2nd Cross Sreekar Mansion, Raghuram Reddy Layout, Near BBMP Office, Bangalore North, Doddanekkundi, Bangalore–560037, Karnataka |
| 4 | Date of Birth | 01/07/1975 |
| 5 | Age | 49 years |
| 6 | Designation | Chairman & Managing Director |
| 7 | DIN (Director Identification Number) | 02809108 |
| 8 | Occupation | Business |
| 9 | Date of expiration of current term | 09 th July, 2026 |
| 10 | Nationality | Indian |
| 11 | Qualification | He has completed his Masters of Business Administration from Sri Krishnadevaraya University, Andhra Pradesh and Post Graduate Diploma in Information Technology from Manipal Academy of Higher Education, Karnataka |
| 12 | No. of Years of Experience | Over Two decades |
| 13 | Original Date of Appointment | 03 rd June, 2021 |
| 14 | Period of Directorship | 10 th July, 2024 to 09 th July, 2026 (Not Liable to retire by rotation) |
| 15 | Directorship in other companies | <p>Indian Companies:</p> <ol style="list-style-type: none"> 1. Garuda Mart India Private Limited 2. I-Secure Credit & Capital Services Limited 3. Garudayaan Logistics Private Limited 4. Garudavega Business Solutions Private Limited 5. Ashrama Vidyarthi Akshaya Seva Sadan Foundation 6. Garudavega Earth & Artha Lyseis Private Limited <p>Limited Liability Partnership: Ananta Smart Roots LLP</p> |

2. Mr. Yatin Sanjay Gupte

| Sr. No. | Particulars | Details |
|---------|--------------------------------------|---|
| 1 | Name of the Director | Mr. Yatin Sanjay Gupte |
| 2 | Father's Name | Mr. Sanjay Mahadev Gupte |
| 3 | Residential Address (India) | 12/A, Suramya Bunglows, Raipura Road, Bhayali Gaon, Behind Lalguru Farm, Bhayli, Vadodara-391 410. Gujarat, India |
| 4 | Date of Birth | 15-08-1978 |
| 5 | Age | 46 years |
| 6 | Designation | Non-Executive Non Independent Director |
| 7 | DIN (Director Identification Number) | 07261150 |
| 8 | Occupation | Business |
| 9 | Date of expiration of current term | NA |
| 10 | Nationality | Indian |
| 11 | Qualification | Mr. Gupte holds an Honorary Doctorate in Social Service and an MBA in Insurance & Risk Management. He is a Master of Business Administration (M.B.A Exe.) in Insurance from Bhartiya Shiksha Parishad, Uttar Pradesh. |
| 12 | No. of Years of Experience | Nearly 2 decades |
| 13 | Original Date of Appointment | 03 rd June, 2021 |
| 14 | Period of Directorship | Liable to retire by rotation |
| 15 | Directorship in other companies | <p>Indian Companies:</p> <ol style="list-style-type: none"> 1. Wardwizard Innovations and Mobility Limited 2. I-Secure Credit & Capital Services Limited 3. Wardwizard Solutions India Private Limited 4. Wardwizard Medicare Private Limited 5. Wardwizard Foods and Beverages Limited 6. LCL Aviation Private Limited 7. Wardwizard Healthcare Limited (Formerly known as Ayoki Mercantile Limited) 8. Bluebells Insurance Broking Private Limited 9. Kolumbus Medicare Services Private Limited 10. Wardwizard Properties Holdings Private Limited <p>Limited Liability Partnerships:</p> <ol style="list-style-type: none"> 1. Kerala Health and Wellness Solutions Limited Liability Partnership 2. Ananta Smart Roots LLP |

3. Mr. Sojan Vettukallel Avirachan

| Sr. No. | Particulars | Details |
|---------|--------------------------------------|---|
| 1 | Name of the Director | Mr. Sojan Vettukallel Avirachan |
| 2 | Father's Name | Avirachan |
| 3 | Residential Address (India) | Vettukallel House, Thommankuthu P.O, Thommankuthu, Nadakkal, Vannapuram, Idukki, Vannapuram – 685607, Kerala |
| 4 | Date of Birth | 13/02/1978 |
| 5 | Age | 46 years |
| 6 | Designation | Non-Executive Non-Independent Director |
| 7 | DIN (Director Identification Number) | 07593791 |
| 8 | Occupation | Business |
| 9 | Date of expiration of current term | NA |
| 10 | Nationality | Indian |
| 11 | Qualification | He has completed Masters of Business Administration in Finance and Masters of Business Administration HR form Anna University Chennai in 2007 and is awarded Honorarium Doctorate from International Tamil University in 2018 as reorganization on his talents and activities in financial industry especially in co-operative sector |
| 12 | No. of Years of Experience | 16+ years |
| 13 | Original Date of Appointment | 03 rd June, 2021 |
| 14 | Period of Directorship | Liable to retire by rotation |
| 15 | Directorship in other companies | <p>Indian Companies:</p> <ol style="list-style-type: none"> 1. I-Secure Credit & Capital Services Limited 2. Aevas Biotech and Farming Private Limited 3. Aevas Business Solutions Private Limited 4. Aevas Hoteleera Private Limited 5. Trawells 4 Health Private Limited 6. Aevas Visual Magic Private Limited 7. Aevas Ayurveda Private Limited 8. Dhanwanthari Health And Wellness Solutions Private Limited 9. Sopanam Ayurvedic Resorts Private Limited 10. Aevas Sopanam Ayurveda Multispeciality Hospital Private Limited 11. Nexkare Hospitality Private Limited <p>Limited Liability Partnerships:</p> <ol style="list-style-type: none"> 1. Ananta Smart Roots LLP 2. Kerala Health and Wellness Solutions Limited Liability Partnership 3. High Toughened Glasses LLP 4. Nexkare Hospitality LLP |

4. Mr. Nikhil Bhagwanshanker Dwivedi

| Sr. No. | Particulars | Details |
|---------|--------------------------------------|---|
| 1 | Name of the Director | Mr. Nikhil Bhagwanshanker Dwivedi |
| 2 | Father's Name | Mr. Bhagwanshanker Devshanker Dwivedi |
| 3 | Residential Address (India) | B/23 Bhavanipura Society, Nizampura, Fatehgunj, Vadodara, Gujarat – 390 002 |
| 4 | Date of Birth | 03/12/1958 |
| 5 | Age | 66 years |
| 6 | Designation | Non-Executive Independent Director |
| 7 | DIN (Director Identification Number) | 08865234 |
| 8 | Occupation | Business |
| 9 | Date of expiration of current term | 26 th September 2026 |
| 10 | Nationality | Indian |
| 11 | Qualification | He is a qualified Chartered Accountant and B.com Graduate. |
| 12 | No. of Years of Experience | Over 3 decades |
| 13 | Original Date of Appointment | 03 rd June, 2021 |
| 14 | Period of Directorship | For a period of five (05) years with effect from 27 th September, 2021 and his term is not liable to retire by rotation. |
| 15 | Directorship in other companies | Indian Companies: 1. I Secure Credit & Capital Services Limited Limited Liability Partnerships: Nil |

5. Mrs. Mansi Jayendra Bhatt

| Sr. No. | Particulars | Details |
|---------|--------------------------------------|---|
| 1 | Name of the Director | Mrs. Mansi Jayendra Bhatt |
| 2 | Father's Name | Mr. Jayendra Padmakant Bhatt |
| 3 | Residential Address (India) | 158/159, Ajit Nagar Society, Near Urmi Char Rasta, Akota, Vadodara, Gujarat – 390 020 |
| 4 | Date of Birth | 07/10/1988 |
| 5 | Age | 36 years |
| 6 | Designation | Non-Executive Independent Director |
| 7 | DIN (Director Identification Number) | 10177722 |
| 8 | Occupation | Chartered Accountant in Practice |
| 9 | Date of expiration of current term | 12 th July, 2028 |
| 10 | Nationality | Indian |
| 11 | Qualification | She is a qualified Chartered Accountant, with a wealth of knowledge and expertise in various areas of taxation, auditing, accounting, finance management and compliance |
| 12 | No. of Years of Experience | Over a decade |
| 13 | Original Date of Appointment | 25 th May, 2023 |
| 14 | Period of Directorship | For a period of five (05) years with effect from 13 th July, 2023 and she is not liable to retire by rotation |
| 15 | Directorship in other companies | Indian Companies: 1. Wardwizard Healthcare Limited (Formerly known as Ayoki Mercantile Limited) 2. I Secure Credit & Capital Services Limited Limited Liability Partnerships: Nil |

6. Mr. Paresh Prakashbhai Thakkar

| Sr. No. | Particulars | Details |
|----------------|---|---|
| 1 | Name of the Director | Mr. Paresh Prakashbhai Thakkar |
| 2 | Father's Name | Mr. Prakashbhai Parsotamdas Thakkar |
| 3 | Residential Address (India) | B-4 Brahmpuri Society, Opp Swaminarayan Temple, Waghodia Road, Vadodara, Gujarat 390829 |
| 4 | Date of Birth | 01-04-1988 |
| 5 | Age | 36 years |
| 6 | Designation | Non-Executive Independent Director |
| 7 | DIN (Director Identification Number) | 08265981 |
| 8 | Occupation | Advocate and Tax Consultant |
| 9 | Date of expiration of current term | 28 th February, 2029 |
| 10 | Nationality | Indian |
| 11 | Qualification | He is Fellow member of The Institute of Cost & Management Accountants of India. |
| 12 | No. of Years of Experience | More than 15 years |
| 13 | Original Date of Appointment | 01 st March, 2024 |
| 14 | Period of Directorship | For a period of five (05) years with effect from 01 st March, 2024 and his term is not liable to retire by rotation. |
| 15 | Directorship in other companies | <p>Indian Companies:</p> <ol style="list-style-type: none"> 1. Wardwizard Innovations & Mobility Limited 2. Wardwizard Healthcare Limited (Formerly known as Ayoki Mercantile Limited) 3. Wardwizard Foods And Beverages Limited 4. I Secure Credit & Capital Services Limited <p>Limited Liability Partnerships: Nil</p> |

7. Mr. Miteshkumar Ghanshyambhai Rana

| Sr. No. | Particulars | Details |
|---------|---|---|
| 1 | Name of the Director | Mr. Miteshkumar Ghanshyambhai Rana |
| 2 | Father's Name | Mr. Ghanshyambhai Ganpatbhai Rana |
| 3 | Residential Address (India) | 1620 Janavadi ni pole, near Verai Darvaja, Umreth, Anand, Gujarat, 388220 |
| 4 | Date of Birth | 25-08-1987 |
| 5 | Age | 37 years |
| 6 | Designation | Non-Executive Independent Director |
| 7 | DIN (Director Identification Number) | 06770916 |
| 8 | Occupation | Practicing Company Secretary |
| 9 | Date of expiration of current term | 28 th February, 2029 |
| 10 | Nationality | Indian |
| 11 | Qualification | He is Practicing Company Secretary. He is also an M.com post-graduate in the field of Accounts and Finance from The Maharaja Sayajirao University of Baroda. |
| 12 | No. of Years of Experience | More than 10 years |
| 13 | Original Date of Appointment | 01 st March, 2024 |
| 14 | Period of Directorship | For a period of five (05) years with effect from 01 st March, 2024 and his term is not liable to retire by rotation. |
| 15 | Directorship in other companies | <p>Indian Companies:</p> <ol style="list-style-type: none"> 1. Wardwizard Innovations & Mobility Limited 2. Wardwizard Healthcare Limited 3. I Secure Credit & Capital Services Limited 4. Shayona Engineering Limited <p>Limited Liability Partnerships: Nil</p> |

Mr Venkata Ramana Revuru has more than more than 2 decades of experience in the field of field of sales, business development, product training, client servicing, marketing, portfolio management, market research, general administration and strategic planning and financial products, multiple bonds, infrastructure, term deposits, and loans He is recognized as a proactive individual who can rapidly identify business problems, formulate tactical plans, initiate change and implement effective business strategies in challenging environments to enhance revenue generation, market share expansion and profitability. He embodies the essence of leadership, exemplifying the importance of vision in navigating the dynamic landscape of the industry

Mr Vettukallel Avirachan Sojan. has more than a decade of experience in the field of Administration, Business Development, Human Resource, Marketing and Finance. He is the Managing Director of I Secure Credit & Capital Services Limited and is presently acting as financial advisor to various corporates / high net worth individuals in various states of Southern India.

Mr Yatin Sanjay Gupte has more than 2 decades of experience in the field of Sales and Marketing, Business Development, Insurance, Technology and Client Servicing. He has founded Wardwizard Group in the year 2016 and in the year 2019, acquired a listed entity after which the name and object of the Company was changed. Under his leadership being the Chairman and Managing Director, Wardwizard Innovations and Mobility Limited became the first ever EV company which got listed on the BSE.

Mr. Paresh Prakashbhai Thakkar is a professional practicing in the field of legal and taxation since last more than 15+ years as an advocate and tax consultant with special emphasize on corporate, civil, criminal, revenue, consumer and commercial law practice. He is fellow member of the Institute of Cost & Management Accountants of India. He had wide and varied client base for in legal and taxation field including companies, institutions and individuals. He is founder and pioneer of Thakkar & Associates located in Vadodara.

Mr. Nikhil Bhagwanshanker Dwivedi was associated with HDFC Limited for more than 3 decades and moved through various cadres from Assistant to Sr. General Manager & Regional Business Head – Gujarat. He possesses the working experience in the field of Non- Banking Finance Sector.

Mrs. Mansi Jayendra Bhatt have over a decade of professional experience, she has been serving as the Proprietor at Mansi Bhatt & Associates since April 2011. Throughout her career, she has served as a Statutory Auditor for various entities, including Co-Operative Societies and Private Limited Companies. In her role as an Income Tax Auditor, she has worked with a diverse range of clients. Throughout her career, she has appeared before Tax Authorities on behalf of clients, providing representation and resolving various tax-related matters.

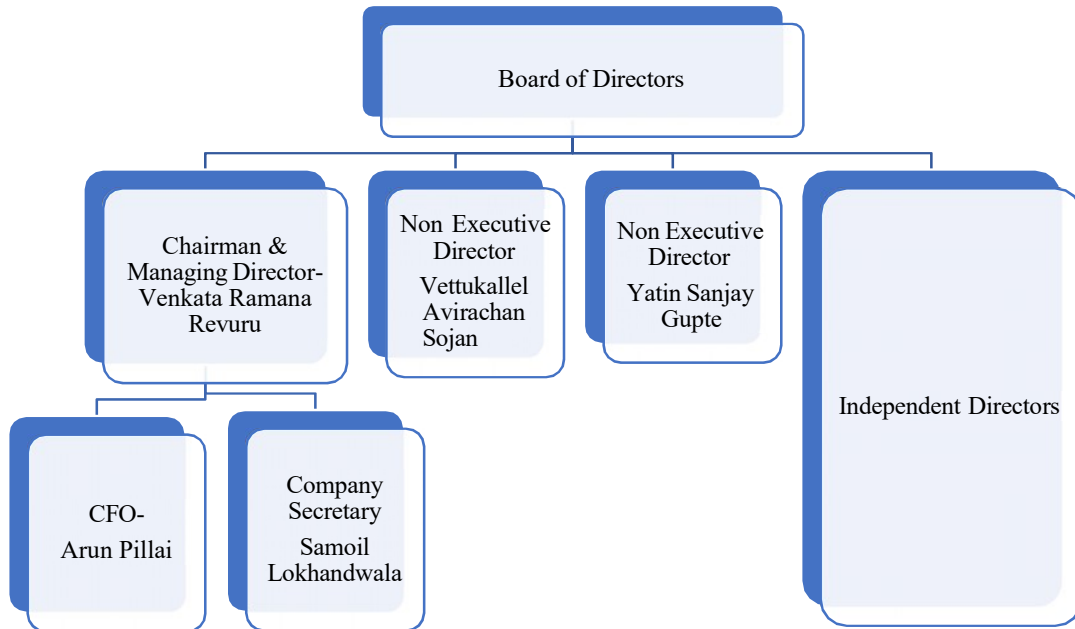
Mr. Miteshkumar Ghanshyambhai Rana is sole proprietor of Mitesh Rana & Co., Practicing company secretaries. He possesses more than 10 years’ experience in the field of consultation and rendering professional services for corporate compliances, corporate laws and planning. He is also associated as trustee of constellation education and charitable foundation and responsible for administration and management.

Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Management Organization Structure

The following is the Organization Structure of our Company:



Corporate Governance

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

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

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

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee; and
- d) Rights Issue Committee

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on May 29, 2024 with the following members forming a part of the said Committee:

| Sr. No. | Name of Member | Designation |
|---------|--------------------------------|-------------|
| 1. | Mansi Jayendra Bhatt | Chairperson |
| 2. | Nikhil Bhagwanshanker Dwivedi | Member |
| 3. | Yatin Sanjay Gupte | Member |
| 4. | Paresh Prakashbhai Thakkar | Member |
| 5. | Miteshkumar Ghanshyambhai Rana | Member |

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

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

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of The Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;

5. reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. To mandatorily review the following information:
 - a) management discussion and analysis of financial condition and results of operations;
 - b) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - c) internal audit reports relating to internal control weaknesses; and
 - d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - e) statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

As required under the SEBI Listing Regulations, the Audit Committee meets at least four times a year with maximum interval of 120 days between two meetings and the quorum for each meeting of the Audit Committee is two members or one third of the number of members of the Committee, whichever is greater, provided that there a minimum of two independent directors are present.

b. Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted by our Board of Directors in their meeting held on March 01, 2024. The members of the said Committee are as follows:

| Sr. No. | Name of Member | Designation |
|----------------|--------------------------------|--------------------|
| 1. | Mansi Jayendra Bhatt | Chairperson |
| 2. | Nikhil Bhagwanshanker Dwivedi | Member |
| 3. | Yatin Sanjay Gupte | Member |
| 4. | Miteshkumar Ghanshyambhai Rana | Member |

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

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee meets at least once a year, and the chairperson of the committee shall be present at the Annual General Meetings to answer queries of the security holders. The quorum for the the meeting of this Committee shall be either two members or one third of the members of the Committee whichever is greater, including at least one independent director in attendance.

c. *Nomination and Remuneration Committee*

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on March 01, 2024 with the following members:

| Sr. No. | Name of Member | Designation |
|----------------|--------------------------------|--------------------|
| 1. | Miteshkumar Ghanshyambhai Rana | Chairperson |
| 2. | Nikhil Bhagwanshanker Dwivedi | Member |
| 3. | Mansi Jayendra Bhatt | Member |
| 4. | Yatin Sanjay Gupte | Member |
| 5. | Paresh Prakashbhai Thakkar | Member |

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

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

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 1A For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the Annual General Meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in attendance.

d. Rights Issue Committee

The Rights Issue Committee was reconstituted by our Board of Directors in their meeting held on June 21, 2024 with the following members forming a part of the said Committee:

| Sr. No. | Name of Member | Designation |
|----------------|--------------------------------|--------------------|
| 1. | Venkata Ramana Revuru | Chairperson |
| 2. | Pareesh Prakashbhai Thakkar | Member |
| 3. | Mansi Jayendra Bhatt | Member |
| 4. | Yatin Sanjay Gupte | Member |
| 5. | Miteshkumar Ghanshyambhai Rana | Member |

Our Key Managerial Personnel

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

Mr. Arun Pillai, is Chief Financial Officer of the Company. He completed his M.B.A (Finance & Marketing) from S.M.U University, Indore and B.S.C from Sagar University. He has vast experience of working as a banking professional for more than 12+ years having expertise in understanding Financial Services, Customer Relationship Management, Resource productivity and Team Management. He has previously worked with HDFC Bank Ltd. as Assistant Vice President – Branch head.

Mr. Samoil Akilbhai Lokhandwala, aged 25 years, is the Company Secretary and Compliance Officer of our Company was appointed with effect from April 01, 2024. Mr. Samoil Akilbhai Lokhandwala is an Associate member of The Institute of Company Secretaries of India (ICSI) having membership number ACS 73225. He had passed the Company Secretary course in December 2021. He holds a bachelor's degree in Commerce from The Maharaja Sayajirao University of Baroda, which he completed in the year 2020.

The Company Secretary, Ms. Kashish Purohit has resigned as the Company Secretary of our Company with effect from March 30, 2024. Her resignation has been accepted by our Board at its Meeting held on March 28, 2024 and we have appointed Mr. Samoil Akilbhai Lokhandwala as a Compliance Officer w.e.f. April 01, 2024

All our Key Managerial Personnel are permanent employees of our Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Relationship of Key Managerial Personnel with our Key Managerial Personnel

None of the key managerial personnel are related to each other.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

| S. No. | Details | Page Number |
|--------|--|-------------|
| 1. | Audited Financial Statements for the financial year ended on March 31, 2024 | [92] |
| 2. | Limited Review Report and Unaudited Financial Statements for the quarter ended on September 30, 2024 | [134] |
| 3. | Accounting Ratios | [139] |
| 4. | Statement of Capitalisation | [140] |

Material changes and commitments, if any, affecting our financial position There are no material changes and commitments, which are likely to affect our financial position since March 31, 2024 till date of this Draft Letter of Offer. We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018. We have approved and filed the Limited review financial results for the quarter ended September 30, 2024 with the Stock Exchange. For the Limited review financial results for the quarter ended September 30, 2024, please see Section “Financial Statements” on page 78.

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Independent Auditors' Report on the Year to date Audited Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**TO THE MEMBERS OF
MANGALAM INDUSTRIAL FINANCE LIMITED**

I. Report on the Audit of the Standalone Financial Statements

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of **MANGALAM INDUSTRIAL FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| KEY AUDIT MATTER | HOW THE MATTER WAS ADDRESSED IN OUR AUDIT |
|---|---|
| <p>Under subscription of Rights Issue</p> <ul style="list-style-type: none"> During the year ended 2023-24(March -23), the Company initiated a rights issue aimed at raising 4893.76 Lakhs to augment the capital base and provide for fund requirements for increasing operational scale concerning NBFC activities and for General corporate purposes. The rights issue experienced undersubscription, with 84.55% of the offered shares being subscribed and 5.45% not subscribed. Despite this, the impact on the company's financial position, cash flow, and going concern status was not significant. Refer Note No 17 (d). | <p>Understanding the Rights Issue Process:</p> <ul style="list-style-type: none"> We obtained and reviewed the terms and conditions of the rights issue, including the prospectus and any regulatory filings. <p>Assessment of Management's Plans and Responses:</p> <ul style="list-style-type: none"> Evaluated the company's response to the shortfall in right application. Reviewed board minutes and other documentation related to the decision-making process following the rights issue. <p>Analysis of Financial Implications:</p> <ul style="list-style-type: none"> Analyzed management's assessment of the financial impact of the undersubscription, focusing on the adequacy of alternative funding arrangements or existing cash reserves. Verified the company's analysis that the undersubscription did not significantly impact its liquidity or ability to continue as a going concern. <p>Based on the audit procedures performed, we observed The company's on going business activity were not significantly impacted. The disclosures regarding the rights issue and its outcome are appropriate and provide a clear understanding of the event and its implications.</p> |
| <p>Impairment of financial assets (expected credit losses)- Refer to the accounting policies in Note 2(xiii), 5, 21 to the Ind AS Financial Statement.</p> <p>Ind AS 109 requires the Company to recognise impairment allowance towards its financial assets (Designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none"> unbiased, probability weighted outcome under various scenarios; time value of money; impact arising from forward looking macro-economic factors and; Availability of reasonable and supportable information without undue costs. | <ul style="list-style-type: none"> We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and RBI Directives for provisions on loan assets. We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa. |

| | |
|---|--|
| <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ul style="list-style-type: none"> • grouping of borrowers based on homogeneity • staging of loans and estimation of behavioural life; • determining macro-economic factors Estimation of losses for loan products with no/ minimal historical defaults. <p>In management’s view and considering the guidance provided by the Institute of Chartered Accountants of India (ICAI), providing moratorium to borrowers based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded Provision for impairment for 697.15 lakhs as part of its ECL, and is based on various variables along with the yardstick as given by The RBI & ICAI, which could result in actual credit loss being different than that being estimated.</p> | <ul style="list-style-type: none"> • We evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation <p>Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses.</p> |
|---|--|

5. Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

- A. The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the Standalone Financial Statements and our auditor’s report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

6. Management’s Responsibility for the Standalone Financial Statements

- A. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease

operations, or has no realistic alternative but to do so.

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

7. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the Ind AS 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.
 - ii) Obtain an understanding of internal financial controls 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.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
 - v) Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in
- i) planning the scope of our audit work and in evaluating the results of our work; and
 - ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. 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.

- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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 doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
 - D. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - E. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - F. With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.
 - H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Ind As Financial Statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d)
 - i. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any

other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation stated here under para iv and v contain any material misstatement.

e) Based on our examination which included test checks the company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**".

FOR Mahesh Udhwani & Associates
Chartered Accountants
FRN: 129738W

Mahesh Udhwani
Partner
UDIN: 24047328BJZYOV6709
Date : 29/05/2024
Place: Vadodara

ANNEXURE - A TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **MANGALAM INDUSTRIAL FINANCE LIMITED**. ("The Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects , an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effective as at March 31, 2024, based on internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the opinion reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company, and the above opinion does not affect our opinion on the financial statements of the company.

FOR Mahesh Udhwani & Associates

Chartered Accountants

FRN: 129738W

Mahesh Udhwani

Partner

UDIN: 24047328BJZYOV6709

Date : 29/05/2024

Place: Vadodara

ANNEXURE 'B' TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MANGALAM INDUSTRIAL FINANCE LIMITED)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

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

Assets:

 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has carried out physical verification of Property, Plant and Equipment and right-of-use assets, according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of records available there is no immovable property (other than taken on lease) disclosed in the financial statements, hence reporting as per Order is not applicable.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of Clause 3(ii)(a) of the Order is not applicable to it.
 - (b) In our opinion and according to the information and explanations given to us, the Company does not have sanctioned working capital limits from banks or financial institutions which are secured on the basis of security. Accordingly, the provision of Clause 3(ii)(b) of the Order is not applicable to it.
- iii.
 - (a) Since the Company's principal business is to give loans, the provisions of Clause 3(iii)(a) of the Order are not applicable to it.
 - (b) The Company has not made any investment or provided guarantee or security, and hence reporting under 3(iii) (b) of the Order is not applicable.
 - (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular during the year. However in some cases where delay was noticed it was been repaid within the time limit provided by management which are normal in course of lending business. Refer Note 5 and Annexure B of the financial statements for summarized details of loans.
 - (d) The Company has given loans which is overdue for more than 90 days and reasonable steps have been taken by the company for recovery of the principal and interest by issuing reminders, the details for the same areas under :

| Sr No. | Name of Borrower | Amount Outstanding as on 31.03.2024 (Rs.) |
|--------|----------------------------|---|
| 1 | Khetawat Properties Ltd | 1,89,863 |
| 2 | Aarna Integrated Solutions | 12,47,848 |
| 3 | Anil Sharma | 1,89,31,223 |
| 4 | Global Shipping Logistics | 57,67,208 |
| 5 | Pulsar Commercial Ltd. | 63,96,897 |
| 6 | Ratnesh Rath Dubey | 10,20,963 |
| 7 | Shree Electricals | 11,30,896 |
| 8 | Zenstar Marketing Pvt Ltd | 1,91,29,228 |
| 9 | Ravindran R Nambiar | 1,57,65,889 |
| 10 | Optimus Finance Limited | 20,07,709 |

- (e) Since the Company's principal business is to give loans, the provisions of Clause (3)(iii)(e) of the Order are not applicable to it.

| In our opinion and according to the information and explanations given to us, the Company has granted loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment. The details are as under: Type of Borrower | As at 31st March, 2024 | |
|--|---|--|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loan |
| Promoter | - | - |
| Directors | - | - |
| KMPs | - | - |
| Related parties | 852.69 Lakhs | 25.21% |

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax, and other material statutory dues applicable to it with the appropriate authorities.
There were no undisputed amounts payable in respect of Goods and Service tax, and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix.
- (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.
 - (c) The Company has utilized the term loan for the purpose for which it has been raised.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates' companies and hence reporting on clause 3(ix) (f) of the Order is not applicable.
- x.
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
 - (b) During the year, the Company has not made preferential allotment (part balance) of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.
- xi.
- (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) The company has not conducted any Non –Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India as per Reserve Bank of India Act, 1934.
(c) In our opinion & according to the information and explanations given to us, the company is not Core Investment Company as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi) (c) & (d) is not applicable.
- xvii. The Company has not incurred cash losses during the current & previous financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. According to Section 135, Corporate Social Responsibility (CSR) is not applicable to the company, and hence reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

FOR Mahesh Udhwani & Associates
Chartered Accountants
FRN:129738W

Mahesh Udhwani
Partner
M.No. 047328
UDIN: 24047328BJZYOV6709
Date : 29/05/2024
Place: Vadodara

MANGALAM INDUSTRIAL FINANCE LIMITED.

BALANCE SHEET AS AT MARCH 31, 2024

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

(₹ in Lakhs)

| Sr. No | Particulars | Note No. | As at 31.03.2024 | As at 31.03.2023 |
|--------|---|----------|------------------|------------------|
| | ASSETS | | | |
| (1) | Financial Assets | | | |
| (a) | Cash and cash equivalents | 3 | 85.45 | 1229.99 |
| (b) | Bank Balance other than (a) above | | - | - |
| (c) | Receivables | | | |
| | (I) Trade Receivables | | - | - |
| | (II) Other Receivables | 4 | 2.75 | 3.05 |
| (d) | Loans | 5 | 2685.69 | 1594.83 |
| (e) | Investments | 6 | 0.00 | 0.00 |
| (f) | Other Financial assets | 7 | 49.00 | - |
| (2) | Non-financial Assets | | | |
| (a) | Current tax assets (Net) | 8 | 27.24 | 10.46 |
| (b) | Deferred tax Assets (Net) | 9 | 4.03 | 4.23 |
| (c) | Property, Plant and Equipment | 10 | 7.08 | 3.45 |
| (d) | Inventories | | - | - |
| (e) | Intangible assets | 11 | 10.28 | 15.61 |
| (f) | Other Non -financial assets | 12 | 11.76 | 4.08 |
| | Total Assets | | 2883.27 | 2865.71 |
| | LIABILITIES AND EQUITY | | | |
| | LIABILITIES | | | |
| (1) | Financial Liabilities | | | |
| (a) | Derivative financial instruments | | - | - |
| (b) | Payables | 13 | - | - |
| | (I) Trade Payables | | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| | (II) Other Payables | | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | | 5.80 | 7.59 |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 8.39 | 4.67 |
| (c) | Borrowings (Other than Debt Securities) | | - | - |
| (d) | Other financial liabilities | | - | - |
| (2) | Non-Financial Liabilities | | | |
| (a) | Current tax liabilities (Net) | 14 | 8.13 | 12.66 |
| (b) | Provisions | 15 | 3.38 | 4.76 |
| (c) | Deferred tax liabilities (Net) | 9 | - | - |
| (d) | Other non-financial liabilities | 16 | 4.45 | 1.76 |
| (3) | EQUITY | | | |
| (a) | Equity Share capital | 17 | 9616.44 | 9616.44 |
| (b) | Other Equity | 18 | (6763.32) | (6782.17) |
| | Total Liabilities and Equity | | 2883.27 | 2865.71 |
| | Material Accounting policies | 1-37 | | |
| | The Notes referred above are an integral part of the Balance Sheet | | | |

As per our Report of even date.
FOR MAHESH UDHWANI & ASSOCIATES
 Chartered Accountants
 Firm Reg. No : 129738W

For and on Behalf of the Board of Directors
MANGALAM INDUSTRIAL FINANCE LIMITED
 CIN : L65993WB1983PLC035815

CA. MAHESH UDHWANI
 (Partner)
 M. No. : 047328
 UDIN: 24047328BJZYOV6709
 Date: 29/05/2024
 Place: Vadodara

VENKATA RAMANA REVURU
 Managing Director
 (DIN : 02809108)

YATIN SANJAY GUPTA
 Non-Executive Non-Independent
 Director
 (DIN :07261150)

ARUN PILLAI
 Chief Financial Officer
 BMZPP9042B

**SAMOIL AKILBHAI
 LOKHANDWALA**
 Company Secretary
 ASLPL1459M

MANGALAM INDUSTRIAL FINANCE LIMITED.
Statement of Profit and Loss for the year ended 31st March, 2024
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

(₹ in Lakhs)

| Sr. No | Particulars | Note No. | For the year ended 31.03.2024 | For the year ended 31.03.2023 |
|---|--|----------|--|---|
| | Revenue from operations | 19 | | |
| (i) | Interest Income | | 258.16 | 131.25 |
| (ii) | Dividend Income | | 0.10 | 0.90 |
| (iii) | Loan Processing & Documentation charges including amortization cost | | 3.14 | 0.72 |
| (iv) | Net gain on fair value changes | | - | - |
| (v) | Net gain on derecognition of financial instruments under amortised cost category | | - | - |
| (vi) | Sale of products (including Excise Duty) | | - | - |
| (vii) | Sale of services | | - | - |
| (viii) | Others | | - | - |
| (I) | Total Revenue from operations | | 261.40 | 132.88 |
| (II) | Other Income | 20 | 0.06 | 0.25 |
| (III) | Total Income (I+II) | | 261.45 | 133.12 |
| | Expenses | | | |
| (i) | Finance Costs | | - | - |
| (ii) | Fees and commission expense | | - | - |
| (iii) | Net loss on fair value changes | | - | - |
| (iv) | Net loss on derecognition of financial instruments under amortised cost category | | - | - |
| (v) | Impairment Provisions (Loans) | 21 | 30.30 | 524.34 |
| (vi) | Employee Benefits Expenses | 22 | 60.56 | 27.40 |
| (vii) | Depreciation, amortization and impairment | 23 | 3.40 | 1.58 |
| (viii) | Others expenses | 24 | 141.56 | 68.81 |
| (IV) | Total Expenses (IV) | | 235.82 | 622.13 |
| (V) | Profit / (loss) before exceptional items and tax (III - IV) | | 25.64 | (489.01) |
| (VI) | Exceptional items | | - | - |
| (VII) | Profit/(loss) before tax (V - VI) | | 25.64 | (489.01) |
| | Tax Expense: | | | |
| (VIII) | (1) Current Tax | | 6.66 | 11.20 |
| | (2) Deferred Tax | | 0.21 | 0.73 |
| (IX) | Profit / (loss) for the period from continuing operations (VII - VIII) | | 18.77 | (500.94) |
| (X) | Profit/(loss) from discontinued operations | | - | - |
| (XI) | Tax Expense of discontinued operations | | - | - |
| (XII) | Profit/(loss) from discontinued operations (After tax) (X - XI) | | - | - |
| (XIII) | Profit/(loss) for the period (IX+XII) | | 18.77 | (500.94) |
| (XIV) | Other Comprehensive Income | | | |
| (A) | (i) Items that will not be reclassified to profit or loss (specify items and amounts) | | - | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | Subtotal (A) | | - | - |
| (B) | (i) Items that will be reclassified to profit or loss (specify items and amounts) | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | Subtotal (B) | | - | - |
| | Other Comprehensive Income (A + B) | | - | - |
| (XV) | Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period) | | 18.77 | (500.94) |
| (XVI) | Earnings per equity share (for continuing operations) | | | |
| | Basic (Rs.) | | 0.002 | (0.052) |
| | Diluted (Rs.) | | 0.002 | (0.052) |
| (XVII) | Earnings per equity share (for discontinued operations) | | | |
| | Basic (Rs.) | | - | - |
| | Diluted (Rs.) | | - | - |
| (XVIII) | Earnings per equity share (for continuing and discontinued operations) | | | |
| | Basic (Rs.) | 25 | 0.002 | (0.052) |
| | Diluted (Rs.) | 25 | 0.002 | (0.052) |
| | Material Accounting policies | The | | |
| | Notes referred above are an integral part of the Statement of Profit and Loss. | 1-37 | | |
| As per our Report of even date. FOR MAHESH UDHWANI & ASSOCIATES Chartered Accountants Firm Reg. No : 129738W | | | For and on Behalf of the Board of Directors MANGALAM INDUSTRIAL FINANCE LIMITED CIN: I65993WB1983PLC035815 | |
| CA. MAHESH UDHWANI (Partner) M. No. : 047328 UDIN: 24047328BJZYOV6709 Date: 29/05/2024 Place: Vadodara | | | VENKATA RAMANA REVURU Managing Director (DIN : 02809108) | YATIN SANJAY GUPTA Non-Executive Non-Independent Director (DIN :07261150) |
| | | | ARUN PILLAI Chief Financial Officer BMZPP9042B | SAMOIL AKILB HAI LOKHANDWALA Company Secretary ASLPL1459M |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Cash Flow Statement For the Year Ended 31st March, 2024

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

(₹ in Lakhs)

| Sr. No | Particulars | Year Ended 31.03.2024 | Year Ended 31.03.2023 |
|---|---|--|--|
| (A) | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit Before Taxation | 25.64 | (489.01) |
| | Total Comprehensive Income for the period | | |
| | Adjustment for: | | |
| | Depreciation | 3.40 | 1.58 |
| | Dividend Income | (0.10) | (0.90) |
| | Profit on Sale of Investment | - | - |
| | Impairment Provisions (Loans) | 30.30 | 524.34 |
| | Operating Profit before Working Capital Changes | 59.24 | 36.01 |
| | Adjustment for :- | | |
| | Change in Other Financial Liabilities/Other Payable | (1.37) | 3.91 |
| | Change In Trade Payable/Other Payable | 1.94 | 5.59 |
| | Change in Other Non Financial Liabilities | 2.68 | 0.90 |
| | Change in Other Non Financial Assets | (7.67) | - |
| | Change in Trade Receivables/Other Asset | 0.30 | 211.60 |
| | Change in Other Financial Assets | (49.00) | 1100.00 |
| | Change in Loans and Advances | (1121.17) | (840.46) |
| | Change in Current Tax Assets | (27.89) | (113.28) |
| | Cash Generated from Operations | (1142.94) | 404.27 |
| | Less : Direct Taxes Paid | - | - |
| | Cash Inflow(+)/Outflow(-) before Extra Ordinary Items | (1142.94) | 404.27 |
| | Add(+)/Deduct(-) Prior Period Adjustments | - | - |
| | Net Cash Inflow(+)/Outflow(-) in Operating Activities | (1142.94) | 404.27 |
| (B) | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Dividend Income | 0.10 | 0.90 |
| | Purchase of Fixed Asset | (1.70) | (20.60) |
| | Net Cash Inflow(+)/Outflow(-) in Investing Activities | (1.60) | (19.70) |
| (C) | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Loan Taken | - | - |
| | Net Cash Inflow(+)/ Outflow(-) in Financing Activities | - | - |
| (D) | NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C) | (1144.54) | 384.57 |
| (E) | OPENING CASH AND CASH EQUIVALENTS | 1229.99 | 845.42 |
| (F) | CLOSING CASH AND CASH EQUIVALENTS | 85.45 | 1229.99 |
| As per our Report of even date. FOR MAHESH UDHWANI & ASSOCIATES Chartered Accountants Firm Reg. No : 129738W | | For and on Behalf of the Board of Directors MANGALAM INDUSTRIAL FINANCE LIMITED CIN: L65993WB1983PLC035815 | |
| CA. MAHESH UDHWANI (Partner) M. No. : 047328 UDIN:24047328BIZYOV6709 Date: 29/05/2024 Place: Vadodara | | VENKATA RAMANA REVURU Managing Director (DIN : 02809108) | YATIN SANJAY GUPTA Non-Executive Non-Independent Director (DIN :07261150) |
| | | ARUN PILLAI Chief Financial Officer BMZPP9042B | SAMOIL AKILBHAI LOKHANDWALA Company Secretary ASLPL1459M |

MANGALAM INDUSTRIAL FINANCE LIMITED.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A Equity Share Capital

(1) Current Reporting Period

(₹ in Lakhs)

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 9616.44 | • | 9616.44 | • | 9616.44 |

(2) Previous reporting period

(₹ in Lakhs)

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 9616.44 | • | 9616.44 | • | 9616.44 |

B Other Equity

(1) Current reporting period

(₹ in Lakhs)

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | | | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Fair Valuation of Equity Investments | Money received against share warrants | Total |
|---|---|--|----------------------|--------------|---|-------------------|----------------------|------|---|---------------------------------------|---------------------|---|--------------------------------------|---------------------------------------|-----------|
| | | | Capital Reserve | Reserve Fund | Special Reserve (Pursuant to Section 45IC of The Reserve Bank of India Act, 1934) | Retained Earnings | Amalgamation Reserve | ECL | | | | | | | |
| Balance at the beginning of the current reporting period | • | • | 3.71 | 1.09 | 33.05 | (735.46) | 10.50 | • | • | • | • | • | (6095.05) | • | (6782.17) |
| Changes in accounting policy/ prior period errors | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • |
| Restated balance at the beginning of the current reporting period | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • |
| Total Comprehensive Income for the current year | • | • | 3.71 | 1.09 | 33.05 | (735.46) | 10.50 | • | • | • | • | • | (6095.05) | • | (6782.17) |
| Dividends | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • |
| Transfer to retained earnings | • | • | • | • | • | 9.51 | • | • | • | • | • | • | • | • | 9.51 |
| Profit of the year | • | • | • | • | • | • | • | 9.34 | • | • | • | • | • | • | 9.34 |
| Amount Received | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • |
| Transfer to Special Reserve | • | • | • | • | 3.75 | (3.75) | • | • | • | • | • | • | • | • | • |
| Transfer to Share Capital | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • |
| Balance at the end of the current reporting period | • | • | 3.71 | 1.09 | 36.80 | (729.70) | 10.50 | 9.34 | • | • | • | • | (6095.05) | • | (6763.32) |

MANGALAM INDUSTRIAL FINANCE LIMITED.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(2) Previous reporting period

(₹ in Lakhs)

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | | | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Fair Valuation of Equity Investments | Money received against share warrants | Total |
|---|---|--|----------------------|--------------|---|-------------------|----------------------|-----|---|---------------------------------------|---------------------|---|--------------------------------------|---------------------------------------|-------|
| | | | Capital Reserve | Reserve Fund | Special Reserve (Pursuant to Section 45IC of The Reserve Bank of India Act, 1934) | Retained Earnings | Amalgamation Reserve | ECL | | | | | | | |
| Balance at the beginning of the current reporting period | - | - | 3.71 | 1.09 | 33.05 | (231.10) | 10.50 | - | - | - | - | (6095.05) | - | (6277.80) | |
| Changes in accounting policy/ prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Restated balance at the beginning of the current reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Comprehensive Income for the current year | - | - | 3.71 | 1.09 | 33.05 | (231.10) | 10.50 | - | - | - | - | 6095.05 | - | (6277.80) | |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfer to retained earnings Profit of the year | - | - | - | - | - | (504.37) | - | - | - | - | - | - | - | (504.37) | |
| Addition during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfer to Special Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfer from Retained Earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Contingent Provision for Standard Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Balance at the end of the current reporting period | - | - | 3.71 | 1.09 | 33.05 | (735.46) | 10.50 | - | - | - | - | (6095.05) | - | (6782.17) | |

As per our Report of even date,
FOR MAHESH UDHAWANI & ASSOCIATES
Chartered Accountants
Firm Reg. No : 129738W

For and on behalf of the Board
MANGALAM INDUSTRIAL FINANCE LIMITED
CIN: L65993WB1983PLC055815

CA. MAHESH UDHAWANI
(Partner)
M. No. : 047328
UDIN: 24047328B/JZOV6709
Date : 29/05/2024
Place: Vadodra

VENKATA RAMANJA REVURU
Managing Director
(DIN : 02809108)

YATIN SANJIV GUPTA
Non-Executive Non-Independent Director
(DIN :07261150)

ARUN PILLAI
Chief Financial Officer
BMZP990428

SAMOILAKISHAI LOKHANDWALA
Company Secretary
ASLPL1459M

MANGALAM INDUSTRIAL FINANCE LIMITED.

Significant Accounting Policies and Notes to Financial Statements

1 CORPORATE INFORMATION

MANGALAM INDUSTRIAL FINANCE LIMITED (the "Company") was incorporated on February 8, 1983 is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and is listed at Bombay Stock Exchange Limited (BSE). The Company is registered under section 45-IA of The Reserve Bank of India Act, 1934 to commence/carry on the business of a Non-Banking Financial Institution. The Company is registered with the Reserve Bank of India ("RBI") as Non-Deposit taking No Systemically Important (NBFC-ND-NSI), Investment and Credit Company ("ICC"). The registration details are as follows:

| | |
|---------------------------------|------------------------|
| RBI | B.05.02961 /21.08.2001 |
| Corporate Identity Number (CIN) | L65993WB1983PLC035815 |

Under Scale Based Regulations (SBR), the RBI categorized the Company in Base Layer (NBFC BL) Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The financial statements of the Company for the year ended March 31, 2024 were approved for issue in accordance with the resolution of the Board of Directors on May 29, 2024.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

i Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting standards (INDAS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

ii Presentation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

Amounts in the financial statements are presented in Indian ₹ (Rupees), which also the company's functional currency, and all amounts have been rounded off to the nearest lakhs unless otherwise indicated.

iii Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements are prepared on a going concern basis, as the management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Measurement of fair values:

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, regardless of whether that price is directly observable or estimated using another valuation technique.

| Items | Measurement Basis |
|--|------------------------------|
| Certain financial assets and liabilities | Fair value |
| Property, plant and equipment | Value in use under Ind AS 36 |

Fair value for measurement and/or disclosure purposes for certain items in these financial statements is determined considering following methods: Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.
- b) Level 2: inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3: inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. For details relating to valuation model and framework used for fair value measurement and disclosure of financial instrument refer to note 28.

iv Use of estimates and judgements

The preparation of financial statements requires the management of the Company to make judgements, assumptions and estimates that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates.

Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Judgements:

Information about judgements made in applying accounting policies that have a most significant effect on the amount recognised in the financial statements is included following

Notes:

- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment during the year ending March 31, 2023 is included in the following Notes:

Note (10) - useful life of property, plant, equipment and intangibles.

Note (9) - recognition of deferred tax assets: availability of future taxable profit against which carry forward deferred tax asset can be setoff

Note (28) - determination of the fair value of financial instruments with significant unobservable inputs.

v Recognition of Income

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Company. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Recognition of interest income

Interest consists of consideration for (i) the time value of money; (ii) for the credit risk associated with the principal amount outstanding; (iii) for other basic lending risks and costs; and (iv) profit margin. a) if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss); Interest income and expense are recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

The calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit impaired financial assets (i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)). The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company.

The interest cost is calculated by applying the EIR to the amortised cost of the financial liability. The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

vi Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

vii Syndication, advisory & other fees

Syndication, advisory & other fees are recognized as income when the performance obligation as per the contract with customer is fulfilled and when the right to receive the payment against the services has been established.

viii Origination fees

Origination fees, which the Company has received/recovered at time of granting of a loan, is considered as a component for computation of the effective rate of interest (EIR) for the purpose of computing interest income, except when it is not an integral part of loan.

ix Net gain/(loss) on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain or loss as a gain or expense respectively.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

x Recoveries of Financial assets written off

The company recognizes income on recoveries of financial assets written off on realization or when the right to receive the same without any uncertainties of recovery is established.

xi Leases

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor.

Leases of assets under which substantially all the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

Asset given on lease:

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Under operating leases (excluding amount for services such as insurance and maintenance), lease rentals are recognised on a straight-line basis over the lease term, except for increase in line with expected inflationary cost increases.

Asset taken on lease:

The Company's assets taken on lease primarily consist of leases for properties.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for certain type of its leases.

The Company presents right-of-use assets and lease liabilities separately on the face of the Balance sheet. Lease payments (including interest) have been classified as financing cashflows.

The Company recognises a right-of-use asset and a lease liability 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 asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements 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 recognized in the statement of profit and loss.

When a right-of-use asset meets the definition of investment property, it is presented in investment property.

The Company 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 Company uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

xii Finance Costs

The Company recognises interest expense on the borrowings as per EIR methodology which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

xiii Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet on trade date when the Company becomes a party to the contractual provisions of the instrument. A loan is recorded upon remittance of the funds to the counterparty/obligor. Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit and Loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

a) if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

b) in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability

(1) Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at:

- 1) amortised cost;
- 2) fair value through other comprehensive income (FVTOCI); or
- 3) fair value through profit and loss (FVTPL).

Initial recognition and measurement

A financial asset is recognised on trade date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. A financial asset measured at amortised cost and a financial asset measured at fair value through other comprehensive income is presented at gross carrying value in the Financial Statements. Unamortised transaction cost and incomes and impairment allowance on financial asset is shown separately under the heading "Other non-financial asset", "Other non-financial liability" and "Provisions" respectively.

Assessment of Business model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an

individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by instrument basis. The Company could have more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cashflows will result from collecting contractual cash flows, selling financial assets or both. The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

- 1) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel and board of directors;
- 2) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- 3) how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- 4) At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models at each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

Based on the assessment of the business models, the Company has identified the three following choices of classification of financial assets:

- a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash-flows"), and that have contractual cash flows that are solely payments of principal and interest on then principal amount outstanding (SPPI), are measured at amortised cost;
- b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI.
- c) All other financial assets (e.g. managed on a fair value basis, or held for sale and equity investments are subsequently measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal). Amount of 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement.

Contractual terms that introduce exposure to risks or volatility in the contractual cash.

Flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial asset at amortised cost

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of testing SPPI, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form. The EIR amortisation is included in finance income in the profit and loss statement. The losses arising from impairment are recognised in the profit and loss statement

Financial asset at Fair Value through Other Comprehensive Income (FVTOCI)

Loans & Advances:

After initial measurement, basis assessment of the business model as “Contractual cash flows of asset collected through hold and sell model and SPPI”, & equity instruments such financial assets are classified to be measured at FVTOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI. The EIR amortisation is included in finance income in the profit and loss statement. The losses arising from impairment are recognised in the profit and loss statement. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealised gain/loss is recorded in other comprehensive income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual gain/loss realised is recorded in the profit and loss statement and the unrealised gain/ loss recorded in OCI are recycled to the statement of profit and loss.

Investments in equity instruments:

At initial recognition an entity at its sole option may irrevocably designate an investment in an equity instrument as FVOCI, unless the asset is:

- Held for trading, or
- Contingent consideration in a business combination.

Dividends are recognized when the entity’s right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognized in profit and loss unless they clearly represent recovery of a part of the cost of the investment, in which case they are included in OCI. Changes in fair value are recognized in OCI and are never recycled to profit and loss, even if the asset is sold or impaired.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortized cost or FVTOCI, is classified as FVTPL. In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency

(referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in security receipt, mutual fund, non-cumulative redeemable preference shares and cumulative compulsorily convertible preference shares

Investment in security receipt, mutual fund, non-cumulative redeemable preference shares and cumulative compulsorily convertible preference shares are classified as FVTPL and measured at fair value with all changes recognised in the statement of profit and loss. Upon initial recognition, the Company, on an instrument-by-instrument basis, may elect to classify equity instruments other than held for trading either as FVTOCI or FVTPL. Such election is subsequently irrevocable. If FVTOCI is elected, all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the gains or losses from OCI to the statement of profit and loss, even upon sale of investment. However, the Company may transfer the cumulative gain or loss within other equity upon realisation.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

Financial guarantee contract:

A financial guarantee contract requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Company's revenue recognition policies.

The company has not designated any financial guarantee contracts as FVTPL.

Company's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the interest rate relevant to the exposure.

The Measurement of ECLs

The Company records allowance for expected credit losses for all loans and other financial assets not held at fair value through profit or loss (FVTPL) in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Exposure-At-Default (EAD): The Exposure at Default is the amount the Company is entitled to receive as on reporting date including repayments due for principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

Probability of Default (PD): The Probability of Default is an estimate of the likelihood of default of the exposure over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD): The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The ECL allowance is applied on the financial instruments depending upon the classification of the financial instruments as per the credit risk involved. ECL allowance is computed on the below mentioned basis:

12-month ECL: 12-month ECL is the portion of Lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. 12-month ECL is applied on stage 1 assets.

Lifetime ECL: Lifetime ECL for credit losses expected to arise over the life of the asset in cases of credit impaired loans and in case of financial instruments where there has been significant increase in credit risk since origination. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. Lifetime ECL is applied on stage 2 and stage 3 assets.

The Company computes the ECL allowance either on individual basis or on collective basis, depending on the nature of the underlying portfolio of financial instruments.

For Financial assets as required under applicable RBI Directions for its credit portfolio/Loans are impaired as per the directions (Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions,2016). The Company has grouped its loan portfolio into corporate loans, SME loans and Commercial vehicle loans.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/ 2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Company upgrades loan accounts classified as Stage 3/ NPA to 'standard' asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the company in this regard. With regard to upgradation of accounts classified as NPA due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Impairment of Financial Assets:

The Company is required to recognise Expected Credit Losses (ECLs) based on forward looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is applicable on equity investments.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required on stage 1 assets at 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3)

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost. 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties

Impairment of Trade receivables

Impairment allowance on trade receivables is made on the basis of lifetime credit loss method, in addition to specific provisions considering the uncertainty of recoverability of certain receivables.

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

Modification and De-recognition of financial assets

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as Stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as a renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

A financial asset or a part of financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the Risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

(2) Financial Liabilities & Equity

Classification as debt or equity

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments".

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method.

Derecognition of financial Liabilities in following circumstances:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

xiv Cash and cash equivalents

Cash, Cash equivalents and bank balances include fixed deposits (with an original maturity of three months or less from the date of placement), margin money deposits, and earmarked balances with banks which are carried at amortised cost. Short term and liquid investments which are not subject to more than insignificant risk of change in value, are included as part of cash and cash equivalents.

xv Property plant and equipment (PPE)

PPE Recognition and measurement

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Estimated cost of dismantling and removing the item and restoring the site on which its located does not arise for owned assets. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line method basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Depreciation on assets purchased / sold during the period is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of sale.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Intangible assets

a) Recognition and Measurement

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such

costs are incurred. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

b) Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

c) Amortisation

Intangible assets are amortised using the straight line method over a period of 10 years, which is the management’s estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Investment Property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and are reported at cost, including transaction costs. Subsequent to initial recognition it’s measured at cost less accumulated depreciation and accumulated impairment losses, if any. When the use of an existing property changes from owner - occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on the de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible, intangible assets & Investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of Profit and Loss.

De-recognition of property, plant and equipment and intangible asset

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

Right of Use

Under Ind AS 116, the company recognises right-of-use assets and lease liabilities for certain types of leases.

The Company presents right-of-use assets and lease liabilities separately on the face of the Balance sheet. The Company recognises a right-of-use asset & a lease liability at the leases commence date. The right-of-use assets is initially measured at cost and subsequently at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurement of the lease liability. When a right-of-use asset meets the definition of Investment property, it is presented in investment property. The right-of-use asset is initially measured at cost and subsequently measured at fair value, in accordance with the Company's accounting policies.

xvi Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as Held for sale, the assets are no longer amortised or depreciated.

xvii Retirement and other employee benefits

Defined Contribution Plans

Contribution as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Pension Fund is not applicable to the company. Hence no provision made for this and other employee benefits.

Defined Benefit Plans:

Gratuity in respect of all the employees are accounted for on cash basis.

Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries in the period in which related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

xviii Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

In case of litigations, provision is recognised once it has been established that the Company has a present obligation based on information available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Company does not recognise contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

xix Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to subsidiaries / associate;
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- e) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

xx Taxation

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss, other comprehensive income, or directly in equity when they relate to items that are recognized in the respective line items

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in

OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

xxi Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing, and financing activities. Cash flow from operating activities is reported using an indirect method adjusting the net profit for the effects of:

- a) Change during the period in operating receivables and payables transactions of a non cash nature;
- b) non-cash items such as depreciation, impairment, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- c) all other items for which the cash effects are investing or financing cash flows.

xxii Segment Reporting

The Company is predominantly engaged in a single reportable segment of 'Investment and Credit Company (ICC) as per Ind AS 108 - Segment Reporting.

xxiii Earnings per Share ('EPS')

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note:3 CASH AND CASH EQUIVALENTS

(` in Lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|------------------------|------------------------|
| Cash on hand | 0.75 | 0.73 |
| Balances with banks (in the nature of cash and cash equivalents) | 84.70 | 1229.26 |
| Cheques, drafts on hand | - | - |
| Fixed Deposit with Bank | - | - |
| Total | 85.45 | 1229.99 |

Note:5 Loans

(` in Lakhs)

| Particulars | As at 31st March, 2024 | | | | | | As at 31st March, 2023 | | | | | |
|---|------------------------|-------------|----------------|---|-----------|----------------|------------------------|-------------|----------------|---|-----------|----------------|
| | At Fair Value | | | | | | At Fair Value | | | | | |
| | Amortised cost | Through OCI | Through P or L | Designated at fair value through P or L | Sub-Total | Total | Amortised cost | Through OCI | Through P or L | Designated at fair value through P or L | Sub-total | Total |
| 1 | 2 | 3 | 4 | 5=(2+3+4) | 6=(1+5) | 7 | 8 | 9 | 10 | 11=(8+9+10) | 12=(7+11) | |
| Loans | | | | | | | | | | | | |
| (A) Bills Purchased and Bills Discounted | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) Loans repayable on Demand | 3382.84 | - | - | - | - | 3382.84 | 2261.67 | - | - | - | - | 2261.67 |
| (iii) Term Loans | - | - | - | - | - | - | - | - | - | - | - | - |
| (iv) Leasing | - | - | - | - | - | - | - | - | - | - | - | - |
| (v) Factoring | - | - | - | - | - | - | - | - | - | - | - | - |
| (vi) Others (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - |
| Total (A) -Gross | 3382.84 | - | - | - | - | 3382.84 | 2261.67 | - | - | - | - | 2261.67 |
| Less:Impairment loss/allowance | 697.15 | - | - | - | - | 697.15 | 666.84 | - | - | - | - | 666.84 |
| Total (A) - Net | 2685.69 | - | - | - | - | 2685.69 | 1594.83 | - | - | - | - | 1594.83 |
| (B) | | | | | | | | | | | | |
| (i) Secured by tangible assets | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) Secured by intangible assets | - | - | - | - | - | - | - | - | - | - | - | - |
| (iii) Covered by Bank/Government Guarantees | - | - | - | - | - | - | - | - | - | - | - | - |
| (iv) Unsecured | 3382.84 | - | - | - | - | 3382.84 | 2261.67 | - | - | - | - | 2261.67 |
| Total (B) - Gross | 3382.84 | - | - | - | - | 3382.84 | 2261.67 | - | - | - | - | 2261.67 |
| Less:Impairment loss/allowance | 697.15 | - | - | - | - | 697.15 | 666.84 | - | - | - | - | 666.84 |
| Total (B) - Net | 2685.69 | - | - | - | - | 2685.69 | 1594.83 | - | - | - | - | 1594.83 |
| (C) (i) | | | | | | | | | | | | |
| Loans in India | | | | | | | | | | | | |
| (i) Public Sector | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) Others (to be specified) | 3382.84 | - | - | - | - | 3382.84 | 2261.67 | - | - | - | - | 2261.67 |
| Total (C) -Gross | 3382.84 | - | - | - | - | 3382.84 | 2261.67 | - | - | - | - | 2261.67 |
| Less:Impairment loss/allowance | 697.15 | - | - | - | - | 697.15 | 666.84 | - | - | - | - | 666.84 |
| Total (C) -Net | 2685.69 | - | - | - | - | 2685.69 | 1594.83 | - | - | - | - | 1594.83 |
| (C) (ii) | | | | | | | | | | | | |
| Loans outside India | - | - | - | - | - | - | - | - | - | - | - | - |
| Less:Impairment loss /allowance | - | - | - | - | - | - | - | - | - | - | - | - |
| Total (C) (ii) - Net | - | - | - | - | - | - | - | - | - | - | - | - |
| Total (C) (i) & (ii) | 2685.69 | - | - | - | - | 2685.69 | 1594.83 | - | - | - | - | 1594.83 |

Following disclosures shall be made where loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(` in lakhs)

| Type of Borrower | As at 31st March, 2024 | | As at 31st March, 2023 | |
|------------------|---|--|---|--|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loan | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loan |
| Promoter | - | - | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related parties* | 852.70 | 25.21 | 426.75 | 18.87 |

*Refer note No.33

Note: None of the loans are measured at fair value at each reporting date. Accordingly the above disclosure has been given for loans carried at Amortised Cost in lines with format as prescribed in Division III of Schedule III to the Companies Act, 2013.

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note: 10 Property, Plant and Equipments

(₹ in Lakhs)

| Particulars | PPE | | |
|--|------------------------|------------------|-----------------------|
| | Computer & Peripherals | Office Equipment | Total Tangible Assets |
| Balance as on 31st March, 2023 | 3.37 | 0.38 | 3.75 |
| Additions | 4.92 | - | 4.92 |
| Disposals | - | - | - |
| Reclassification / Adjustments | - | - | - |
| Balance as on 31st March, 2024 | 8.29 | 0.38 | 8.67 |
| Accumalated Depreciation And Amortisation | | | |
| Balance as on 31st March, 2023 | 0.3 | 0.01 | 0.31 |
| Charge for the year | 1.21 | 0.07 | 1.28 |
| Disposals | - | - | - |
| Reclassification / Adjustments | - | - | - |
| Balance as on 31st March, 2024 | 1.51 | 0.08 | 1.59 |
| NET CARRYING VALUE | | | |
| As At 31st March, 2023 | 3.07 | 0.37 | 3.44 |
| As At 31st March, 2024 | 6.78 | 0.30 | 7.08 |

Note: 11 Intangible Asset

(₹ in Lakhs)

| Particulars | Intangible Asset | |
|--|------------------|-------------------------|
| | Software | Total Intangible Assets |
| Balance as on 31st March, 2023 | 17.00 | 17.00 |
| Additions | 6.75 | 6.75 |
| Disposals | 9.97 | 9.97 |
| Reclassification / Adjustments | - | - |
| Balance as on 31st March, 2024 | 13.78 | 13.78 |
| Accumalated Depreciation And Amortisation | | |
| Balance as on 31st March, 2023 | 1.39 | 1.39 |
| Charge for the year | 2.12 | 2.12 |
| Disposals | - | - |
| Reclassification / Adjustments | - | - |
| Balance as on 31st March, 2024 | 3.51 | 3.51 |
| NET CARRYING VALUE | | |
| As At 31st March, 2023 | 15.61 | 15.61 |
| As At 31st March, 2024 | 10.28 | 10.28 |

Note:12 Other Non-Financial Assets

(₹ in Lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|---------------------|------------------------|------------------------|
| Duties and Taxes | 11.36 | 4.02 |
| Advance for Expense | 0.40 | 0.06 |
| Total | 11.76 | 4.08 |

MANGALAM INDUSTRIAL FINANCE LIMITED.
Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note: 13 : Payables

(₹ in lakhs)

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2024 | 31st March, 2023 |
| Other Payables | | |
| total outstanding dues of micro enterprises and small enterprises (refer Note No. 12.1) | 5.80 | 7.59 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 8.39 | 4.67 |
| Total | 14.19 | 12.25 |

13.1 Dues of Micro Enterprises and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2024 | 31st March, 2023 |
| a) The principal amount and interest due thereon remaining unpaid to any supplier | - | - |
| - Principal | 5.80 | 7.59 |
| - Interest on above Principal | - | - |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) The amount of interest accrued and remaining unpaid | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| Total | 5.80 | 7.59 |

Disclosure of payable to vendors as defined under the " Micro, Small and Medium Enterprises Development Act, 2006, is based on the information available with the company regarding the status of registration of such vendors under the said Act.

Note: Trade Payables are subject to confirmation and reconciliation. Management believes that any discrepancies, if they exist, will be immaterial

Note: 14 : Current tax liabilities (Net)

(₹ in lakhs)

| Particulars | As at | As at |
|----------------------|------------------|------------------|
| | 31st March, 2024 | 31st March, 2023 |
| Income Tax Provision | 8.13 | 12.66 |
| Total | 8.13 | 12.66 |

Note: 15 : Provisions

(₹ in lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--------------|--------------------------------------|------------------------|
| | Outstanding Liabilities for Expenses | 3.38 |
| Total | 3.38 | 4.76 |

Note: 16 : Other Non-Financial Liabilities

(₹ in lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--------------------------|--------------------------|------------------------|
| | Professional Tax Payable | 0.13 |
| liabilities For Expenses | - | - |
| GST/RCM Payable | 0.18 | - |
| TDS Payable | 4.14 | 1.70 |
| Total | 4.45 | 1.76 |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note:17 Equity Share Capital

(₹ in Lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|------------------------|------------------------|
| Authorised: | | |
| 1,26,17,00,000 Equity Shares of (₹) 1/- each | 12617.00 | 9617.00 |
| Total | 12617.00 | 9617.00 |
| Issued Subscribed and Paid Up: | | |
| 96,16,43,500 Equity Shares of (₹) 1/- each | 9616.44 | 9616.44 |
| Total | 9616.44 | 9616.44 |

(a) Reconciliation of the number of equity shares outstanding

(₹ in Lakhs)

| Equity Shares | As at 31st March, 2024 | | As at 31st March, 2023 | |
|------------------------------|------------------------|----------------|------------------------|----------------|
| | No of Shares | Amount in ₹ | No of Shares | Amount in ₹ |
| At the beginning of the year | 96,16,43,500 | 9616.44 | 96,16,43,500 | 9616.44 |
| Add: Issued during the year | - | - | - | - |
| At the end of the year | 96,16,43,500 | 9616.44 | 96,16,43,500 | 9616.44 |

(b) The Company has only one class of equity share having par value of Re 1/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, if any. The Distribution will be in proportion to the number of equity share held by the shareholders.

(c) No equity shares have been issued for consideration other than cash.

(d) The outcomes of Board meeting held as on 17/01/2024 was submitted to BSE Ltd for right issue size of 12,38,92,721 Equity shares of face value of Rs.1 and premium of Rs 2.95 per equity shares in ratio of 21:163. As informed to BSE on 16/03/2024 the company had resolved to refund to the applicant of the Right Issue due to issue being undersubscribed by 5.45%

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

| Particulars | As at 31.03.2024 | | As at 31.03.2023 | |
|--|------------------|-----------|------------------|-----------|
| | Number of Shares | % Holding | Number of Shares | % Holding |
| Sojan V Avirachan | 25,00,27,310 | 26.00% | 25,00,27,310 | 26.00% |
| Yatin Sanjay Gupte | 10,55,52,952 | 10.98% | 12,61,52,952 | 13.12% |
| Venkata Ramana Revuru | 13,46,30,090 | 14.00% | 13,46,30,090 | 14.00% |
| Wardwizard Solutions India Private Limited | 12,66,94,780 | 13.17% | 13,97,94,780 | 14.54% |
| Garuda Mart India Private Limited | 4,76,98,610 | 4.96% | 5,76,98,610 | 6.00% |

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

| Promoter name | As at 31.03.2024 | | As at 31.03.2023 | | % Change during the year |
|--|---------------------|------------------|---------------------|------------------|--------------------------|
| | No. of Shares | %of total shares | No. of Shares | %of total shares | |
| Sojan V Avirachan | 25,00,27,310 | 26.00% | 25,00,27,310 | 26.00% | 0.00% |
| Yatin Sanjay Gupte | 10,55,52,952 | 10.98% | 12,61,52,952 | 13.12% | (16.33)% |
| Venkata Ramana Revuru | 13,46,30,090 | 14.00% | 13,46,30,090 | 14.00% | 0.00% |
| Wardwizard Solutions India Private Limited | 12,66,94,780 | 13.17% | 13,97,94,780 | 14.54% | (9.37)% |
| Garuda Mart India Private Limited | 4,76,98,610 | 4.96% | 5,76,98,610 | 6.00% | (17.33)% |
| TOTAL | 66,46,03,742 | | 70,83,03,742 | | |

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

| Promoter name | As at 31.03.2023 | | As at 31.03.2022 | | % Change during the year |
|--|---------------------|--------|---------------------|--------|--------------------------|
| | No. of Shares | % | No. of Shares | % | |
| Sojan V Avirachan | 25,00,27,310 | 26.00% | 25,00,27,310 | 26.00% | 0.00% |
| Yatin Sanjay Gupte | 12,61,52,952 | 13.12% | 13,46,30,090 | 14.00% | (6.30)% |
| Venkata Ramana Revuru | 13,46,30,090 | 14.00% | 13,46,30,090 | 14.00% | 0.00% |
| Wardwizard Solutions India Private Limited | 13,97,94,780 | 14.54% | 13,97,94,780 | 14.54% | 0.00% |
| Garuda Mart India Private Limited | 5,76,98,610 | 6.00% | 5,76,98,610 | 6.00% | 0.00% |
| TOTAL | 70,83,03,742 | | 71,67,80,880 | | |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note:18 Other Equity

(₹ in Lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|------------------------|------------------------|
| Capital Reserve | 3.71 | 3.71 |
| Reserve Fund | 1.09 | 1.09 |
| Special Reserve (RBI) | 36.80 | 33.05 |
| General Reserve (Amalgamation Reserve) | 10.50 | 10.50 |
| Retained Earnings | (729.70) | (735.46) |
| Fair Valuation of Equity Instrument | (6095.05) | (6095.05) |
| ECL | 9.34 | - |
| Total | (6763.32) | (6782.17) |

(₹ in Lakhs)

| a) Capital Reserve | As at March 31st, 2024 | As at March 31st, 2023 |
|--------------------------|------------------------|------------------------|
| Opening | 3.71 | 3.71 |
| Addition during the year | - | - |
| Total | 3.71 | 3.71 |

(₹ in Lakhs)

| b) Reserve Fund | As at March 31st, 2024 | As at March 31st, 2023 |
|--------------------------|------------------------|------------------------|
| Opening | 1.09 | 1.09 |
| Addition during the year | - | - |
| Total | 1.09 | 1.09 |

(₹ in Lakhs)

| c) Special Reserve (RBI) | As at March 31st, 2024 | As at March 31st, 2023 |
|--------------------------|------------------------|------------------------|
| Opening | 33.05 | 33.05 |
| Addition during the year | 3.75 | - |
| Total | 36.80 | 33.05 |

(₹ in Lakhs)

| d) General Reserve (Amalgamation Reserve) | As at March 31st, 2024 | As at March 31st, 2023 |
|---|------------------------|------------------------|
| Opening | 10.50 | 10.50 |
| Addition during the year | - | - |
| Total | 10.50 | 10.50 |

(₹ in Lakhs)

| e) Retained Earnings | As at March 31st, 2024 | As at March 31st, 2023 |
|---|------------------------|------------------------|
| Opening | (735.46) | (231.10) |
| Profit before tax during the year | 25.64 | (489.01) |
| Add: Profit on Sale of Equity Instruments Fair Valued through OCI | - | - |
| Less: Provision of Income Tax | 6.58 | 11.20 |
| Less: Other Adjustment | 9.34 | 3.42 |
| Less: Deferred Tax | 0.21 | 0.73 |
| Less: Contingent Provision for Standard Assets | - | - |
| Less: Transfer to Statutory Reserve | 3.75 | - |
| Total | (729.70) | (735.46) |

(₹ in Lakhs)

| f) Fair valuation of Equity Instruments | As at March 31st, 2024 | As at March 31st, 2023 |
|---|------------------------|------------------------|
| Opening | (6095.05) | (6095.05) |
| Addition during the year | - | - |
| Transfer to Retained Earnings | - | - |
| Total | (6095.05) | (6095.05) |

(₹ in Lakhs)

| g) ECL | As at March 31st, 2024 | As at March 31st, 2023 |
|-------------------------------|------------------------|------------------------|
| Opening | - | - |
| Addition during the year | 9.34 | - |
| Transfer to Retained Earnings | - | - |
| Total | 9.34 | 0.00 |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note : 19 : Revenue From Operations

(₹ in Lakhs)

| Particulars | For Year ended March 31st, 2024 | For Year ended March 31st, 2023 |
|---|------------------------------------|------------------------------------|
| On Financial Asset measured at Amortised Cost | | |
| Interest on Loans | 258.16 | 131.25 |
| Loan Processing & Documentation charges including amortization cost | 3.14 | 0.72 |
| Dividend Income | 0.10 | 0.90 |
| Total | 261.40 | 132.88 |

Note : 20 : Other Income

(₹ in Lakhs)

| Particulars | For Year ended March 31st, 2024 | For Year ended March 31st, 2023 |
|-----------------------|------------------------------------|------------------------------------|
| Other Misc Income | 0.06 | 0.03 |
| Interest on IT Refund | - | 0.21 |
| Total | 0.06 | 0.25 |

Note : 21 : Impairment Provisions (Loans)

(₹ in Lakhs)

| Particulars | For Year ended March 31st, 2024 | For Year ended March 31st, 2023 |
|--|------------------------------------|------------------------------------|
| *Provision against Stage 3 assets (Unquoted Equity Instruments Valued through FVOCI) | 30.30 | 524.34 |
| Total | 30.30 | 524.34 |

Note : 22 : Employee Benefit Expenses

(₹ in Lakhs)

| Particulars | For Year ended March 31st, 2024 | For Year ended March 31st, 2023 |
|------------------|------------------------------------|------------------------------------|
| Salary and Wages | 60.56 | 27.40 |
| Total | 60.56 | 27.40 |

Note : 23 : Depreciation, amortization and Impairment

(₹ in Lakhs)

| Particulars | For Year ended March 31st, 2024 | For Year ended March 31st, 2023 |
|------------------|------------------------------------|------------------------------------|
| Tangible Asset | 1.28 | 0.20 |
| Intangible Asset | 2.12 | 1.39 |
| Total | 3.40 | 1.58 |

Note : 24 : Other Expenses

(₹ in Lakhs)

| Particulars | For Year ended March 31st, 2024 | For Year ended March 31st, 2023 |
|---|------------------------------------|------------------------------------|
| Advertisement Expenses | 4.04 | 0.96 |
| Internal Audit Fees | 7.00 | 7.88 |
| Audit Fees and expenses (refer note 22.1) | 5.60 | 4.60 |
| Annual Custody Fees | 1.00 | - |
| Annual Fees | 0.20 | - |
| Asset Written Off | 9.97 | - |
| Bank Charges | 0.04 | 0.02 |
| Boarding & Lodging Exp | 0.07 | - |
| Director Sitting Fees | 4.39 | 3.60 |
| Interest on TDS/ Prof Tax /GST/IncomeTax | 0.34 | 10.49 |
| Legal and Professional Fees | 48.28 | 19.19 |
| Postage & Courier | 0.02 | 0.01 |
| Printing & Stationery | 0.61 | 0.20 |
| Rent, Rates & Taxes | 13.27 | 12.74 |
| Travelling Expenses | 0.44 | 0.17 |
| ROC listing fees & Compliance cost | 43.76 | 5.53 |
| IT Expenses | 1.11 | 2.04 |
| Other Expenses | 1.42 | 1.38 |
| Total | 141.56 | 68.81 |

Note : 24.1 : Auditor's Fees and Expenses

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|-----------------------------|--|--|
| Statutory Audit Fees | 3.50 | 3.00 |
| Other Professional Services | 2.10 | 1.60 |
| Total | 5.60 | 4.60 |

MANGALAM INDUSTRIAL FINANCE LIMITED.
Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note :25. Earnings Per Equity Share

(Amount in Rs.)

| Particulars | Year ended | |
|--|------------------|------------------|
| | 31st March, 2024 | 31st March, 2023 |
| (a) Profit after tax attributable to Equity Shareholders (₹) | 18,76,508 | (5,00,94,309) |
| (b) Weighted average number of Equity Shares | 96,16,43,500 | 96,16,43,500 |
| (c) Nominal Value of Equity per share (₹) | 1.00 | 1.00 |
| (d) Basic Earnings per share (a)/(b) (₹) | 0.002 | (0.052) |

Earnings per share (EPS)

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Note :26. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

(₹ in lakhs)

| Assets | As at 31st March, 2024 | | | As at 31st March, 2023 | | |
|---|------------------------|-----------------|---------|------------------------|-----------------|---------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Cash and Cash Equivalents | 85.45 | - | 85.45 | 1229.99 | - | 1229.99 |
| Receivables | 2.75 | - | 2.75 | 3.05 | - | 3.05 |
| Loans | 427.85 | 2257.84 | 2685.69 | 39.13 | 1555.70 | 1594.83 |
| Other Financial Assets | 49.00 | - | 49.00 | - | - | - |
| Current Tax Assets (Net)/ Deferred tax asset | 31.27 | - | 31.27 | 14.69 | - | 14.69 |
| Property, Plant and Equipment including intangibles | - | 17.36 | 17.36 | - | 19.06 | 19.06 |
| Other Non-Financial Assets | 11.76 | - | 11.76 | 4.08 | - | 4.08 |

(₹ in lakhs)

| Liabilities | As at 31st March, 2024 | | | As at 31st March, 2023 | | |
|--|------------------------|-----------------|-------|------------------------|-----------------|-------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Payables | 14.19 | - | 14.19 | 12.25 | - | 12.25 |
| Other Financial Liabilities | - | - | - | - | - | - |
| Other Non-Financial Liabilities including Provisions | 15.96 | - | 15.96 | 19.19 | - | 19.19 |

Note :27. Capital Management & Disclosure

The Company maintains adequate capital to cover risks inherent in the business and is meeting the capital adequacy requirements of regulator, Reserve Bank of India ("RBI"). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

MANGALAM INDUSTRIAL FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note 2: Risk Management

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is mainly exposed to market risk, Operational Risk, liquidity risk and credit risk. It is also subject to various operating and business risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles

(a) Market Risk

The Company is exposed to equity price risk arising from its equity instruments held as stock in trade. Equity price risk is related to the change in market reference price of the investment in equity securities. The Company considers factors such as track record, market reputation, fundamental and technical analysis for dealing in such instruments.

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The company continuously monitors these risks and manages them through appropriate risk limits.

(b) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Company are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Company has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by internal audit on a periodic basis.

(c) Liquidity Risk

Liquidity is the Company's capacity to fund increase in assets and meet both the expected and unexpected obligations without incurring unacceptable losses. Liquidity risk is the inability to meet such obligations as they become due without adversely affecting the company's financial conditions. The Asset Liability Management Policy of the Company stipulates a broad framework for Liquidity risk management to ensure that the Company can meet its liquidity obligations.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The liquidity position of the company is assessed under a variety of scenarios giving due consideration to stress factors relating to both the market in general and risk specific to the Company. Basis the liquidity position assessed under various stress scenarios; the Company reviews the following to effectively handle any liquidity crisis:

- * Adequacy of contingency funding plan in terms of depth of various funding sources, time to activate, cost of borrowing, etc
- * Availability of unencumbered eligible assets.

Maturity profile of undiscounted cash flows for financial liabilities as on balance sheet date have been provided below:

(₹ in lakhs)

| Particulars | As at 31st March, 2024 | | | |
|------------------------------|------------------------|----------------|----------------|----------------|
| | Less than 3 months | 3 to 12 months | > 12 months | Total |
| Financial Assets | | | | |
| Cash and Cash Equivalents | 85.45 | - | - | 85.45 |
| Receivables | 2.75 | - | - | 2.75 |
| Investments | 0.00 | - | - | 0.00 |
| Loans | 92.47 | 335.38 | 2257.84 | 2685.69 |
| Other Financial Assets | - | 49.00 | - | 49.00 |
| Total | 180.67 | 384.38 | 2257.84 | 2822.89 |
| Financial Liabilities | | | | |
| Payables | 14.19 | - | - | 14.19 |
| Other Financial Liabilities | - | - | - | - |
| Total | 14.19 | - | - | 14.19 |

(₹ in lakhs)

| Particulars | As at 31st March, 2023 | | | |
|------------------------------|------------------------|----------------|----------------|----------------|
| | Less than 3 months | 3 to 12 months | > 12 months | Total |
| Financial Assets | | | | |
| Cash and Cash Equivalents | 1229.99 | - | - | 1229.99 |
| Receivables | 3.05 | - | - | 3.05 |
| Loans | - | 39.13 | 1555.70 | 1594.83 |
| Other Financial Assets | - | - | - | - |
| Total | 1233.04 | 39.13 | 1555.70 | 2827.87 |
| Financial Liabilities | | | | |
| Payables | 12.25 | - | - | 12.25 |
| Other Financial Liabilities | - | - | - | - |
| Total | 12.25 | - | - | 12.25 |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note: 30 :Financial instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(xiii) to the financial statements.

(₹ in Lakhs)

| Particulars | As at 31st March, 2024 | | | | As at 31st March, 2023 | | | |
|------------------------------------|------------------------|--|---------|---------|------------------------|--|---------|---------|
| | Carrying Amount | Levels of Input used in Fair valuation | | | Carrying Amount | Levels of Input used in Fair valuation | | |
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | | | |
| At Amortised Cost | | | | | | | | |
| Cash and Cash Equivalants | 85.45 | - | - | - | 1229.99 | - | - | - |
| Loans | 2685.69 | - | - | - | 1594.83 | - | - | - |
| Other Receivables | 2.75 | - | - | - | 3.05 | - | - | - |
| Other Financial assets | 49.00 | - | - | - | - | - | - | - |
| At FVTPL: | | | | | | | | |
| Investment in Mutual Fund | - | - | - | - | - | - | - | - |
| Investment in Equity (Quoted) | - | - | - | - | - | - | - | - |
| Other Approved Securities (Quoted) | - | - | - | - | - | - | - | - |
| AT FVTOCI: | | | | | | | | |
| Investment in Equity (Unquoted) | 0.00 | - | - | - | 0.00 | - | - | - |
| Financial Liabilities | | | | | | | | |
| At Amortised Cost | | | | | | | | |
| Other Payables | 14.19 | - | - | - | 12.25 | - | - | - |
| Other financial liabilities | - | - | - | - | - | - | - | - |
| Borrowings | | | | | | | | |
| | - | - | - | - | - | - | - | - |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note: 31: Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

a) List of Related Parties and Relationship:

| Key Management Personnel & Other Director: | |
|--|---|
| Venkata Ramana Revuru | Managing Director & Chairperson (Appointed on 03rd June 2021) |
| Sojan Avirachan | Non-Executive - Non Independent Director (Appointed on 03rd June 2021) |
| Yatin Sanjay Gupte | Non-Executive - Non Independent Director (Appointed on 03rd June 2021) |
| Deepakkumar Mineshkumar Doshi | Chief Financial Officer (Resigned on 27th September 2022) |
| Manisha Sharma | Company Secretary & Compliance Officer (Resigned on 01 July 2022) |
| Sakina Lokhandwala | Company Secretary and Compliance officer (Resigned on 22nd November 2023) |
| Kashish Purohit | Company Secretary and Compliance officer (Resigned on 30th March 2024) |
| Samoil Akibhai Lokhandwala | Company Secretary and Compliance officer (Appointed on 1st April 2024) |
| Sohinderpal Singh Teja | Chief Financial Officer (Resigned on 28th June 2023) |
| Akhtar Khatri | Chief Financial Officer (Resigned on 10th April 2024) |
| Arun Pillai | Chief Financial Officer (Appointed on 24th April 2024) |
| Wardwizard Solutions India Pvt.Ltd. | Promoter company (Promoter from 19th November,2020) |
| Garuda Mart India Private Limited | Promoter company (Promoter from 19th November,2020) |
| Wardwizard Medicare Private Limited | Company in which the director has an interest |
| ISecure Credit & Capital Services Limited | Company in which the director has an interest |
| Wardwizard Foods and Beverages Ltd | Company in which the director has an interest |

b) Related Party Disclosure

(*in Lakhs)

| Related Party | Parent (as per ownership or control) | | Subsidiaries | | Associates/ Joint ventures | | Key Management Personnel | | Relatives of Key Management Personnel | | Others* | | Total | |
|---|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|------------------------|--------------------------|------------------------|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at March 31st, 2024 | As at March 31st, 2023 | As at March 31st, 2024 | As at March 31st, 2023 | As at March 31st, 2024 | As at March 31st, 2023 | As at March 31st, 2024 | As at March 31st, 2023 | As at March 31st, 2024 | As at March 31st, 2023 | As at March 31st, 2024 | As at March 31st, 2023 | As at March 31st, 2024 | As at March 31st, 2023 |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Placement of deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Taken | - | - | - | - | - | - | 1.42 | 1.93 | - | - | - | - | 1.42 | 1.93 |
| Loan Repaid | - | - | - | - | - | - | 1.24 | 1.93 | - | - | - | - | 1.24 | 1.93 |
| Equity Investments Received | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Salary Paid | - | - | - | - | - | - | 33.82 | 14.13 | - | - | - | - | 33.82 | 14.13 |
| Loans Given | - | - | - | - | - | - | - | - | 560.00 | 450.00 | - | - | 560.00 | 450.00 |
| Loans Recovered | - | - | - | - | - | - | - | - | 125.72 | - | - | - | 125.72 | - |
| Purchase of fixed/other assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of fixed/other assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income Received | - | - | - | - | - | - | - | - | 62.97 | 13.90 | - | - | 62.97 | 13.90 |
| Processing Fees & Documentation Charges | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Services Received | - | - | - | - | - | - | - | - | 4.29 | 5.29 | - | - | 4.29 | 5.29 |
| Advance | - | - | - | - | - | - | - | - | 0.25 | - | - | - | 0.25 | - |
| Director Remuneration | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

c) The related party balances and transactions for the year ended March 31, 2024 are summarized as follows:

| (₹ in Lakhs) | | | |
|--|---|---------------------------|---------------------------|
| Particulars | Relationship | As at March 31st, 2024 | As at March 31st, 2023 |
| Deepakkumar Mineshkumar Doshi | Chief Financial Officer | - | - |
| Manisha Sharma | Company Secretary | - | - |
| Sakina Lokhandwala | Company Secretary | - | 0.26 |
| Yatin Gupte | Director & Promoter | 0.17 | - |
| Sohinderpal Teja | Chief Financial Officer | - | 0.93 |
| Akhtar Khatri | Chief Financial Officer | 0.95 | - |
| Kashish Purohit | Company Secretary | 0.30 | - |
| Wardwizard Foods and Beverages Ltd_Rent | Promoter | 0.32 | - |
| Wardwizard Medicare Private Limited_Loan | Promoter | 132.59 | - |
| Wardwizard Solutions India Pvt Ltd (Loan Given) | Promoter | 400.85 | 426.75 |
| Wardwizard Solutions India Pvt Ltd Debtors | Promoter | - | 1.49 |
| I Secure Credit & Capital Services Limited | Company in which the director has an interest | 319.26 | - |
| I Secure Credit & Capital Services Limited Debtor | Company in which the director has an interest | 1.90 | - |
| Wardwizard Solutions India Pvt Ltd Creditor (Rent) | Promoter | 1.37 | - |
| | | 857.71 | 429.43 |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note: 32 Additional Regulatory information as per Division III of Schedule III of Companies Act, 2013

| | |
|---|---|
| Title deeds of Immovable Property not held in name of the Company | There is no immovable property hence this clause is not applicable. |
| Capital-Work-in Progress (CWIP) | There is no CWIP hence this clause is not applicable. |
| Intangible assets under development | There is no any Intangible assets under development hence this clause is not applicable. |
| Details of Benami Property held | There is no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder hence this clause is not applicable. |
| Wilful Defaulter | Any bank or financial Institution or other lender is not declared company as Wilful Defaulter in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India till date hence this clause is not applicable to the said company. |
| Relationship with Struck off Companies | There is no relationship with stuck off companies. Hence, this clause is not applicable. |
| Registration of charges or satisfaction with Registrar of Companies | The Company is regularly updated with ROC for any registration or satisfaction of charges. |
| Compliance with number of layers of companies | This clause is not applicable to the said company. |
| Ratio Calculations | Refer following table for details |
| Compliance with approved Scheme(s) of Arrangements | This clause is not applicable. |
| Utilisation of Borrowed funds and share premium | No such advanced or loaned or invested funds by company |

Analytical Ratios

| Ratio | Numerator | Denominator | As at March 31st, 2024 | As at March 31st, 2023 | % Variance | Reason for Variance (If Above 25%) |
|--|-------------------|----------------------|------------------------|------------------------|------------|--|
| Capital to Risk-Weighted assets ratio (CRAR) | Adjusted Networth | Risk Weighted Assets | 100.85 | 149.57 | (48.72) | The decrease in CRAR reflects the company's strategic investments in growth and market expansion, which temporarily increased risk-weighted assets. This proactive approach aims to enhance long-term profitability and market position. Despite the short-term impact on CRAR, these investments are expected to drive future stability and growth. |
| Tier I CRAR | NA | NA | NA | NA | NA | NA |
| Tier II CRAR | NA | NA | NA | NA | NA | NA |
| Liquidity Coverage Ratio | NA | NA | NA | NA | NA | NA |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

NOTE-33. DISCLOSURE OF DETAILS AS REQUIRED BY RBI/2022-23/26 DOR.ACC.REC.NO.20/21.04.018/2022-23 - DISCLOSURES IN FINANCIAL STATEMENTS- NOTES TO ACCOUNTS OF NBFCs DATED APRIL 19, 2022

A) Exposure

1) Exposure to real estate sector

(₹ in Lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|------------------------|------------------------|
| i) Direct exposure | | |
| a) Residential Mortgages – | - | - |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits. | | |
| b) Commercial Real Estate | - | - |
| Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits | | |
| c) Investments in Mortgage - Backed Securities (MBS) and other securitized exposures – | | |
| i. Residential | - | - |
| ii. Commercial Real Estate | - | - |
| ii) Indirect Exposure | | |
| Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies. | - | - |
| Total Exposure to Real Estate Sector | - | - |

2) Exposure to capital market

(₹ in Lakhs)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|---|------------------------|------------------------|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt | - | - |
| ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds | - | - |
| iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security | - | - |
| iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity | - | - |
| v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers | - | - |
| vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources | - | - |
| vii) Bridge loans to companies against expected equity flows / issues | - | - |
| viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds | - | - |
| ix) Financing to stockbrokers for margin trading | - | - |
| x) All exposures to Alternative Investment Funds: (i) Category I | | |
| (ii) Category II | - | - |
| (iii) Category III | - | - |
| Total exposure to capital market | - | - |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

3) Sectoral exposure

(₹ in Lakhs)

| Particulars | | As at March 31st, 2024 | | | As at March 31st, 2023 | | |
|-------------|---|---|---------------|---|---|---------------|---|
| No. | Sectors | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector |
| 1) | Agriculture and Allied Activities | - | - | - | - | - | - |
| 2) | Industry | | | | | | |
| i | MSME | 684.57 | - | - | 426.75 | 18.42 | 4% |
| ii | Trading | - | - | - | - | - | - |
| iii | others-Manufacturing | 255.26 | 255.26 | 100% | 435.01 | 273.24 | 63% |
| | Total of Industry (i + ii +...) | 939.83 | 255.26 | 27% | 861.77 | 291.66 | 33.84% |
| 3) | Services | | | | | | |
| i | Shipping | 57.67 | 57.67 | 100% | 57.67 | 57.67 | 100% |
| ii | NBFC | 1498.94 | 20.08 | 1% | 526.14 | 52.61 | 10% |
| iii | others-Whole sale trade (Other than food procurement) | 333.99 | - | - | 378.74 | 18.47 | 5% |
| iv | Commercial Real Estate | 80.31 | 1.90 | 2% | 1.90 | 1.90 | 100% |
| | Total of Service (i + ii +...) | 1970.91 | 79.65 | 4% | 964.45 | 130.66 | 14% |
| 4) | Personal Loans | | | | | | |
| i | Individual | 472.10 | 380.97 | 80.70% | 435.45 | 244.52 | 56% |
| ii | others | - | - | - | - | - | - |
| | Total of personal loan (i + ii +...) | 472.10 | 380.97 | 80.70% | 435.45 | 244.52 | 56% |
| 5) | Others, if any (please specify) | - | - | - | - | - | - |

Note :

- i. The disclosures as above is based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

4) Intra-group exposures

(₹ in Lakhs)

| NBFCs shall make the following disclosures for the current year with comparatives for the previous year | | As at March 31st, 2024 | As at March 31st, 2023 |
|--|--|------------------------|------------------------|
| i) | Total amount of intra-group exposures | 852.70 | 426.75 |
| ii) | Total amount of top 20 intra-group exposures | 852.70 | 426.75 |
| iii) | Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers | 25.21% | 18.87% |
| 5) Unhedged foreign currency exposure | | As at March 31st, 2024 | As at March 31st, 2023 |
| NBFCs shall disclose details of its unhedged foreign currency exposures. Further, it shall also disclose their policies to manage currency induced risk. | | NA | NA |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

B) Disclosure of complaints

1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No. | Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|---|------------------------|------------------------|
| | Complaints received by the NBFC from its customers | | |
| 1 | Number of complaints pending at beginning of the year | NA | NA |
| 2 | Number of complaints received during the year | NA | NA |
| 3 | Number of complaints disposed during the year | NA | NA |
| 3.1 | Of which, number of complaints rejected by the NBFC | NA | NA |
| 4 | Number of complaints pending at beginning of the year | NA | NA |
| | Maintainable complaints received by the NBFC from Office of Ombudsman | | |
| 5 | Number of maintainable complaints received by the NBFC from Office of Ombudsman | | |
| 5.1 | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | NA | NA |
| 5.2 | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | NA | NA |
| 5.3 | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | NA | NA |
| 6 | Number of Awards unimplemented within the stipulated time (other than those appealed) | NA | NA |
| | | NA | NA |
| <p>Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambi of the Scheme.</p> <p>It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021</p> | | | |

MANGALAM INDUSTRIAL FINANCE LIMITED.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

2 Top five grounds of complaints received by the NBFCs from customers

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30days |
|--|---|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| As at March 31st, 2024 | | | | | |
| Ground - 1 | | | | | |
| Ground - 2 | | | | | |
| Ground - 3 | | | | | |
| Ground - 4 | | | NA | | |
| Ground - 5 | | | | | |
| Other | | | | | |
| Total | | | | | |
| As at March 31st, 2023 | | | | | |
| Ground - 1 | | | | | |
| Ground - 2 | | | | | |
| Ground - 3 | | | | | |
| Ground - 4 | | | NA | | |
| Ground - 5 | | | | | |
| Other | | | | | |
| Total | | | | | |

Note: 34: Provision for Gratuity is not made since Payment of Gratuity Act, 1972 is not applicable on the company since the number of employees in our company is below ten.

Note: 35 : The company has not recognised any Deferred Tax Assets on Fair Value Changes of Investments as there is no reasonable certainty that there will be sufficient taxable income / gain that would arise in future that could be set off against the unabsorbed capital loss.

Note: 36 : Previous year figures have been regrouped or rearranged wherever necessary.

Note 37. Disclosure as required under Annexure II of Master Direction - Core Investment Companies (Reserve Bank), Direction, 2016 - "Schedule to the Balance Sheet of a non-deposit taking Core Investment Company" is enclosed separately under Annexure A.

Disclosure as required by RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 is enclosed separately under Annexure B.

As per our Report of even date.
FOR MAHESH UDHWANI & ASSOCIATES
 Chartered Accountants
 Firm Reg. No : 129738W

For and on Behalf of the Board of Directors
MANGALAM INDUSTRIAL FINANCE LIMITED
 CIN: L65993WB1983PLC035815

CA. MAHESH UDHWANI
 (Partner)
 M. No. : 047328
 UDIN: 24047328BJZYOV6709
 Date: 29/05/2024
 Place: Vadodara

VENKATA RAMANA REVURU
 Managing Director
 (DIN : 02809108)

YATIN SANJAY GUPTA
 Non-Executive Non-Independent Director
 (DIN :07261150)

ARUN PILLAI
 Chief Financial Officer
 BMZPP90428

SAMOLAKILBHAI LOKHANDWALA
 Company Secretary
 ASLPL1459M

MANGALAM INDUSTRIAL FINANCE LIMITED.
Notes to the Financial Statements for the year ended 31st March, 2024

Annexure A

(₹ in lakhs)

| Particulars | As at 31st March, 2024 | | As at 31st March, 2023 | |
|--|------------------------|----------------|------------------------|----------------|
| | Amount Outstanding | Amount Overdue | Amount Outstanding | Amount Overdue |
| Liabilities Side: | | | | |
| 1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid: | | | | |
| (a) Debentures: | | | | |
| Secured | - | - | - | - |
| Unsecured | - | - | - | - |
| (other than falling within the meaning of Public Deposits) | | | | |
| (b) Deferred Credits | - | - | - | - |
| (c) Term Loans | - | - | - | - |
| (d) Inter-corporate Loans and Borrowing | - | - | - | - |
| (e) Commercial Paper | - | - | - | - |
| (f) Other Loans | - | - | - | - |

(₹ in lakhs)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| | Amount outstanding | Amount outstanding |
| Asset side: | | |
| 2. Break up of Loans and Advances including bills receivables (other than those included in (3) below): | | |
| (a) Secured | - | - |
| (b) Unsecured (Refer Note 1) | 2685.69 | 1594.83 |
| 3. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities: | | |
| (i) Lease assets including lease rentals under sundry debtors: | | |
| (a) Financial Lease | - | - |
| (b) Operating Lease | - | - |
| (ii) Stock on hire including hire charges under sundry debtors: | | |
| (a) Assets on hire | - | - |
| (b) Repossessed Assets | - | - |
| (iii) Other loans counting towards asset financing activities: | | |
| (a) Loans where assets have been repossessed | - | - |
| (b) Loans other than (a) above | - | - |
| 4. Break-up of Investments: (Refer Note 2) | | |
| Current Investments: | | |
| 1. Quoted: | | |
| (i) Shares: (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others (Please specify) | - | - |
| 2. Unquoted: | | |
| (i) Shares: (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others (Please specify) | - | - |
| Long Term Investments: | | |
| 1. Quoted: | | |
| (i) Shares: (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures & Bonds | - | - |
| (iii) Units of Mutual Fund | - | - |
| (iv) Government Securities | - | - |
| (v) Others (Please specify) | - | - |
| 2. Unquoted: | | |
| (i) Shares: (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures & Bonds | - | - |
| (iii) Units of Mutual Fund | - | - |
| (iv) Government Securities | - | - |
| (v) Others (Please specify) | - | - |

MANGALAM INDUSTRIAL FINANCE LIMITED.
Notes to the Financial Statements for the year ended 31st March, 2024

Annexure A (continued)

5. Borrow group-wise classification of all leased assets, stock on hire and loans and advances: (₹ in lakhs)

| Category | As at 31st March, 2024 | | | As at 31st March, 2023 | | |
|---------------------------------|-----------------------------|----------------|----------------|-----------------------------|----------------|----------------|
| | Amount of net of Provisions | | | Amount of net of Provisions | | |
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| 1. Related Parties** | | | | | | |
| (a) Subsidiaries | - | - | - | - | - | - |
| (b) Companies in the same group | - | - | - | - | - | - |
| (c) Other related parties | - | 852.56 | 852.56 | - | 408.33 | 408.33 |
| 2. Other than related parties | - | 1833.13 | 1833.13 | - | 1186.50 | 1186.50 |
| Total | - | 2685.69 | 2685.69 | - | 1594.83 | 1594.83 |

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (₹ in lakhs)

| Category | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---------------------------------|--|--------------------------------|--|--------------------------------|
| | Market Value / Break up or Fair Value or NAV | Book Value (Net of Provisions) | Market Value / Break up or Fair Value or NAV | Book Value (Net of Provisions) |
| 1. Related Parties** | | | | |
| (a) Subsidiaries | - | - | - | - |
| (b) Companies in the same group | - | - | - | - |
| (c) Other related parties | - | - | - | - |
| 2. Other than related parties | - | - | - | - |
| Total | - | - | - | - |

** As per Ind AS of ICAI

7. Other Information (₹ in lakhs)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| (i) Gross Non-Performing Assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties | 715.88 | 538.14 |
| (ii) Net Non-Performing Assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties | 19.27 | - |
| (iii) Assets acquired in satisfaction of debt | - | - |

Notes:

- Pursuant to implementation of Ind AS, all disclosures are in compliance of the same. Loans are disclosed net of ECL.
- The same as disclosed in the Balance Sheet under Other Financial Assets in compliance with Ind AS 109.
- Previous years' figures have been disclosed as per Ind AS.

MANGALAM INDUSTRIAL FINANCE LIMITED.
Notes to the Financial Statements for the year ended 31st March, 2024

Annexure B

Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

(₹ in lakhs)

| Asset Classification as per RBI Norms | Asset Classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS 109 | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provision required as per IRACP Norms | Difference between Ind AS 109 and IRACP Norms |
|---|--|---|---|---------------------|---------------------------------------|---|
| Performing Assets | | | | | | |
| Standard | Stage 1 | 2666.96 | 0.54 | 2666.42 | 6.67 | (6.13) |
| | Stage 2 | | | - | | - |
| Subtotal (A) | | 2666.96 | 0.54 | 2666.42 | 6.67 | (6.13) |
| Non- Performing Assets (NPA) | | | | | | |
| Substandard | Stage 2 | 20.08 | 0.80 | 19.27 | 4.02 | (3.21) |
| Subtotal for sub-standard (B) | | 20.08 | 0.80 | 19.27 | 4.02 | (3.21) |
| | | | | | | |
| Doubtful - upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | 695.80 | 695.80 | - | 695.80 | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful (C) | | 695.80 | 695.80 | - | 695.80 | - |
| Loss (D) | Stage 3 | - | - | - | - | - |
| Subtotal for NPA (E) = (B)+(C) | | 715.88 | 696.60 | 19.27 | 699.82 | (3.21) |
| | | | | | | |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| | | | | | | |
| Total | Stage 1 | 2666.96 | 0.54 | 2666.42 | 6.67 | (6.13) |
| | Stage 2 | 20.08 | 0.80 | 19.27 | 4.02 | (3.21) |
| | Stage 3 | 695.80 | 695.80 | - | 695.80 | - |
| Total | | 3382.84 | 697.15 | 2685.69 | 706.48 | (9.34) |

As per our Report of even date,
FOR MAHESH UDHWANI & ASSOCIATES
Chartered Accountants
Firm Reg. No : 129738W

For and on Behalf of the Board of Directors
MANGALAM INDUSTRIAL FINANCE LIMITED
CIN : L65993WB1983PLC035815

CA. MAHESH UDHWANI
(Partner)
M. No. : 047328
UDIN:24047328BJZYOV6709
Date: 29/05/2024

VENKATA RAMANA REVURU
Managing Director
(DIN : 02809108)

YATIN SANJAY GUPTA
Non-Executive Non-Independent Director
(DIN :07261150)

ARUN PILLAI
BMZPP9042B

SAMOIL A KILBHAI LOKHANDWALA
ASLPL1459M

Independent Auditor's Review Report on the Unaudited Standalone Financial Results of MANGALAM INDUSTRIAL FINANCE LIMITED) for quarter and half year ended Septmber 30,2024 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review report to
The Board of Directors
MANGALAM INDUSTRIAL FINANCE LIMITED**

We have reviewed the accompanying statement of unaudited financial results of **MANGALAM INDUSTRIAL FINANCE LIMITED** for the Quarter ended September 30, 2024 and half year ended Septmber 30, 2024 ("the Statement") attached herewith.

The Statement, which is the responsibility of the Company's management and approved by its 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 and Regulation 52 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.

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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Our conclusion is not modified in respect of this matter.

For Mahesh Udhwani & Associates

Chartered Accountants

FRN :129738W

Mahesh Udhwani

Partner

M.N:- 047328

UDIN: 24047328BJZYXV5218

Place: Vadodara

Date : 29/10/2024



MANGALAM INDUSTRIAL FINANCE LIMITED
CIN: L65993WB1983PLC035815

Registered Office: Old Nimta Road, Nandan Nagar, Belghoria, Kolkata West Bengal-700083, India
Corporate Office : Hall No-1, M R Icon, Next To Milestone Vasna Bhayli Road, Vadodara, Gujarat 391 410
E-mail ID: - compliance@miflindia.com Website: - www.miflindia.com Tel No: +91 7203948909

Statement of Unaudited Financial Result for the Second Quarter and Half Year ended 30th September, 2024

| | | Quarter ended | | | Half Year ended | | Year ended |
|-------------|--|----------------------|-----------------|----------------------|----------------------|----------------------|------------------|
| Particulars | | 30th September, 2024 | 30th June, 2024 | 30th September, 2023 | 30th September, 2024 | 30th September, 2023 | 31st March, 2024 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| I | Revenue From Operations | | | | | | |
| a | Interest Income | 90.058 | 86.174 | 64.142 | 176.232 | 122.821 | 258.160 |
| b | Dividend Income | - | - | 0.10 | - | 0.10 | 0.10 |
| c | Loan processing Fees , Documentation charges & Other charges | 1.024 | 0.963 | 0.923 | 1.988 | 1.542 | 3.138 |
| d | Reversal of Impairment | - | - | - | - | - | 93.02 |
| e | Net Gain on Derecognition of Financial Instruments under Fair Value through Profit and Loss Category | - | - | - | - | - | - |
| | Total Revenue from Operations | 91.082 | 87.137 | 65.165 | 178.219 | 124.463 | 354.416 |
| II | Other Income | - | 0.02 | 0.014 | 0.020 | 0.014 | 0.056 |
| III | Total Income (I+II) | 91.082 | 87.157 | 65.179 | 178.239 | 124.477 | 354.472 |
| IV | EXPENSES | | | | | | |
| | Impairment on financial instruments | 4.407 | 4.020 | 96.364 | 8.427 | 26.026 | 123.322 |
| | Fees and commission expense | - | - | - | - | - | - |
| | Employee benefits expense | 8.733 | 10.920 | 14.398 | 19.652 | 30.885 | 60.556 |
| | Finance costs | - | - | - | - | - | - |
| | Depreciation and amortization expense | 1.147 | 1.126 | 0.991 | 2.273 | 1.934 | 3.403 |
| | Other expenses | 20.929 | 32.436 | 24.954 | 53.365 | 39.585 | 141.558 |
| | Total expenses (IV) | 35.216 | 48.501 | 136.707 | 83.717 | 98.429 | 328.839 |
| V | Profit/(loss) before exceptional items and tax (I- IV) | 55.867 | 38.656 | (71.528) | 94.522 | 26.048 | 25.633 |
| VI | Exceptional Items | - | - | - | - | - | - |
| VII | Profit/(loss) before tax (V-VI) | 55.867 | 38.656 | (71.528) | 94.522 | 26.048 | 25.633 |
| VIII | Tax expense: | | | | | | |
| | (1) Current tax | 14.525 | 10.050 | (12.613) | 24.576 | 12.757 | 6.665 |
| | (2) Deferred tax | (0.043) | (0.015) | 0.190 | (0.057) | 0.190 | 0.206 |
| IX | Profit (Loss) for the period from continuing operations (VII-VIII) | 41.384 | 28.620 | (59.105) | 70.004 | 13.101 | 18.763 |
| X | Profit/(loss) from discontinued operations | - | - | - | - | - | - |
| XI | Tax expense of discontinued operations | - | - | - | - | - | - |
| XII | Profit/(loss) from Discontinued operations (after tax) (X-XI) | - | - | - | - | - | - |
| XIII | Profit/(loss) for the period (IX+XII) | 41.384 | 28.620 | (59.105) | 70.004 | 13.101 | 18.763 |
| XIV | Other Comprehensive Income | | | | | | |
| | A (i) Items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| | B (i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| XV | Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period) | 41.384 | 28.620 | (59.105) | 70.004 | 13.101 | 18.763 |
| | Paid up Equity Share Capital (No of Shares) | 9616.435 | 9616.435 | 9616.435 | 9616.435 | 9616.435 | 9616.435 |
| | Face Value | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | Reserve excluding revaluation reserve | - | - | - | - | - | (6763.320) |
| XVI | Earnings per equity share (for continuing operation):-In Rupees | | | | | | |
| | (1) Basic | 0.004 | 0.003 | (0.006) | 0.007 | 0.001 | 0.002 |
| | (2) Diluted | 0.004 | 0.003 | (0.006) | 0.007 | 0.001 | 0.002 |



| | | | | | | | |
|-------|---|-------|-------|---------|-------|-------|-------|
| XVII | Earnings per equity share (for discontinued operation): | | | | | | |
| | (1) Basic | - | - | - | - | - | - |
| | (2) Diluted | - | - | - | - | - | - |
| XVIII | Earnings per equity share(for discontinued & continuing operations)-In Rupees | | | | | | |
| | (1) Basic | 0.004 | 0.003 | (0.006) | 0.007 | 0.001 | 0.002 |
| | (2) Diluted | 0.004 | 0.003 | (0.006) | 0.007 | 0.001 | 0.002 |

| | |
|---------------|--|
| Notes: | |
| 1 | The Statement of Unaudited Financial Result for the Second Quarter and Half Year ended 30th September, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 29th October, 2024 |
| 2 | These Financial results have been prepared in accordance with the Indian Accounting Standard (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules ,2015 (as amended) and requirement of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. |
| 3 | The previous period figures have been regrouped/reclassified wherever required to conform to the current year's presentation. |
| 4 | The Statutory auditors of the Company have carried out a "Limited Review Report" of the above results as per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. There are no qualifications in the audit report. |
| 5 | Based on the guiding principles given in Ind AS-108 on 'Operating Segments', the Company's business activity fall within a single operating segment, Namely Finance & related activities. |
| 6 | No investor complaints remain pending at the quarter ended on 30th September, 2024 |
| 7 | The above financial results are also available on the Company's website www.mifindia.com and BSE Limited's website www.bseindia.com |



By order of the Board
FOR MANGALAM INDUSTRIAL FINANCE LIMITED

Venkata Ramana Revuru
Managing Director
DIN :02809108

Arun Pillai
Chief Financial Officer
PAN: BMZPP9042B

Place: Vadodara
Dated: 29/10/2024





MANGALAM INDUSTRIAL FINANCE LIMITED
CIN: L65993WB1983PLC035815

Registered Office: Old Nimta Road, Nandan Nagar, Belghoria, Kolkata West Bengal-700083, India
Corporate Office: Hall No-1, M R Icon, Next To Milestone Vasna Bhayli Road, Vadodara, Gujarat 391 410
Email ID: compliance@miflindia.in Website: www.miflindia.com Tel No: +91 7203948909

Unaudited Statement of Assets and Liabilities for the Half year ended 30th September, 2024

(Rupees in Lakhs)

| | Particulars | As at 30th September, 2024 | As at 31st March, 2024 |
|------------|---|----------------------------|------------------------|
| | | Unaudited | Audited |
| A | ASSET | | |
| (1) | Financial Assets | | |
| (a) | Cash and Cash Equivalents | 341.777 | 85.451 |
| (b) | Bank balances other than cash and cash equivalents | - | 0.000 |
| (c) | Receivables | - | 0.000 |
| | (I) Trade Receivables | | 0.000 |
| | (II) Other Receivables | 2.405 | 2.747 |
| (d) | Loans | 2533.356 | 2685.693 |
| (e) | Investment | 0.000 | 0.000 |
| (f) | Other Financial Assets (to be specified) | 0.000 | 49.000 |
| (2) | Non-Financial Assets | | |
| (a) | Current Tax Assets (Net) | 43.134 | 27.240 |
| (b) | Deferred Tax assets (Net) | 4.082 | 4.025 |
| (c) | Investment property | - | - |
| (d) | Property, Plant and Equipment | 5.748 | 7.076 |
| (e) | Inventories | - | - |
| (f) | Intangible Assets | 9.600 | 10.279 |
| (g) | Other Non-Financial Assets | 28.990 | 11.759 |
| | | - | - |
| | Total Assets | 2969.092 | 2883.270 |
| | Equity and Liabilities | | |
| (1) | Financial Liabilities | | |
| (a) | Payables | | |
| | (I) Trade Payables | | |
| | (i) total outstanding dues of micro and small enterprises | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| | (II) Other Payables | | |
| | (i) total outstanding dues of micro and small enterprises | 1.007 | 5.804 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 7.476 | 8.389 |
| (b) | Borrowings (Other than Debt Securities) | | |
| (c) | Other Financial Liabilities | 2.000 | 0.000 |
| (2) | Non-Financial Liabilities | | |
| (a) | Current Tax Liabilities (Net) | 32.705 | 8.129 |
| (b) | Deferred Tax Liabilities (Net) | - | - |
| (c) | Other Non-Financial Liabilities | 0.073 | 4.449 |
| (d) | Provisions | 2.714 | 3.384 |
| (3) | Equity | | |
| (a) | Equity Share Capital | 9616.435 | 9616.435 |
| (b) | Other Equity | (6693.317) | (6763.320) |
| | Total Equity and Liabilities | 2969.092 | 2883.270 |



Place: Vadodara
Dated: 29/10/2024



By order of the Board
FOR MANGALAM INDUSTRIAL FINANCE LIMITED

Venkata Ramana Revuru
Managing Director
DIN :02809108

Arun Pillai
Chief Financial Officer
PAN: BMZPP9042B



NGALAM INDUSTRIAL FINANCE LIMITED
CIN: L65993WB1983PLC035815

Registered Office: Old Nimta Road, Nandan Nagar, Belghoria, Kolkata, West Bengal, 700083.
Corporate Office: HALL NO-1, M R ICON, NEXT TO MILESTONE VASNA BHAYLI ROAD, VADODARA GJ 391410
Email ID: compliance@miflindia.com / Website: www.miflindia.com/ Tel No: +91 7203948909

Unaudited Cash flow Statement for the Half year ended 30th September, 2024

| (Rupees in Lakhs) | | | |
|--|----------------------|----------------------|-------------------|
| Particulars | Half Year ended | Half Year ended | Year ended 31st |
| | 30th September, 2024 | 30th September, 2023 | March, 2024 |
| | Unaudited | Unaudited | Audited |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit/(Loss) before Tax | 94.522 | 26.048 | 25.633 |
| Adjustments for: | | | |
| Depreciation | 2.273 | 1.934 | 3.403 |
| Dividend Income | 0.000 | (0.100) | (0.100) |
| Profit on sale of investment | - | - | - |
| Impairment Provisions (Loans) | 8.427 | 26.026 | 30.304 |
| CASH GENERATED BEFORE WORKING CAPITAL CHANGES | 105.222 | 53.907 | 59.240 |
| Adjustments for: | | | |
| Other Financial Liabilities | 2.000 | (0.730) | 0.000 |
| Trade Payable/Other Payable | (5.710) | (8.881) | 1.938 |
| Current Provision | (25.246) | (2.739) | - |
| Other Non-Financial Liabilities | (4.376) | 0.135 | 2.685 |
| Other Non-Financial Assets | 49.000 | - | (7.675) |
| Change in Trade Receivables/Other Asset | 0.342 | 2.202 | 0.302 |
| Other Financial Assets | (17.232) | (10.715) | (49.000) |
| Loans and Advances | 143.910 | (923.289) | (1121.167) |
| Current Tax Asset (Net) | 8.682 | 0.000 | (27.889) |
| CASH GENERATED FROM OPERATIONS | 256.592 | (890.111) | (1141.566) |
| Taxes Paid (net of refunds) | 0.000 | 9.584 | - |
| NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES (A) | 256.592 | (899.695) | (1141.566) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | (0.266) | (3.750) | (1.700) |
| Purchase of Intangibles | - | - | - |
| Sale of Investment | - | - | - |
| Other Financial Assets | - | - | - |
| Provisions | - | - | (1.374) |
| Dividend Income | 0.000 | 0.100 | 0.100 |
| NET CASH FLOW (USED IN)/ GENERATED FROM INVESTING ACTIVITIES- (B) | (0.266) | (3.650) | (2.974) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from long term borrowings | - | - | - |
| Proceeds from issue of compounding instrument | - | - | - |
| Proceeds from short term borrowings | - | - | - |
| Repayment of long term borrowings | - | - | - |
| Interest paid | - | - | - |
| Premium on issue of Shares | - | - | - |
| Proceeds from issue of shares | - | - | - |
| NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES (C) | - | - | - |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 256.326 | (903.345) | (1144.540) |
| Add: Cash and Cash Equivalents at the beginning of the year | 85.450 | 1229.990 | 1229.990 |
| Cash and Cash Equivalents at the end of the year | 341.777 | 326.646 | 85.450 |

By order of the Board
FOR MANGALAM INDUSTRIAL FINANCE LIMITED


Venkata Ramana Revuru
Managing Director
DIN :02809108


Arun Pillai
Chief Financial Officer
PAN: BMZPP9042B

Place: Vadodara
Dated: 29/10/2024



ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following table sets forth the accounting ratios as at September 30, 2024 and March 31, 2024:

(all amounts in ₹ Lakhs, unless stated otherwise)

| Particulars | Period Ended September 30, 2024 | Period ended March 31, 2024 |
|---|------------------------------------|--------------------------------|
| Net Worth | 2923.12 | 2853.12 |
| Profit attributable to the owners of the equity | 70.00 | 18.76 |
| Number of the shares outstanding at the end of the year | 9616.435 | 9616.435 |
| Weighted Number of the shares outstanding at the end of the year | 9616.435 | 9616.435 |
| - for basic earnings per share | 0.007 | 0.002 |
| - for diluted earnings per share | 0.007 | 0.002 |
| Return on net worth (%) (B/A) | 2.39% | 0.66% |
| Net Asset Value per share | | |
| - based on weighted average number of shares (A/D) | 0.30 | 0.30 |
| - assuming actual number of equity shares with fully diluted capital in prior years (A/E) | - | - |
| EBITDA | 96.80 | 29.04 |
| Face value | 1 | 1 |

The formulae used in the computation of the above ratios are as follows:

| | |
|---|--|
| Basic EPS | Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period |
| Diluted EPS | Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares |
| Return on Net Worth | Profit/(loss) after tax for the period as presented in the consolidated statement of profit and loss in the Financial Statements / Net Worth |
| Net Worth | Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation |
| Net Asset Value per Equity Share | Net Worth / Number of Equity Shares subscribed and fully paid outstanding as at the end of March 31, 2024 |
| EBITDA | Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, depreciation and amortisation expense, exceptional items, other income as presented in the Audited Consolidated Financial Statements |

Statement of Capitalization

(In ₹ Lakhs)

| Particulars | | Pre-Issue as at September 30, 2024 | As adjusted for the issue (Post Issue) * |
|---|--------------|--|--|
| Borrowings: | | | |
| Current borrowings | A | 0.00 | [●] |
| Non-current borrowings | B | 0.00 | [●] |
| Total borrowings | C=A+B | 0.00 | [●] |
| Shareholder's fund (Net worth) | | | [●] |
| Share Capital | D | 9616.44 | [●] |
| Other Equity^ | E | (6693.32) | [●] |
| Total shareholder's fund (Net worth) | F=D+E | 2923.12 | [●] |
| Non-current borrowing's/shareholder's fund (Net worth) ratio | B/F | 0.00 | [●] |
| Total borrowings /shareholders' funds (Net worth) ratio | C/F | 0.00 | [●] |

**To be updated in the Letter of Offer*

^excludes non-controlling interest

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.
2. The amounts disclosed above are based on the unaudited Financial Statements of the Company for the quarter ended September 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is intended to convey our management's perspective of our financial condition and operating performance as at and for the financial years ended March 31, 2024 and March 31, 2023 and as at and for the half year ended September 30, 2024 and September 30, 2023 and should be read in conjunction with our Audited Financial Statements and our Unaudited limited review report for the period ended September 30, 2024 Financial Results, including the respective notes thereto, and the related auditors' reports thereon, included in "Audited Financial Statements" on page 78. Unless otherwise stated, the financial information used in this section has been derived from our Audited Financial Statements and our Unaudited limited review report for the period ended September 30, 2024 Financial Results.

Our Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. In this Draft Letter of Offer, unless specified otherwise, any reference to "the Company" or "our Company" refers to Mangalam Industrial Finance Limited, and a reference to "we", "us" or "our" is a reference to our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" and "Our Business" on pages 22 and 62, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Also see "Forward Looking Statements" on page 17.

Business Overview

We were incorporated in the year 1983 and after completing 40 years, we continue to provide competitive and tailor- made financial services. We are one of the Non- Banking Finance Companies based out in Kolkata and Gujarat, and we strive to deliver our best to meet our customers' financial needs.

At MIFL, the atmosphere is characterized by focus and drive, as everyone collaboratively strives for excellence to pursue their goals. The Company has a workforce championing this spirit of MIFL in our day-to-day activities.

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

Our Business Strategies

The digital lending in India has sharply risen, especially during the COVID-19 pandemic. Banks and NBFCs are increasingly lending either directly through their own digital platforms or through a digital lending platform under an outsourcing arrangement.

Our vision is anchored in a digitally advanced India, where financial solutions are effortless and swift for everyone. Our commitment is to provide our own digital platforms for paperless, simplified disbursement process, speedy loan approval, hassle-free and customized finance solutions is paralleled by our dedication to social responsibility, amplifying positive change within society.

The Company has adopted an integrated approach to lending, with the technology infrastructure and related back- end support functions similar to that of a retail bank. This integrated approach has enabled it to manage increasing business volumes and optimize overall efficiencies.

Our focus to provide financial facilities such as vehicle financing, working capital loans, personal loans, housing loans, etc.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 22 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- adverse changes in central or state government policies
- trends in the NBFC Sector;
- adverse development that may affect our operations
- performance of our key clients;
- adverse effect of competition on our market share and profits;
- any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
 - hire and retain senior management personnel and other skilled manpower;
 - manage cost of compliance with labor laws or other regulatory developments;
 - manage our operating costs;
 - manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
 - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
- adequate and timely supply of equipment and raw materials necessary for our operations;
- Our ability to attract and retain qualified personnel;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled "Financial Information" on page 78 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the Notes to the Accounts in the chapter "Financial Information" on page 78 of this Draft Letter of Offer has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Audit Report issued by our Statutory Auditors has no reservations, qualifications and adverse remarks.

RESULTS OF OPERATIONS

The following table sets out selected data from the Audited Financial Statements for Financial Year 2024 and Financial Year 2023, together with the percentage that each line item represents of our total revenue for the periods presented.

| Particulars | (₹ in Lakhs) | | | |
|---|---------------|-------------------|-----------------|-------------------|
| | FY 2024 | | FY 2023 | |
| | ₹ in Lakhs | % of total income | ₹ in Lakhs | % of total income |
| Income | | | | |
| Revenue from operations | 261.40 | 99.98 | 132.88 | 99.82 |
| Other Income | 0.06 | 0.02 | 0.25 | 0.18 |
| Total Income | 261.45 | 100.00 | 133.12 | 100.00 |
| Expenses | | | | |
| Employee Benefit Expenses | 60.56 | 23.16 | 27.40 | 20.58 |
| Finance Cost | 0.00 | 0.00 | 0.00 | 0.00 |
| Impairment Costs | 30.30 | 11.59 | 524.34 | 393.89 |
| Depreciation and amortization expense | 3.40 | 1.30 | 1.58 | 1.19 |
| Other Expenses | 141.56 | 54.14 | 68.81 | 51.69 |
| Total Expenses | 235.82 | 90.19 | 622.13 | 467.35 |
| Profit / (Loss) before exceptional items and Tax | 25.64 | 9.81 | (489.01) | (367.35) |
| Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) before tax | 25.64 | 9.81 | (489.01) | (367.35) |
| Tax Expense | | | | |
| Current Tax | 6.66 | 2.55 | 11.20 | 8.41 |
| Deferred Tax | 0.21 | 0.08 | 0.73 | 0.55 |
| Prior Period Tax Adjustments | 0.00 | 0.00 | 0.00 | 0 |
| Profit / (Loss) After Tax | 18.77 | 7.18 | (500.94) | (376.31) |
| Other Comprehensive Income/(Loss) | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Comprehensive Income / (Loss) for the Year | 18.77 | 7.18 | (500.94) | (376.31) |
| Earnings per Share (Basic) (in Rs.) | 0.002 | | (0.052) | |
| Earnings per Share (Diluted) (in Rs) | 0.002 | | (0.052) | |

Total income

Revenue from operations

Our revenue from operations comprises of interest receipts from loans and other financial services

Other Income

Other income comprises of dividend, interest from income tax refund and Profit on sales of Investment.

Expenses

Our expenses consist of employee benefit expense, impairment provisions, depreciation and amortisation expenses and other expenses.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus and other staff welfare expenses

Impairment provisions

Impairment consists of provisions on stage 3 assets (unquoted equity instruments valued through FVOCI).

Depreciation and amortisation expenses

Depreciation and amortization expenses consist of depreciation on tangible and intangible assets owned by our company.

Other expenses

Other expenses include advertisement expenses, business development expenses, bank charges, rent expenses, communication costs, Directors' sitting fees, domain charges, depository charges, electricity charges, legal and professional fees, membership and subscription, miscellaneous expenses, payment to auditors, postage and courier, printing and stationery, rates and taxes, repairs and maintenance, travelling and conveyance expenses, Interest on TDS, ITC Reversed and Listing Fees .

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Comparison of Historical Results of Operations Financial**Year 2024 compared to Financial Year 2023 Total Revenue**

The total revenue for Financial year ended March 31, 2023 increased from ₹ 133.12 Lakhs during the financial year ended March 31, 2024 to ₹261.45 Lakhs an increase of ₹ 128.33 Lakhs or 96.40%. The increase in total revenue was primarily due to an increase in interest income.

Revenue from operations

Our revenue from operations increased from ₹132.88 Lakhs during the financial year ended March 31, 2023 to ₹261.40 Lakhs in financial year ended March 31, 2024, representing an increase of ₹ 129.12 Lakhs or 97.61%. This increase was mainly due to an increase in interest income during the financial year ended March 31, 2024 as compared to the previous year.

Expenses

Out total expenses decreased from ₹622.13 Lakhs for the financial year ended March 31, 2023 to ₹ 235.82 Lakhs for the financial year ended March 31, 2024 which was an decrease of ₹ 386.31 Lakhs or 62.09%, There was an increase in employee cost and other expenses but decrease in impairment provision

Employee benefit expenses

Employee benefits expense for the year ended March 31, 2024 was ₹60.56 Lakhs compared to ₹ 27.40 Lakhs for the year ended March 31, 2023. This was an increase of ₹33.16 Lakhs or 121.02 % over the previous year. This was due to an increase in staff for business expansion.

Impairment Costs

Impairment costs for the year ended March 31, 2024 was ₹30.30 Lakhs as compared to ₹524.34 Lakhs for the year ended March 31, 2023, a decrease of ₹494.04 Lakhs or 94.22 %. This decline was primarily driven by the reversal of impairment provisions due to improved recoveries.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ended March 31, 2024 was ₹3.40 Lakhs as compared to ₹ 1.58 lakhs for the year ended March 31, 2023, an increase of ₹115.19 lakhs. This was due to addition of assets during the financial year.

Other expenses

Other expenses for the year ended March 31, 2024 was ₹ 141.56 Lakhs as compared to ₹68.81 Lakhs for the year ended March 31, 2023, an increase of ₹72.75 Lakhs or 105.73 % over the previous year. This increase was on account of business expansion.

Profit/(Loss) before Tax

The profit before tax for the year ended March 31, 2024 was ₹ 25.64 Lakhs as compared to ₹ (489.01) Lakhs for the year ended March 31, 2023, an increase of -105.24%. This was due to reversal of impairment provision

Taxation

Total tax expense for the year ended March 31, 2024 was ₹ 6.87 Lakhs as compared to ₹ 11.93 Lakhs for the year ended March 31, 2023. This was due to tax on gains in sale of investments in March 31, 2023.

Profit/Loss after Tax

As a result of the aforesaid, Our Company made a profit for the year for the year ended March 31, 2024 of ₹ 18.77 Lakhs as compared to a loss of ₹ 500.94 Lakhs for the financial year ended March 31, 2023.

Comparison of Historical Results of Operations

Half year ended September 30, 2024 compared with Half year ended September 30, 2023.

| Particulars | Half year ended 30.09.2024 | | Half year ended 30.09.2023 | |
|---|----------------------------|-------------------|----------------------------|-------------------|
| | ₹ in Lakhs | % of total income | ₹ in Lakhs | % of total income |
| Income | | | | |
| Revenue from operations | 178.22 | 99.99 | 124.46 | 99.98 |
| Other Income | 0.02 | 0.01 | 0.014 | 0.02 |
| Total Income | 178.24 | 100.00 | 124.48 | 100.00 |
| Expenses | | | | |
| Employee Benefit Expenses | 19.65 | 11.02 | 30.89 | 24.82 |
| Finance Cost | 0 | | 0 | |
| Impairment Costs | 8.43 | 4.73 | 26.03 | 20.91 |
| Depreciation and amortization expense | 2.28 | 1.28 | 1.93 | 1.55 |
| Other Expenses | 53.37 | 29.94 | 39.59 | 31.80 |
| Total Expenses | 83.72 | 46.97 | 98.44 | 79.08 |
| Profit / (Loss) before exceptional items and Tax | 94.52 | 53.03 | 26.05 | 20.93 |
| Exceptional Items | 0 | 0 | 0 | |
| Profit / (Loss) before tax | 94.52 | 53.03 | 26.05 | 20.93 |
| Tax Expense | | | | |
| Current Tax | 24.58 | 13.79 | 12.76 | 10.25 |
| Deferred Tax | (0.057) | (0.032) | 0.19 | 0.15 |
| Prior Period Tax Adjustments | 0 | 0 | 0 | 0 |
| Profit / (Loss) After Tax | 70.004 | 39.28 | 13.10 | 10.52 |
| Other Comprehensive Income/(Loss) | 0 | 0 | 0 | |
| Total Comprehensive Income / (Loss) for the Year | 70.004 | 39.28 | 13.10 | 10.52 |
| Earnings per Share (Basic) (in Rs.) | 0.007 | | 0.001 | |
| Earnings per Share (Diluted) (in Rs) | 0.007 | | 0.001 | |

Total Revenue

Our total revenue for the half year ended September 30, 2024 was ₹ 178.24 lakhs as compared to ₹ 124.48 Lakhs for the corresponding half year ended September 30, 2023, an increase of ₹ 53.76 Lakhs or 43.19 %. This was due to an increase in interest income and penal interest income

Revenue from Operations

Our revenue from operations for the half year ended September 30, 2024 was ₹ 178.22 lakhs as compared to ₹ 124.46 Lakhs for the corresponding half year ended September 30, 2023, an increase of ₹ 53.76 Lakhs or 43.19 %. This was due to an increase in interest and penal interest income

Total Expenses

Our total expenses for the half year ended September 30, 2024 was ₹83.72 lakhs as compared to ₹98.44 lakhs for the corresponding half year ended September 30, 2023, a decrease of ₹ 14.72 lakhs or 14.95%.

Employee benefit Expenses

Our employee benefit expenses decreased from ₹ 30.89 lakhs for the half year ended September 30, 2023 to ₹ 19.65 Lakhs for the corresponding half year ended September 30, 2024, a decrease of ₹ 11.24 lakhs or 36.39%. The decrease in Employee Benefits Expense was primarily due to decrease in staff.

Impairment provisions

Impairment provisions for the half year ended September 30, 2024 was ₹ 8.43 lakhs as compared to ₹ 26.03 for the corresponding half year ended September 30, 2023, a decrease of ₹ 17.6 Lakhs or 67.61%.

Depreciation and Amortization

Our depreciation and amortization expenses increased from ₹1.93 lakhs for the half year ended September 30, 2023 to ₹ 2.28 lakhs for the corresponding half year ended September 30, 2024, an increase of ₹ 0.35 Lakhs or 18.13%. This was due to purchase of assets for business expansion.

Profit Before tax

Because of the reasons stated above, our profit before tax was ₹ 94.52 lakhs for the half year ended September 30, 2024 as compared to ₹ 26.05 lakhs for the corresponding half year ended September 30, 2023, an increase of ₹ 68.47 lakhs or 262.84 %.

Tax Expenses

Our tax expenses for the half year ended September 30, 2024 was ₹ 24.52 lakhs as compared to ₹ 12.95 lakhs for the corresponding half year ended September 30, 2023, an increase of ₹ 11.57 lakhs or 89.34 %.

Profit After Tax

Our profit after tax was ₹ 70.004 lakhs for the half year ended September 30, 2024 as compared to ₹ 13.10 lakhs for the corresponding half year ended September 30, 2023, an increase of ₹ 56.904 lakhs or 434.38 %.

Qualitative Disclosure about Market Risk

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 22 and page 141 respectively of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "Risk Factors" on page 22 of this Draft Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in interest rate that will cause a material change are known

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 22 and 141 respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths we will be able to stay competitive. For further details, kindly refer the chapter titled “Our Business” on page 62 of this Draft Letter of Offer.

Total Turnover of Each Major Business Segment

We are operating only in one segment which is to provide loans and financing.

New Product or Business Segment

Except as disclosed in “Our Business” on page 62 of this Draft Letter of Offer, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company’s business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Significant Developments since last balance sheet date

To our knowledge no circumstances have arisen since September 30, 2024, the date of the last financial information disclosed in this Draft Letter of Offer which 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.

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and actively being traded on BSE

- a. Year is a Financial Year;
- b. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- c. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- d. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

| Financial Year | High | Date of High | Number of shares traded on date of High | Total volume traded on date of High (in ₹) | Low | Date of Low | Number of shares traded on date of low | Total Volume traded on date of Low (in ₹) | Average Price for the Year |
|----------------|------|--------------|---|--|------|-------------|--|---|----------------------------|
| 2024 | 6.99 | 25-01-2024 | 6646438 | 46456174 | 2.33 | 03/04/2024 | 1317609 | 3096425 | 3.80 |
| 2023 | 7.35 | 18/04/2022 | 3496184 | 25499288 | 1.89 | 14/03/2023 | 1628034 | 3113050 | 4.36 |
| 2022 | 9.32 | 11/01/2022 | 4502925 | 41967261 | 0.62 | 19/05/2021 | 931431 | 577750 | 3.93 |

(Source: www.bseindia.com)

Notes: High, low and average prices are based on the daily closing prices.

In case of two days with the same high or low price, the date with the high volume has been considered.

Market Prices for the last Six calendar months

The high and low prices and volume of Equity Shares traded on the respective date on BSE during the last Six months preceding the date of this Draft Letter of Offer are as follows:

| Month (2024) | High (In Rs) | Date of High | Number of shares traded on date of High | Total volume traded on date of High (in ₹) | Low | Date of Low | Number of shares traded on date of low | Total Volume traded on date of Low (in ₹) | Average Price for the month |
|--------------|--------------|--------------|---|--|------|-------------|--|---|-----------------------------|
| June | 5.25 | 12-06-2024 | 6638952 | 32882861 | 3.85 | 05-06-2024 | 1247285 | 4969639 | 4.41 |
| July | 4.7 | 02-07-2024 | 1414586 | 6431904 | 3.98 | 30-07-2024 | 1780058 | 7155415 | 4.22 |
| August | 4.41 | 08-08-2024 | 1997374 | 8270758 | 3.78 | 29-08-2024 | 1410066 | 5393934 | 3.98 |
| September | 4.32 | 13-09-2024 | 3722981 | 15197883 | 3.37 | 23-09-2024 | 1136725 | 4380744 | 3.82 |
| October | 4.05 | 31-10-2024 | 3762043 | 14688783 | 2.71 | 25-10-2024 | 1330770 | 3988863 | 3.44 |
| November | 4.49 | 01-11-2024 | 3369297 | 14344791 | 3.45 | 13-11-2024 | 863428 | 3049041 | 3.73 |

(Source: www.bseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

Weekly Stock Market Quotation at BSE Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

| Week Ended on | Closing Price (in Rs.) | High (in Rs.) | Date of High | Low (in Rs.) | Date of Low | Average Price for the week |
|---------------|------------------------|---------------|--------------|--------------|-------------|----------------------------|
| 22-11-2024 | 3.51 | 3.7 | 18-11-2024 | 3.45 | 21-11-2024 | 3.58 |
| 29-11-2024 | 3.6 | 3.74 | 27-11-2024 | 3.51 | 25-11-2024 | 3.62 |
| 06-12-2024 | 3.58 | 3.71 | 02-12-2024 | 3.49 | 11-12-2024 | 3.58 |
| 13-12-2024 | 3.93 | 3.93 | 13-12-2024 | 3.52 | 11-12-2024 | 3.71 |

The closing price of the Equity Shares as on 24th June, 2024 was Rs.4.40 on the BSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.

(Source: www.bseindia.com)

SECTION VI –OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, Subsidiaries or Promoters; (ii) actions by any statutory or regulatory authorities involving our Company, Directors, Subsidiaries or Promoters; or (iii) claim involving our Company, Directors, Subsidiaries or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors, Subsidiaries or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to the materiality policy approved by our Board in its meeting (“Materiality Policy”) (as disclosed herein below).

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:

- A. The aggregate monetary claim/ dispute amount/ liability made by or against our Company in any such pending litigation (individually or in aggregate), is equivalent to or above 10% of the total revenue of the Company, as per the last consolidated financial statements of the Company for a complete financial year included in the Offer Documents;*
- B. Any such pending litigation / arbitration proceeding involving the Directors or Promoters of our Company or our Group Company, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation our Company; and*
- C. any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material effect on the business, operations, performance, prospects, financial position or reputation of our Company.*

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. *Criminal Proceedings*
Nil
2. *Actions taken by Statutory/Regulatory Authorities*
Nil
3. *Tax Proceedings*
Nil
4. *Other Material Litigations*
Nil
5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*
Nil

ii. Litigation by our Company

1. *Criminal Proceedings*

Nil

2. *Civil and other Material Litigations*

Nil

2. LITIGATION INVOLVING OUR PROMOTERS

Cases filed against our Promoters

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Promoters

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Nil

4. Other Material Litigations

Nil

5. Disciplinary action against our Directors by SEBI or any stock exchange in the last five Fiscals

Nil

Cases filed by our Directors

1. Criminal Proceedings

Nil

2. Other Material Litigations

Nil

4. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated September 25, 2023 our Company has 19 (Nineteen) material creditors, as on March 31, 2024.

As on March 31, 2024, the details of amounts outstanding towards small scale undertakings and other creditors are as follows:

| Particulars | No. of Creditors | <i>(₹ in lakhs)</i> |
|--|------------------|---------------------|
| | | Amount |
| Outstanding dues to small scale undertakings | 5 | 5.80 |
| Outstanding dues to other creditors | 14 | 8.39 |
| Total outstanding dues | 19 | 14.19 |

5. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS / FRAUDULENT BORROWERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them. None of our Promoters or Directors have been categorised as a Fraudulent Borrower.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various consents, licenses, permissions and approvals from various central and state authorities under various rules and regulations for carrying on its present business activities. We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business and to undertake the Issue. Such consents, licenses, permissions and approvals may be required to be renewed periodically and applications for the same are made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue.

MATERIAL DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 141 of this Draft Letter of Offer.

OTHER DISCLOSURES

Authority for the Issue

The Board of Directors at its meeting held on June 21, 2024 has authorised this Issue pursuant to Section 62(1)(c) of the Companies Act, 2013.

Our Board of Directors / Rights Issue Committee has, at its meeting held on [●], determined the Issue Price as ₹[●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Share held on the Record Date.

The Draft Letter of Offer was approved by the Rights Issue Committee (duly constituted by the Board in their meeting on [●] pursuant to its resolution dated [●].

Our Company has received 'in-principle' approval letter from BSE vide letter dated [●] for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28(1) of SEBI Listing Regulations. Our Company will also make applications to BSE Limited to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 165

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of the Promoter and the Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company, nor our Promoter and Directors have been categorized or identified as willful defaulters or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on the BSE. We are eligible to offer 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 application to the Stock Exchange and has received its in-principle approval for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with 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 filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

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 Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to Rs. 4,900.00 lakhs. The present Issue being of less than Rs. 5,000.00 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.miflindia.com.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and its respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centre.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Caution

Our Company 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 Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Vadodara, Gujarat only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the Stock Exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Designated Stock Exchange

BSE being the only stock exchange where the Company's shares are listed, the Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar to the Issue. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer / Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

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

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANYOTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has not obtained any expert opinions.

Filing

This Draft Letter of Offer is being filed with the BSE as per the provisions of the SEBI ICDR Regulations. SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing

of Draft Letter of Offer with SEBI for rights issues has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Purva Shareregistry (India) Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" at Page 165. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Purva Shareregistry (India) Private Limited

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Lower Parel East,
Mumbai – 400011, Maharashtra,

Contact Details: +91-22-4961 4132/ +91-22-3522 0056

Email Address: newissue@purvashare.com;

Website: www.purvashare.com;

Contact Person: Ms. Deepali Dhuri;

SEBI Registration Number: INR000001112

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit/Refund Orders etc.

Mr. Samoil Akilbhai Lokhandwala is the Company Secretary and Compliance Officer of our Company. His contact details are:

Hall No-1, M R Icon, Next to Milestone,

Vasna Bhayli Road,

Vadodara, Gujarat – 391 410

Tel: + 91 72039 48909 **Fax:** N.A

Email Id: compliance@miflindia.com

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.

Minimum Subscription

The objects of the Issue are meeting our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities and General Corporate Purpose and do not involve financing of Capital Expenditure for a project.

However, our promotor has indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are applicable to the issue.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "Terms of the Issue" on page 165 of this Draft Letter of Offer.

SECTION VII – ISSUE INFORMATION TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Right Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

Investors are requested to note that application in this Issue can only be made through ASBA, in case of Eligible Equity Shareholders.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, 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.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard.

Shareholders can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at www.miflindia.com ;
- (ii) the Registrar to the Issue at www.purvashare.com;
- (iii) The Stock Exchange at www.bseindia.com;

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Purva Share Registry (India) Private Limited) at www.purvashare.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.miflindia.com).

Please note that neither our Company nor the Registrar 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. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Letter of Offer, the 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 the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised 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 to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail address and an Indian address to our Company.

The 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.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all 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.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled "Process for making Application through the ASBA Process" on page 167

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" on page 173 of the Draft Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer chapter titled "Application on Plain Paper under ASBA process".

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

A Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company;

instead submit the same to a Designated Branch of the SCSB only.

- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being Mangalam Industrial Finance Limited;
- (b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option – only dematerialised form;
- (g) Number of Equity Shares entitled to;
- (h) Number of Equity Shares applied for within the Rights Entitlements;
- (i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Equity Shares applied for;
- (k) Total amount paid at the rate of Rs. [●] per Equity Share;
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (p) All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts atleast 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 without our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e- mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "Terms of the Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" on page 169.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

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 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. 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 “*Terms of the Issue—Basis of Allotment*”

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.

Additional general instructions for Investors in relation to making of an Application

- i) Please read this Draft Letter of offer carefully to understand the Application process and applicable settlement process.
- ii) 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 Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.
- iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- vi) 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 demataccounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the

Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.
- xviii) Do not submit multiple Applications.
- xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing

approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

- xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- iii) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- vi) Account holder not signing the Application or declaration mentioned therein.
- vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- viii) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- ix) 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).
- x) 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.
- xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- xii) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- xiii) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- xv) 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.
- xvi) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from 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 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; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- xviii) Application from Investors that are residing in U.S. address as per the depository records.

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 dematerialised 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, please see “Terms of the Issue—Procedure for Applications by Mutual Funds” on page 175.

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 on 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 Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “Capital Structure” on page 42.

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 paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be 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% under automatic route).

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.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs

and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the 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. Our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated 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 about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth 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 or any committee thereof may extend the said date for such period as it may determine from time to time,

subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “*Terms of the Issue—Basis of Allotment*”

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

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 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 their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.purvashare.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.miflindia.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 Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements they will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e* www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (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 suspended for debit or credit 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 on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●],[●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses(including brokerage), and such costs will be incurred solely by the Shareholders.

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 Exchange 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 Exchange under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange 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 Exchange from time to time.

The Rights Entitlements are tradeable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●],[●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 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 Exchange and the SEBI.

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 accounts of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agree 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 Shareholder'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 Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft 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, and pursuant to the

finalization of the Basis of Allotment as approved by the Designated StockExchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in 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. 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.
4. 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.
5. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

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 the Issue such as face value, Issue Price, Rights Entitlement ratio, please see "*The Issue*" on page 35.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●] ([●]) Equity Shares for every [●] ([●]) Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of

Association and the Articles of Association, 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 Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up 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 Exchange. 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 [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 537800) under the ISIN: INE717C01025. 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 Exchange. 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 Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of our Promoter Group

Our promoter does not intend to subscribe to his entitlement in this rights issue.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity 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 Draft Letter of Offer; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the 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 the Rights 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, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the 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 Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable 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 physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of West Bengal, where our Registered Office is located).

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange 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 a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (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 at newissue@purvashare.com. 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 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 the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The 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.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognised 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 to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to newissue@purvashare.com and compliance@miflindia.com respectively.

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, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 185.

ISSUE SCHEDULE

| | |
|---|-----|
| LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS | [●] |
| ISSUE OPENING DATE | [●] |
| LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS # | [●] |
| ISSUE CLOSING DATE* | [●] |
| FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT) | [●] |
| DATE OF ALLOTMENT (ON OR ABOUT) | [●] |
| DATE OF CREDIT (ON OR ABOUT) | [●] |
| DATE OF LISTING (ON OR ABOUT) | [●] |

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear 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 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 (i.e., www.purvashare.com). 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 (i.e., www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the 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 Rights 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 Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange 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 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 or its Rights Issue Committee 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 Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares 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 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.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

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 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days’ period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian 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 unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through

direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

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 Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE 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 dematerialised 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 Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, 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.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

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 utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed until 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; and
- C. Details of all unutilised 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 unutilised monies have been invested.

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 Exchange where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
3. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant 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 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. As of the date of this Draft Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Draft Letter of Offer, our Company has not issued any outstanding convertible debt instruments.
8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at 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 superscribed "**Mangalam Industrial Finance Limited– Rights Issue**" on the envelope and postmarked in India) to the Registrar at the following address:

Purva Sharegistry (India) Private Limited

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Lower Parel East,
Mumbai – 400011, Maharashtra,

Contact Details: +91-22-4961 4132/ +91-22-3522 0056

Email Address: newissue@purvashare.com;

Website: www.purvashare.com;

Contact Person: Ms. Deepali Dhuri;

SEBI Registration Number: INR000001112

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 (www.purvashare.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 4961 4132 / +91 22 3522 0056.
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.purvashare.com
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.purvashare.com
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.purvashare.com
 - d) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: <https://www.purvashare.com>

This Issue will remain open for a minimum 7 (Seven) 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 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the 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. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("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.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**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 / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND REALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that the Letter of Offer will be filed with the Stock Exchange and submitted to the SEBI for information and dissemination.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with the legal requirements applicable in such jurisdiction.

Receipt of the Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone: (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer and any other Issue Materials should not distribute or send the Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India except in accordance with applicable law.

The Letter of Offer is, and the other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Australia

The Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. The Letter of Offer is not a disclosure document under Chapter 6D of the Corporations Act of Australia and it has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. It is not required to, and does not, contain all the information which would be required in a disclosure document.

Any offer in Australia of the Rights Entitlements and Equity Shares under the Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of the Letter of Offer, and any offers made under the Letter of Offer, you represent to the Issuer that you will not

provide the Letter of Offer or communicate any offers made under the Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Letter of Offer and the Rights Entitlements and the Rights Equity Shares that are offered pursuant to the Letter of Offer have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in the Letter of Offer, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. The Letter of Offer is only intended for Accredited Investors as defined by the CBB. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Equity Shares and the Letter of Offer will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. All marketing and offering of the Rights Equity Shares shall be made outside the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved the Letter of Offer and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of Rights Equity Shares.

British Virgin Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares has been or will be made to the public in the British Virgin Islands.

China

No action has been taken by our Company which would permit an offering of Rights Entitlements or the Rights Equity Shares or the distribution of the Letter of Offer in the People's Republic of China (“**PRC**”). The Letter of Offer may not be circulated or distributed in the PRC and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of the Letter of Offer are required to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), an offer to the public of any Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the “**Prospectus Regulation**”):

- a) to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. The Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “Qualified Institutional Investor”), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to a small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any Qualified Institutional Investor purchasing Rights Equity Share agree that it will not, directly or indirectly, resell, assign,

transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident other than to another Qualified Institutional Investor.

Kuwait

The Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. The Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Singapore

The Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore (“SFA”). The offer of Rights Entitlements and Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Eligible Equity Shareholders in Singapore may apply for additional Rights Equity Shares over and above their Rights Entitlements only (i) if they are an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) if they are a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Rights Equity Shares over and above their Rights Entitlements are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than SGP\$ 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights Equity Shares are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded

Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights Equity Shares at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares in means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, the Letter of Offer may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (each such person being referred to as a “**Relevant Person**”). If you are not a Relevant Person, you should not take any action on the basis of the Letter of Offer and you should not act or rely on it or any of its contents. Except for each person who is not a Relevant Person and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “UAE”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. The Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Rights Entitlement and the Rights Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an “Exempt Offer” in accordance

with the Markets Rules (MKT) (the “**Markets Rules**”) adopted by the Dubai Financial Services Authority (the “**DFSA**”); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved the Letter of Offer nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this subsection have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Equity Shares offered in the Offer should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Letter of Offer, you should consult an authorised financial adviser.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold outside the United States in offshore transactions, as defined in and in compliance with Regulation S. Neither the receipt of the Letter of Offer nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholders who has received the Letter of Offer and its accompanying documents directly from our Company.

Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser, by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted, acknowledged and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
2. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
3. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
4. The purchaser acquiring the Rights Equity Shares for one or more managed accounts, represents and warrants that the purchaser has been authorized in writing, by each such managed account to acquire the Rights Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference herein to ‘the purchaser’ to include such accounts.
5. The purchaser is eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, the purchaser is eligible to invest in and hold the

Rights Equity Shares in accordance with the FDI Policy, read along with the press note 3 of 2020 dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

6. The purchaser is investing in the Rights Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in the Issue, the purchaser is not in violation of any applicable law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, each as amended and/or substituted from time to time.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with the Stock Exchange and its submission with the SEBI for information and dissemination); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements (except in India) or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in the Issue.
9. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to us and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
11. Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent financial results, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes the "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including the Letter of Offer and the Exchange Information, has been prepared solely by our Company.
13. The purchaser acknowledges that no written or oral information relating to the Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by our Company.
14. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, undertakings and agreements and other information contained in the Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under applicable securities laws.
15. The purchaser is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to the purchaser was made in accordance with Regulation S.
16. The purchaser was outside the United States at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and the purchaser was outside the United States when the purchaser's buy order for the Rights Equity Shares was originated.
17. The purchaser did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).
18. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If, in the future, the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares: (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
19. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for, and authorized to consummate the purchase of, the Rights Equity Shares in compliance with all applicable laws and regulations. If the purchaser is outside India:
 - a. the purchaser, and each account for which it is acting, satisfies: (i) all suitability standards for investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe, and is subscribing, for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence; and
 - b. the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
20. Except for the sale of Rights Equity Shares on the Stock Exchange, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
21. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect

to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company for all or part of any such loss or losses it may suffer.

22. Each of the aforementioned representations, warranties, acknowledgements and agreements shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity Shares. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties, acknowledgements and agreements set forth above and elsewhere in the Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
23. The purchaser acknowledges that our Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to our Company, and are irrevocable.

The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Vadodara, Gujarat, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Letter of Offer and other Issue Materials.

STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date. (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts referred to in para (A) have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer.

Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Letter of Offer until the closure of the subscription list.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

1. Material Contracts for the Issue

- i. Registrar Agreement dated [●] entered into amongst our Company and the Registrar to the Issue.
- ii. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
- iii. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
- iv. Banker(s) to the Issue Agreement dated [●] amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

2. Documents for Inspection

- v. Certified copy of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
- vi. Certificate of Incorporation dated 08th February 1983.
- vii. Fresh Certificate of Incorporation dated 09th February, 1996.
- viii. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated 21st June, 2024 authorizing the Issue.
- ix. Resolution passed by the Right Issue Committee dated [●] determining the Record date. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;
- x. Annual reports of our Company for the financial years ended March 31, 2022, 2023 and 2024;
- xi. A statement of tax benefits dated 09th December, 2024 received from M/s. Mahesh Udhvani & Associates, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
- xii. Audited Financial Results along with Audit Report dated 29th May, 2024 received from M/s. Mahesh Udhvani & Associates, Chartered Accountants, Chartered Accountants, Statutory Auditor for the Financial Year ended March 31, 2024 and Unaudited Financial Results for the quarter ended September 30, 2024.

- xiii. Certificate dated [●] from M/s. Mahesh Udhwani & Associates, Chartered Accountants regarding “Sources & deployment of funds”;
- xiv. In-principle listing approval(s) dated [●] from BSE Limited respectively;

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the 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 made thereunder or regulations issued thereunder, as the case may be. 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 Draft Letter of Offer are true and correct.

SD/-
VENKATA RAMANA REVURU
(CHAIRMAN AND MANAGING DIRECTOR)

SD/-
SOJAN VETTUKALLEL AVIRACHAN
(NON EXECUTIVE AND NON INDEPENDENT
DIRECTOR)

SD/-
YATIN SANJAY GUPTA
(NON EXECUTIVE AND NON INDEPENDENT DIRECTOR)

SD/-
PARESH PRAKASHBHAI THAKKAR
(INDEPENDENT DIRECTOR)

SD/-
NIKHIL BHAGWANSHANKER DWIVEDI
(INDEPENDENT DIRECTOR)

SD/-
MITESHKUMAR GHANSHYAMBHAI RANA
(INDEPENDENT DIRECTOR)

SD/-
MANSI JAYENDRA BHATT
(INDEPENDENT DIRECTOR)

SD/-
ARUN PILLAI
(CHIEF FINANCIAL OFFICER)

SD/-
SAMOIL AKILBHAI LOKHANDWALA
(COMPANY SECRETARY & COMPLIANCE OFFICER)

Place: Vadodara
Date: 20/12/2024